



**House Ways and Means Committee  
HB 126 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  
March 9, 2021**

Chair Merrin, Vice Chair Riedel, Ranking Minority Member Sobecki, and members of the House Ways and Means Committee, thank you for the opportunity to speak to you today to express our opposition to House Bill (HB) 126. My name is Katie Johnson, representing the Ohio Association of School Business Officials. Joining me today for this testimony and answering your questions are Kevin Miller with the Buckeye Association of School Administrators, Will Schwartz with the Ohio School Boards Association, and Erich Bittner with the Ohio Association of County Boards of Developmental Disabilities.

Collectively, we represent public school board members, superintendents, treasurers/CFOs and other school business officials from around the state, as well Ohio's 88 county boards of DD. They all have a strong interest in ensuring property values within the taxing district are set at the most accurate levels. 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. On behalf of our members, we oppose HB 126.

Based on feedback from our members, property values are most often challenged when a sale of property has occurred. Ohio law is clear that the sale price of a property is the best determiner of the property's value. Therefore, challenges based on sales are reasonably evident and defensible. Many school districts only challenge commercial property values, particularly in our larger urban centers. However, in cases where there is virtually no commercial property available, some districts participate in the BOR process related to residential property. These decisions should be made locally as there are many differences across the state in the composition of property valuations and how they affect each district.

School districts and local governments participate in the BOR process to ensure the values of properties are accurately set. Challenges are made in the interest of all property owners so that one property owner is not forced to pay more than his or her neighbor based on an inaccurate valuation. The BOR process works to ensure that all property owners are paying their fair share.

We object to HB 126's unnecessary changes to this long-standing BOR system. The changes would create an undue burden for school districts and local governments by adding redundancies, increasing costs, and creating new state mandates.

For example, the bill would require school districts and local governments to notify the property owners

that a challenge will be filed against the current valuation of the property. Current law already requires the county Board of Revision to notify the affected property owner. This redundant notice must be sent by certified mail to the owner's last known tax-mailing address and, if different, to the property's street address. By adding the property's street address in this requirement, the bill will create a considerable and unnecessary administrative cost burden on school districts.

Another example is the bill's requirement that the board of education pass a resolution authorizing the filing of the challenge for each property. Since the bill's additional notification procedure occurs before this board action, this will have the effect of politicizing the decisions of the board of education as to which properties would be challenged.

Taken together, these new mandates appear to discourage schools and local governments from reasonably accessing the BOR process. The result will be unfortunate not only for the taxing entities themselves, but also for the residential and commercial property owners whose values are set at accurate levels. Because of the effects of HB 920, commercial property owners with accurate property values will pay more than their fair share of taxes, subsidizing the lower taxes paid by commercial property owners whose properties are undervalued. This is also true for residential property owners.

In response to concerns about school district activities in the BOR process, we have developed the following suggestions in lieu of HB 126:

- School districts and local governments should adopt a policy setting the parameters for filing valuation challenges, which could include specifying the type of property to challenge or not challenge, the dollar amounts, and percentage change.
- Filings may be submitted only by the board of education or the superintendent or treasurer, with subsequent notification to the board.
- Contracts with attorneys for valuation challenges must be based on fee-for-service payment arrangements, instead of contingency payments.

Mr. Chairman, this concludes our testimony. We urge the committee to oppose HB 126 or to, instead, adopt the recommendations contained in this testimony. We will be happy to address your questions.