

Testimony before the Senate Ways and Means Committee

November 16, 2021

Chair Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to speak to you today to express opposition to House Bill (HB) 126, as amended.

My name is Kathy Jo Beverly. I am the Treasurer of the Maple Heights City School District in Cuyahoga County.

I will keep my comments brief and focused on answering the questions that have been raised during the last session.

I have been the Treasurer of Maple Height City School District for 15 months and prior to that I was the Treasurer of the East Liverpool City School District for 6 years.

Maple Heights City Schools served 3,461 students during Fiscal Year 2021. Maple Heights consists of approximately \$89,272,000 in commercial property valuations which will provide about \$13.8 million in revenue to the District. Property taxes comprises approximately 28.4% of the total revenue received by the School District.

The Maple Heights City School District, like most every school district in Cuyahoga County, actively participates in the real estate valuation process every year. The District both initiates valuation complaints and defends complaints filed by property owners through our school attorneys.

Here are some relevant facts about our process.

1. Valuation complaints in the Maple Heights School District are filed on commercial and residential property when there is a valuation difference of at least \$50,000 of value at issue.
2. Since I have served as Treasurer, we typically defend between 12 and 20 reduction valuation complaints each year. The amount of revenue placed at risk by these valuation complaints is between \$75,000 and \$100,000.
3. We also initiate roughly 8 to 10 increase complaints per year based on recent sales of property where the recorded sale price was higher than the assessed value of the property.
4. The increases we receive helps to offset the losses we experience from the reductions in value.
5. Last year, a large food distribution plant in our district sold in an arm's length transaction for \$19 million. It was valued at \$5 million. Without the ability to initiate a valuation change through the Board of Revision process the district would not have been able to realize the approximate \$300,000 in additional revenue that the sale price generated.
6. This increase went unchallenged by the taxpayer due to the fact that it was a reported arm's length transaction.
7. Our school attorneys are paid an hourly rate and do not deviate from the District's filing parameters and do not have unfettered discretion to make decisions on behalf of the District. Rather, they work directly with me on all matters.
8. Our district does not initiate direct pay agreements with taxpayers. On a few occasions, we have accepted a direct pay settlement from a taxpayer where the taxpayer initiated the settlement option.

9. As an example of a direct pay situation occurred this year with a grocery chain that sought a reduction in value. The taxpayer offered to make a payment to the District that would make up for some of the monies it would otherwise lose with the reduction. This was accepted by the District as it made fiscal sense and provided a financial benefit to the District. This is not typical and we do not initiate these types of settlements.
10. The Maple Heights City School District believes it is beneficial to participate in the valuation process. We believe we have demonstrated fiscal responsibility to its taxpayers and positive results by participating in this process. Our results are tracked and proven.

This process, "AS IS" is working in our district. The added layers of administrative steps that HB 126 is proposing are unnecessary and redundant. The proposed amendment that to eliminate a school district from participating in this important process is extreme and punitive and should not be allowed to occur.

Thank you for the opportunity to be here today.