



**Stanley J. Bahorek, Treasurer/CFO**  
**Office of the Treasurer**  
270 E. State Street  
Columbus, Ohio 43215  
Ph. 614-365-6400  
Fax 614-365-5628  
sbahorek@columbus.k12.oh.us

---

*Mission: Each student is highly educated, prepared for leadership and service, and empowered for success as a citizen in a global community.*

---

**Senate Local Government, Public Safety & Veterans Affairs Committee**  
**HB 75 Testimony**  
**December 8, 2020**

Thank you Chairman Manning, Vice Chairman Brenner, Ranking Member Maharath, and members of the Local Government, Public Safety and Veterans Affairs Committee for allowing me the opportunity to testify regarding House Bill 75. My name is Stan Bahorek, and I am the Chief Financial Officer and Treasurer for Columbus City Schools.

HB 75 and its predecessor, HB 343, grew out of the perceived overzealous actions of a few and the realization that the general public may not be as aware of the Board of Revision process as we all would like. However, in its attempt to alleviate these issues, HB 75 puts onerous and undue burdens on local boards of education.

The issues giving rise to the introduction of HB 75 and its predecessor, HB 343, were:

Boards of Education initiating complaints against the value of single family owner occupied homes.  
Boards of Education initiating complaints based upon something other than a recent sale or transfer of ownership of the actual property without providing notice to that owner.  
Individual Board of Education members being apparently unaware that their own Boards had authorized the filing of complaints.

In an attempt to rectify these issues, HB 75 puts heavier notice requirements on a board of education to file a valuation complaint than the current statute puts on the County Board of Revision to actually change the value of property pursuant to a filed complaint. Furthermore, the proposed requirements may turn what should be an objective, non-partisan process based solely on the value of real estate into a process subject to political favoritism.

By requiring a board of education to pass an individual resolution to file each individual complaint and to provide notice to each owner of not just the filing of the complaint itself but also the consideration of a resolution to authorize the filing, boards of education will be pressured to not pursue complaints against the value of property owned by “friends of the district.”

These requirements are also needlessly onerous. HB 75 requires a Board of Education to send via certified mail notice to the owner of a parcel of the Board of Education’s intent to pass a resolution to file a complaint. While this has been described as “merely requiring a Board of Education to send a single sheet of paper to the owner,” that is a gross mischaracterization of what HB 75 requires in reality. First, HB 75 requires that notice be sent via certified mail to the tax mailing address which is where the property owner has directed that tax bills be sent. However, HB 75 also requires that a BOE send the same notice to the “street address of the parcel” if that address is different than the tax mailing address. This will, in most cases require multiple notices to be sent out and in some cases hundreds if not thousands of notices for a single complaint.

For example, in 2020, a condominium complex was sold that includes 1,398 separate parcels. In this case, HB 75 would require the Board of Education to send out 1,399 separate notices via certified

mail, only one of which will actually reach the owner of the property. One notice will be sent to the tax mailing address designated by the owner of the property. However, because the tax mailing address is different than the street address of each and every one of the 1,398 parcels involved in the sale, HB 75 will require that the BOE also send a notice to “the street address of the parcel or parcels identified in the resolution.” These 1,398 notices will serve no purpose as they will be sent to the individual condominium units as well as to each garage parcel, none of which will be received by the owner of the property. Furthermore, since each garage parcel doesn’t actually have an address that receives mail, each of these notices will be returned as undeliverable. The same can be said for any case involving vacant land or any parcel that does not actually have an address that receives mail from the United States Postal Service. This is why a tax mailing address is required in the first place. It ensures that the notice is sent to an address designated by the owner of the property to receive mail regarding the parcel of real estate.

Additionally, the requirement that each resolution only identify a single parcel and that each resolution must be adopted by “a separate vote from the question of whether to adopt any other resolution” is simply onerous and serves no purpose other than hinder the efficient conduct of board of education business. There are nearly 500,000 parcels in Franklin County. Boards of Education typically initiate complaints on less than 1% of those parcels. However, the current language of the bill would require the passage of thousands of separate resolutions.

I understand that an amendment is being considered to HB 75 that is identical to the amendment adopted in the previous Sub HB 343 during the last General Assembly. The issues regarding the street address notice requirement and the multiple resolution requirement are still present in the language of the amendment and should be reviewed and modified accordingly.

A better practice, and one that has been employed by my Board for years, is to have a written agreement with legal counsel specifying the types of properties to be reviewed and minimum thresholds for filing complaints. This agreement, and the resolution approving the agreement, is reviewed and renewed annually. Therefore, all board of education members are aware of the board of revision process and that the board has approved criteria upon which complaints will be filed. Most importantly, this process ensures that it is the only value of the real estate that is at issue and not who owns the property.

It must be remembered that for every property that is undervalued and therefore does not pay their fair share of tax revenue results in a tax increase for everyone else. Therefore, as a whole, the general public should demand that their board of education not only vigorously engage in the board of revision process, but also to do so on a non-partisan basis.

Formalizing a requirement that all boards of education pass a resolution outlining the criteria upon which they will file board of revision complaints instead of for each parcel or even each complaint, is not only good practice, but will make sure that all board of education members are aware of the process and the criteria upon which complaints will be filed.

### **Counter Complaints**

Currently, the language of HB 75 places the same notice and resolution requirements on the filing of a counter complaint filed by a board of education in response to a complaint initiated by a property owner. Under R.C. 5715.19(B), a board of education only has 30 days from the date it is notified of the property owner’s complaint to file a counter complaint. By requiring a board of education to provide notice to a property owner of the consideration of a resolution to file a counter complaint in response to the complaint that they already filed would effectively cut the time a board of education has to file the counter complaint down to 9 days or less. Furthermore, providing notice to a property

owner of the board of revision process is not necessary in this instance because the property owner is the one who initiated the process in the first place.

Notice to a property owner that a board of education or other legislative authority's right to file a counter complaint could easily be accomplished by requiring that the Tax Commissioner, who is charged with the duty of prescribing the form, include such notice on the complaint form.

This language regarding counter complaints was deleted in Sub. HB 343, but was reinserted when HB 75 was introduced.

### **Complaints based upon Sale/Transfer of Property**

A similar solution exists for notifying property owners that a complaint challenging the value of their property may be filed based upon a recent sale or transfer of the property. For every sale or transfer of property in Ohio, a form must be filed with the County Auditor. Either a Real Property Conveyance Fee Statement of Value and Receipt or a Statement of Reason for Exemption From Real Property Conveyance Fee must be filed.

By simply requiring that the Tax Commissioner, who is charged with the duty of prescribing the form, include such notice on the complaint form, all property owners will have specific notice that a complaint could be filed challenging the value of that property. This would also put the property owner on notice that it, too, could file such a complaint to lower the value of the property, creating real transparency in the board of revision process by informing the property owner that the process works both ways.

### **Section 3**

Section 3 of HB 75 states that the bill "applies to any complaint or counterclaim to a complaint filed for tax year 2019 or any tax year thereafter." Any form of HB 75 that is passed into law should not be effective until tax year 2021.

First, tax year 2019 is a closed year. No complaints can legally be filed for tax year 2019. Next, tax year 2020 has already begun as counties across the State have already had their tax list and duplicate certified and complaints are already being filed for tax year 2020. Consequently, if HB 75 is applied to tax year 2020, two different version of the statute will apply to the same year. For those complaints filed before the passage of the bill, the prior version of R.C. 5715.19 will apply and the HB 75 version will apply to those complaints filed afterward.

Lastly, HB 75 specifically requires the Tax Commissioner to create a new complaint form and requires a board of education to respond to the newly created inquiries thereon. The Tax Commissioner will need time to create and circulate a new complaint form. Requiring these changes in the middle of the filing season for tax year 2020 serves no purpose.

### **Conclusion**

The issues giving rise to the introduction of HB 75 can be addressed and remedied more effectively and efficiently than outlined in the current version of the bill. We urge the Committee to look closely at proposed alternatives and the issues addressed regarding notice and resolution requirements.