



## WAYS AND MEANS COMMITTEE

Witness Form

Today's Date June 1, 2022

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Testifying on Bill Number: Am. HB 140

Testimony:  Verbal  Written  Both

Testifying As:  Proponent  Opponent  Interested Party

Are you a Registered Lobbyist?  Yes  No

Special Requests: \_\_\_\_\_

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**Senate Ways and Means Committee**  
**Am. HB 140 Opposition Testimony**  
**June 1, 2022**

**Squire Patton Boggs (US) LLP**  
**Richard D. Manoloff, Partner**

Chair Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to testify in opposition to Am. HB 140.

My name is Rick Manoloff, a Partner at Squire Patton Boggs (US) LLP. My law firm represents school district boards of education around the State on tax levy proceedings, annually co-authors the treatise, *Ohio School Law*, published by Thomson Reuters, and has actively participated in the drafting of many provisions of Ohio's existing tax levy law. In a word, while many provisions of Am. HB 140 represent improvements to our State's tax levy law, certain provisions can be misleading to voters and thus run counter to the assumed goal of transparency.

Some of the statutory amendments set forth in Am. HB 140 are designed to harmonize the patchwork of tax levy language throughout the Ohio Revised Code (ORC), the typeface used on ballots, and the timeline for certain county auditor certifications. Such amendments could, on the margins, serve to reduce confusion caused by current inconsistencies, and are thus laudable.

The amendments that attempt to convert levied millage into dollars for each "\$100,000 of the county auditor's appraised value", however, miss the mark. Furthermore, any such amendments will *always* miss the mark for the fundamental reason that a single property tax rate *levied* by a taxing authority translates to myriad property tax rates actually *paid* by property taxpayers. There is no "one size fits all". Property tax rates actually *paid* depend upon the type of property, the use of the property (i.e., whether the property is devoted exclusively to agricultural use or is devoted exclusively to forestry or timber), "HB 920" reduction factors that are applied differently to different types of property, and State subsidies (i.e., "homestead" and "rollback") that apply to some levies and not all. Thus, inserting property taxes to be *paid* by a taxpayer into the same ballot question as property taxes to be *levied* by a taxing authority is placing an apple next to an orange.

The proposed legislation moves the ball significantly down the field toward the goal line of transparency – but not without a penalty flag on the play. It is assumed that most property taxpayers who vote likely own residential real property that is taxed at 35% of the "county auditor's appraised value", and if "HB 920" reduction factors apply to a particular levy, the legislation takes that into account by way of the proposed addition of ORC Section 5705.01(Q). If that assumption is correct, then most property taxpayers who vote will not be misled. But all other property taxpayers who vote *will* be misled.

At times, things are the way they are not because of mere historical inertia, but for good reason. This is one such case. The historical way that information about property taxes has been officially conveyed to voters in notices of election and on ballots – namely, based on tax rates *levied* by a taxing authority – is accurate and not misleading. To officially mislead one voter, let alone many, is problematic public policy.