



# County Auditors' Association of Ohio

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## House Ways and Means Committee

### Proponent Testimony House Bill 66

February 9, 2021

### Honorable David Graham Greene County Auditor

Chairman Merrin, Vice Chair Riedel, Ranking Member Sobecki, and members of the Ohio House Ways and Means Committee, thank you for the opportunity to provide proponent testimony on House Bill 66.

I am David Graham, the Greene County Auditor and on behalf of the County Auditors' Association of Ohio, I am here today to urge your support for HB 66, introduced by Representative Jim Hoops.

HB 66 would require the Ohio Tax Commissioner's biennial tax expenditure report to include information on local property tax exemptions and to require the Tax Expenditure Review Committee to periodically review local property tax exemption.

As Representative Hoops testified in his sponsorship testimony, for close to a century, the Ohio Department of Taxation has published a biennial report documenting a complete list and total dollar amount of all state tax exemptions currently enacted by the General Assembly (R.C. Sec. 5703.48).

The biennial report has been a great tool that provides lawmakers and taxpayers a better understanding of what types of businesses or individuals are exempt from paying state tax dollars. The report provides an estimate of the amount of revenue that is not available to the state general fund as a result of the operation of each tax exemption.

County Auditors and other local elected officials would find it very useful if a similar statewide aggregate report existed for local property tax exemptions. This added information and transparency will provide our mutual constituents and you, as members of the General Assembly, a better understanding of our local tax base, the source of revenue which funds many of our local services.

The language in HB 66 is intentionally broad and generic in nature to give the Tax Commissioner the flexibility needed to compile the statewide data of property tax exemptions and report it in a manner most useful and informative.

The raw data in question is currently compiled by each county auditor and submitted to the State Tax Department on an annualized basis.

As you are probably aware, there are a wide variety of property tax exemptions impacting residential, commercial, and agricultural land. Each exemption has its own provisions and percentages.

Under HB 66, the Tax Commissioner would take this county raw data, aggregate it, and add it to the biennial report to the General Assembly.

By having an analysis of local property tax exemptions and the revenue foregone as a result of the exemptions being in place, lawmakers can review and determine if those exemptions are accomplishing the goals that were intended when the exemptions were created.

The bill also would require the Tax Expenditure Review Committee, created under R.C. Sec. 5703.95, to periodically review each local property tax exemption, as it currently does with state tax exemptions. This joint committee was enacted in HB 9 of the 131<sup>st</sup> General Assembly to review all current state tax expenditures at least once every eight years and make recommendations on whether each tax expenditure should be continued, modified, repealed or scheduled for further reviewed at a later time. HB 66 would add local property tax exemptions to the same eight-year review process.

By including property tax exemptions into the study committee's responsibility, I believe lawmakers can better determine what property tax exemptions are working for Ohioans. Ohio should have a mechanism to review property tax exemptions and make sure they are used as intended and remain a necessary public policy goal.

Mr. Chairman and members of the committee, I thank you for the opportunity to testify on this piece of legislation that adds additional transparency as it relates to property tax exemptions. I would be happy to answer any questions you may have, specifically how these local property tax exemptions are currently recorded by county auditors, as well as how that data is reported to the State Tax Department.