



BEFORE THE OHIO SENATE WAYS AND MEANS COMMITTEE
TESTIMONY ON HOUSE BILL 126
December 7, 2021

Good morning Chairman Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the committee. My name is Tony Long, and I am the Director of Tax & Economic Policy for the Ohio Chamber of Commerce. On behalf of the Ohio Chamber, I am testifying in support of the proposed amendment to House Bill 126 that would limit real property valuation appeals to the owner or tenant of that property and limit counter-complaints of third parties to specific situations and stop such appeals at the local Board of Revision (BOR).

When I testified before this committee in September, I mentioned that the Ohio Chamber would prefer legislation that went beyond the language contained in HB 126 but recognized that the language is carried over from the past two General Assemblies. The proposed amendment is a welcomed change, and the Ohio Chamber supports its inclusion into HB 126.

The current statutory framework that allows local governmental entities to file complaints against real property owners to dispute the valuation set by a county auditor negatively impacts the business environment of Ohio, because a vast majority of the disputes are made against businesses owning or leasing commercial and industrial real property. In fact, in 2019 (updated in March 2020), the Council on State Taxation (COST) in conjunction with the International Property Tax Institute, issued a scorecard on the "Best and Worst of International Property, Tax Administration," Ohio received a grade of D+. One of the negative factors was the ability of the state's local political subdivisions to appeal property owners' valuations.

While the process of local entity involvement only impacts a small amount of the estimated 5.5 million parcels of land in Ohio, on a micro-level or individual property owner level, the process is disruptive, expensive, and creates tax uncertainty for the real property owner. The process sometime leads to intrusive document requests and produces private settlements like the one attached to my testimony filed with this committee in November. Removing the ability of third parties to use private settlements to end valuation disputes is a welcomed change but given the limited scenarios of counter-complaints authorized by the proposed amendment, such settlements may naturally end if amended HB 126 is enacted.

The Ohio Chamber also welcomes the language that ends the rights of third-party complainants at the BOR level of appeal. The Board of Tax Appeals level of appeal should be a decision of the property owner/tenant and not an expense forced upon the owner/tenant by a third-party.

It is long past time to correct the current real property valuation practice used in Ohio and improve the business climate and improve the COST real property administration report card score of a D+.

Thank you for the opportunity to testify on HB 126. I will try to answer any questions you may have for me.