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Testimony before the Ohio House Local Government Committee March 19, 2025 on H.B. 124

Chair King, Vice Chair Kishman, Ranking Member Sims, and members of the House Local Government Committee. Thank you for the opportunity to testify in support of HB 124, commonly known as the Flip the Script Bill. Thank you to my joint sponsor Rep. Thomas Hall who will end our testimony sharing his county's experience and why he is passionate about this reform.

HB 124 at its core provides that it is the County Auditor who knows best what is or is not a valid sale and therefore what sales should be used to determine the real estate market for Revaluations and Triennial Property Value Updates.

Having served as a County Auditor for six years, I can say that the relationship and trust in the Department of Taxation and local governments has not been better. The intent of this bill is not to alter the relationship between current leadership in the department and counties, but rather set a strong precedent for future years over who should have the final authority to determine values and valid sales.

HB 124 sets that the County Auditor shall determine the sales used to track the market and determine property values. This is important as the data used in value updates is critical to getting the property values correct. Remember, values are determined based on arm's length sales, what a non-related willing buyer and willing seller would agree upon for the purchase. The best examples of how locals would know best involve three different types of sales.

1. Especially in smaller counties, it is not uncommon for Auditor staff to know the parties to a sale and know if the sale is between family members despite different last names. Those sales are not valid and should not count towards the market update.
2. In sales where personal property is involved, the boat for example or other personal

property should not be considered in the sale value. A County Auditor will know the areas this could be prevalent and do more research for what was included in the sale.

3. Especially in areas like mine where homes are being flipped and updated often- the old value of a home, say \$70,000. Property owner renovates the home and flips it to sell for \$180,000. That is a 157% increase from the original value. However, that original value isn't valid. The property owner essentially built a new home, and the starting value to sale price is not the correct way to measure a movement in the market. The local County Auditor will know this, my staff would look up every sale for photos and would ask questions of properties that sold more or less than 60% of our value for this reason.

Under HB 124, the Department of Taxation will still be sheriff and enforce uniformity. They will have the power to appeal the values of the Auditor and will be able to work with the county on their data set.

Will this bill be the silver bullet for our property tax issues? No. But it is another layer to our work in addressing property taxes. Values are best when they are rooted in the best data. I ask for your support and now turn this testimony to my Joint Sponsor who represents a county that has asked for this type of reform in their property value update process.