



**House Local Government Committee
House Bill 124**

**Buckeye Association of School Administrators (BASA)
Ohio Association of School Business Officials (OASBO)
Ohio School Boards Association (OSBA)**

May 28, 2025

Chair King, Vice Chair Kishman, Ranking Member Sims, and members of the House Local Government Committee: Thank you for the opportunity to provide written interested party testimony on House Bill (HB) 124. Our organizations represent Ohio's public school board members, superintendents, treasurers/CFOs, and other school business officials from across the state. Our members are dedicated to protecting state and local revenue sources that support students, schools, and the delivery of high-quality educational services.

Ohio's school leaders are committed to responsible fiscal stewardship and student success. Our districts rely on a strong state-local partnership, where community-approved levies work alongside state funding to ensure stable, predictable resources for student learning. Because property taxes represent a substantial portion of local education revenue, accurate and consistent property valuations are essential to maintaining the financial health of our schools.

The Current System – Role of the Division of Tax Equalization (DTE). Ohio's current property valuation system includes important checks and balances. The Division of Tax Equalization (DTE) independently reviews county valuations through sales-assessment ratio studies, particularly crucial during triennial updates. This independent review helps ensure statewide consistency and compliance with constitutional requirements that property be assessed at 35% of fair market value.

Technical Concerns with the Bill's Proposed Changes. We appreciate the sponsors' interest in providing counties greater input into the valuation process. However, we have identified several operational concerns that we believe warrant careful consideration:

1. **Structural Conflict in Oversight Functions:** The current system separates valuation (by county auditors) from verification (by DTE). H.B. 124 would allow counties to control the data used to evaluate their own performance. While we value the role of local officials, this change risks undermining the consistency and uniformity of the equalization process. DTE's ability to select and verify appropriate data across counties is essential to maintaining uniform statewide assessments that uphold Ohio's constitutional requirement for taxation based on fair market value. HB 124's structural change would eliminate an important administrative safeguard.
2. **Standardization and Consistency Challenges:** With 88 counties potentially employing different sampling methodologies, maintaining statewide consistency becomes problematic. Property tax administration requires uniform standards to ensure taxpayer equity across county lines. County auditors operate under varying local pressures and constraints. This change could lead to property tax bases that are not comparable across districts.



3. **Operational Impact:** These variations could directly impact local governments' budgets, including schools, as even small differences in valuation methodologies can result in significant revenue variations that affect our ability to maintain programs and services.
4. **Limited Mechanisms for Correction:** The bill's requirement that samples be "unreasonable or unlawful" before DTE can appeal sets an extraordinarily high threshold. Most sampling bias occurs through subtle selection choices that, while problematic, may not rise to this legal standard. This leaves few options for addressing concerns before they impact valuations.

Constructive Suggestions. Should the Committee move forward with this concept, we respectfully request considering:

1. **Transparency Requirements:** Require public disclosure of sampling methodology and data selection processes.
2. **Supplemental Authority:** Preserve DTE's ability to supplement county samples when necessary to ensure statistical validity.
3. **Regular Review:** Include provisions for periodic assessment of the impact on valuation consistency and accuracy.

We believe all interested parties share the goal of a fair, accurate, and efficient property tax system. Our concerns stem not from resistance to change, but from our operational experience with how seemingly technical modifications can create significant downstream effects.

The current system's independence helps maintain public confidence that property valuations are based on market reality rather than other considerations. We appreciate the Committee's thoughtful consideration of these issues. Thank you for the opportunity to share our perspective on this important legislation.

Respectfully submitted,

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