



# County Auditors' Association of Ohio

66 East Lynn Street • Columbus, Ohio 43215 • (614) 228-2226 • Fax: (614) 228-8901 • www.caaoo.org

## Testimony of the County Auditors' Association of Ohio

Senate Ways and Means Committee

House Bill 140

September 21, 2021

**Andrea L. Weaver**  
Union County  
President

**Michael L. Smith**  
Licking County  
Vice President

**J. Craig Snodgrass**  
Second Vice President

**George W. Kitzler**  
Wyandot County  
Third Vice President

**Debra J. Nye**  
Muskingum County  
Secretary/Treasurer

**Thomas P. Pappas, Esq.**  
Executive Director  
Legislative Counsel

**Betty S. Dever**  
Assistant Executive Director

Chairman Blessing, Vice Chairman Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to testify on behalf of the County Auditors' Association of Ohio as a proponent of House Bill 140.

House Bill 140 seeks to provide meaningful and transparent information on the ballot so the public can make informed decisions when voting on property tax issues.

The flaw with our current ballot language is that it lacks information about how much revenue the ballot issue will generate, and it states the cost of the levy in a manner that most voters do not understand. Current property tax levies are stated in cost per \$100 of "tax valuation". There are several issues with stating the cost in this manner. First, most people do not understand tax valuation, which is equal to 35% of the [auditor's](#) appraised value. Second, using \$100 as the value base is ludicrous given current property values.

This bill would instead require the ballot language to state the annual cost of the levy based on \$100,000 of appraised value. Removing the requirement that voters understand the assessment ratio. Additionally, the annual cost would be based on the effective tax rate of the levy instead of the full or voted rate. These annual costs would be certified by the County Auditor to ensure the mathematical accuracy of the information contained on the ballot.

The best way to explain this issue is to look at an example. Under current law, if the City of Xenia were to seek to renew the 3.5 mill levy that has an effective year of 1976, the ballot language would indicate the annual cost of the levy would be \$0.35 per \$100 of assessed value. If your home is appraised at \$200,000, to calculate the annual cost you would first have to multiply the \$200,000 value by 35% to arrive at the assessed value of \$70,000. Then you would have to divide the \$70,000 value by \$100 and multiply that by \$0.35 to arrive at the annual cost. After all this calculation you would still get the wrong answer because the effective tax rate 3.5 mill levy is .94 mills. Unless you have worked extensively with property tax rates, I am guessing this example is very confusing.

The proposed ballot language would continue to express the tax rates in mills but would contain the actual annual cost per \$100,000 of appraised value for an agricultural or residential property. This calculation would be based on the effective tax rate if the levy were an existing levy. The language would be simplified to indicate the levy would cost \$33.03 per \$100,000 of appraised value. This makes the calculation for a \$200,000 property relatively simple and would reflect the actual cost of the levy before any tax credits.

I have heard argument that the changes proposed in House Bill 140 would be confusing to the voter. I believe the opposite to be true. If you simply look at the two examples above, the annual cost is much easier to follow under the changes proposed in House Bill 140.

Currently County Auditors prepare documents for the public and media which expresses the cost of levies per \$100,000 of appraised value. This change simply places the information on the ballot in a manner consistent with how the information is relayed by media outlets.

The only other significant change to the ballot would be the inclusion of the estimated annual proceeds from the levy. Those who oppose this legislation may argue that disclosing this information may make passing levies more difficult. They may be right, but if this is truly the people's government, they should understand how much tax revenue money is needed to provide the services that government provides. Public transparency should never be dismissed. Instead, we should invest the time to inform the public of the cost of services.

The County Auditors' Association of Ohio expresses its support for House Bill 140 as a measure that would make ballot language more transparent and easier to understand.