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**Ohio Senate Ways & Means Committee
Proponent Testimony on HB 126****November 16, 2021**

Chairman 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 this morning on behalf of the Downtown Cleveland Alliance.

My name is Michael Deemer, and I am President and CEO of the Downtown Cleveland Alliance (DCA), a nonprofit corporation dedicated to making Downtown Cleveland the region's most compelling place to work, live, play, and invest. DCA manages the Downtown Cleveland Special Improvement District, through which property owners have committed \$56 million over the last 15 years to create a clean, safe, welcoming, and business and resident friendly environment.

I am here today as a proponent of House Bill 126 and the amendment that was proposed last week because our stakeholders need relief. Last week, our board of directors passed a resolution in support of this position. Before addressing our support of HB 126 and the proposed amendment, I would like to acknowledge that our organization is a strong supporter of school funding reform and our public schools.

We are strong supporters of the Cleveland Municipal School District. CMSD has made substantial progress with graduation rates and job and college readiness. Building on and accelerating this success is essential to building Downtown Cleveland into the inclusive, 24/7 hub of a welcoming global city. Downtown Cleveland cannot be what we want it to be without high quality public education.

We also recognize the broader context of school funding challenges that the issue of property tax valuations and challenges implicates. I would like to thank this body for its work in passing the Fair School Funding Plan, a critical step in reducing reliance on local property taxes to fund our schools, better positioning places like Downtown Cleveland to attract and retain talent and investment. We want to support and further your collective work on continuing to reduce reliance on local property taxes to fund public education.

Our stakeholders are more than willing to pay their fair share to support public education. They are not willing to accept a broken, wasteful, endless cycle of complaints and appeals.

As an organization whose core services are funded through assessments paid by Downtown property owners and governed by Boards of Directors comprised of property owners, issues of property tax valuation and collection are of paramount importance to the Alliance.

Under current law, county governments set assessed value based on property appraisals. Property owners and the county government settle disputes over valuations before County Auditors or Boards of Revision. The results of these county decisions are used to determine levels of taxation for other local governmental entities.

Attorneys representing districts have grown overzealous aggressive and abusive in filing complaints and appeals challenging valuations determined by the local government. This results in a disturbing lack of uniformity among similarly situated owners and properties that is extremely costly, redundant, and repetitive, raising significant equal protection and due process concerns.

As introduced, HB 126 would bring needed transparency and accountability to an out of control process. An amendment proposed last week would bring an end to the incessant, vicious, endless cycle of contests and appeals. The result would go a long way toward bringing necessary uniformity and equal treatment to taxpayers.

The current system is badly broken. At best, it diverts public resources away from education and private resources away from building our cities and neighborhoods. At worst, the path we are on will choke off needed investment in our urban cores and undermine our state's ability to attract and retain talent and business growth.

On behalf of the Downtown Cleveland Alliance, I respectfully ask this committee to support the amendment that was proposed last week and to support HB 126. Thank you for your time and consideration this morning.