



**Senate Local Government, Public Safety and Veterans Affairs Committee
HB 75 Opposition Testimony
Buckeye Association of School Administrators
Ohio Association of School Business Officials
Ohio School Boards Association
Ohio Association of County Boards of Developmental Disabilities
December 8, 2020**

Chairman Manning, Vice Chairman Brenner, Ranking Minority Member Maharath, and members of the Senate Local Government, Public Safety and Veterans Affairs Committee. My name is Kevin Miller, representing the Buckeye Association of School Administrators. Joining me today for this testimony are Nicole Piscitani from the Ohio School Boards Association, Katie Johnson from the Ohio Association of School Business Officials, and Erich Bittner from the Ohio Association of County Boards of Developmental Disabilities. Thank you for the opportunity to speak to you today to express our opposition to Substitute (Sub.) House Bill (HB 75).

Collectively, we represent public school board members, superintendents, treasurers/CFOs and other school business officials from around the state, and Ohio's 88 county boards of DD. They all have a strong interest in ensuring the property values for all properties within the taxing district are set at the most accurate levels. On behalf of our members, we oppose HB 75 including its recent amendments.

Ohio's current property valuation and tax system has worked to benefit its citizens for decades. Through county boards of revision (BOR), the system affords all interested parties the ability to participate in the process, providing a proper procedure for checks and balances to preserve and maintain fair and equal taxation practices. School districts and local governments participate in this process with full knowledge of the facts, in good faith, and in an attempt to ensure property owners in their taxing districts are not asked to pay more in taxes than what is fair based on the actual worth of their property for tax purposes. When one property is valued too low, the other property owners pay more to subsidize their neighbor.

We object to the bill's unnecessary changes to this long-respected BOR system. The changes proposed by the bill and its recent amendments will create an undue burden for our members, eliminate current abilities to challenge values, add costs, and create new state mandates. They also may discourage districts and local governments from accessing the legal BOR process, which may force some property owners to pay more in taxes because other values are not set at accurate levels. While the changes contained in the substitute bill are a step in the right direction, they still represent a solution in search of a problem.

Despite our belief that the process works well for all involved parties, we have continually proposed the following modifications to the supporters of the bill in order to address the perceived abuses in the BOR process:

- Require boards of education and local governments to adopt a policy by resolution that sets the parameters for the participation in the BOR process, including the instances in which claims and counterclaims may be filed.
- Require contracts with any agent working on behalf of a school district or local government in this respect to include only a fee-for-service payment arrangement under which no contingency payments based on the results of valuation challenges would exist.
- Require those contracts to stipulate that no claims or counterclaims may be submitted to the BOR without prior approval by the superintendent or treasurer and that related contracts must be compliant with any other requirements

of the board's policy.

- Require the administration of the district or local government to report to its governing authority on its BOR activity.

Many of our members already set these types of parameters when challenging values. We also understand that challenges are typically filed only when a sale of property has occurred, and most of our members only challenge commercial property values. Ohio law is clear that the sale price of a property is the best determinant of the property's value. Therefore, challenges based on sales are reasonably evident. Additionally, anecdotal reports from members have indicated that the attorneys who represent school districts in these matters already operate on a fee-for-service basis, meaning school leaders are cautious about filing unreasonable challenges that may be unsuccessful.

Mr. Chairman, this concludes our testimony. **We urge you to reject Sub. HB 75**, or instead, adopt the recommended provisions contained in this testimony. We will be happy to address your questions.