

Jennifer J Widmer Ottawa County Auditor

315 Madison St., Room 202
Port Clinton, Ohio 43452
Office: (419)734-6740
Fax: (419) 734-6592
www.ottawacountyauditor.org



Good morning, Chairman Roemer, Vice-chair Lorenz, Ranking Member Troy, and all other Committee Members,

My name is Jennifer Widmer, and I am the Ottawa County Auditor and President of the Northwest District of the County Auditor's Association.

I am here today to speak against HB 187 and the Senate Amendment to HB33, which are the same for all intents and purposes.

The International Association of Assessing Officers in its Standard of Mass Appraisal says that the sales approach is the preferred approach to valuing real property, a willing buyer, willing seller, and an arms-length transaction constitutes value. For many years, Ottawa County has used the IAAO-prescribed methods for appraisal and a 3-year lookback for sales while placing the emphasis on the most current year's sales. This method allows us to give the most accurate value for the tax lien date of January 1st. The most accurate indication of value on January 1st of any given year is the sales that occurred closest to that date, not ones that occurred two to three years prior. On a purely statistical basis, the proposed averaging of data for three years skews and misrepresents value as of tax lien date, detaching the values from the most current information.

I do understand the reasoning for proposing this legislation and the position of some of my colleagues. We too are a small, tier-one county, that is concerned for our constituents, but what we have is a taxation problem. The problem is not the value, but the taxes to which those values are linked.

Back in the 1970's the Ohio House solved the problem of ever-increasing valuations with HB920, which said that levy revenue must remain constant regardless of the value increase and

Jennifer J Widmer Ottawa County Auditor

315 Madison St., Room 202
Port Clinton, Ohio 43452
Office: (419)734-6740
Fax: (419) 734-6592
www.ottawacountyauditor.org



thereby unlinking increased value from increased taxation. This is where we get effective rates. For example, during our last triennial update, Port Clinton City voters approved a 4-mill streets levy. Because this happened concurrently with a significant value increase, that levy was only worth 3.3 mills immediately at its onset. The people did not pay more than they voted because of the value increase. The vast majority of millage works this way.

Where value and taxes are still linked are the 10 inside mills that were enacted into the State Constitution in 1933 and the 20-mill floor guarantee for the schools in 1977. The same city that I mentioned earlier, Port Clinton, saw a significant increase in its taxes during our 2021 update. Property owners on average saw increases due a third to the ten inside mills, 1/3 to the new streets levy, and 1/3 to the school's 20-mill floor. Another district's increase came half from the inside millage and half from the 20-mill floor. This can amount to a considerable increase.

As Auditors responsible for the assessment of real property, we use a professional set of guidelines developed by professionals in our field, no different than best practices used by doctors, lawyers, and other professionals. Changing the process of assessment does not solve the problem. It only skews concrete data to fit a desired parameter. What people are paying for property is what it is. That is concrete. Ultimately, separating concrete numbers from value to hit a desired tax increase will work against us. For example, what will happen if we have two high years, followed by an economically depressed year, and we need to average those high years into our values?

No, the answer is to look at the tax side of the equation, the exemptions being granted - redistributing the tax burden to the residential property owners, the homestead credit that needs to be made current, and the 20-mill floor - which account for unvoted millage increases for taxpayers. These are neither easy nor popular fixes, but they are the ones consistent with HB920 which has been proven for decades, and the ones that will bring the long-term solution to this problem.

Thank you for your time and consideration. I am honored to stand before you today and am available to answer any questions you may have.