



November 9, 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 my opposition to House Bill (HB) 126, as amended. My name is Randy Drewyor, I am the Treasurer/CFO of the Perrysburg Exempted Village School District.

You've heard a lot of testimony from school districts and our representing associations concerning our opposition to HB 126 in its present form and proposed amendments. With my testimony I want to focus on how the current process is applied within the districts I have worked and how HB 126 is unnecessary. As others have mentioned and bluntly put this bill is a solution that is looking for a problem.

Before I get into the bulk of my comments it needs to be made clear that our focus in public education is to provide a free and appropriate education for all students who cross our thresholds. Our focus is on the kids. My role as a district's CFO is protect the resources provided the district and to help our education leaders use these resources in the most efficient way possible. Not by choice, one my jobs is to protect the revenue streams that fund our schools and as a result utilize the Board of Revision process when necessary.

Prior to coming to Perrysburg, I was the Treasurer/CFO of Huron City Schools. Perrysburg and Huron, while significantly different in size, both are highly dependent on local property tax. In Perrysburg local property taxes make up 57% of our total revenue. Local property taxes make up 63% of Huron's revenue. In both cases the overwhelming majority of property tax revenues come from residential property owners. It is a general expectation that we do not file BOR complaints against residential property. We have on rare occasion filed a counter-complaint when it was felt that the complaint was potentially damaging to the district's tax base and unfair to the district's taxpayers.

In both Perrysburg and Huron, the process works as such. The Board of Education, through resolution, authorizes the Superintendent and/or Treasurer to act on the district's behalf to file BOR complaints and counter-complaints. This is done with the express understanding that the Board of Education is kept informed of all such matters. Most of these cases are routine but when a case arises that is more sensitive in nature, for example when an economic development situation could be impacted, more careful consultation occurs with the Board of Education. We do use attorneys on a fee for service basis to help us identify and file complaints and counter-complaints.

We look for commercial sales where the sale price is significantly higher than the current appraised value and also LLC zero-dollar transfers. We don't have a specific dollar limit which will trigger a complaint. We are looking for large enough changes that make it worth the time and effort to file a complaint and/or a counter-complaint. It has been my experience that we are

filing complaints when the sales price exceeds the appraised value by over 50% and are filing counter-complaints when the proposed change is very significant.

Let me provide you some examples from Huron on how the current BOR process has worked for the benefit of the school district, the district's taxpayers and property owners. In the last two years Huron City Schools filed seven BOR complaints and/or counter-complaints. None of these complaints ended up being heard by the Board of Revision. In three of the cases the district dropped our complaints after having a conversation with the property owner. While the BOR complaint didn't go through, it did facilitate a necessary and productive conversation. The district dropped the complaint when we became aware of extenuating circumstances as well as plans for future growth that would be in district's and taxpayer's best interest. In three other cases, discussions with the property owners resulted in an agreed-on valuation which protected the district's tax base, gave the property owner some relief and created goodwill between the parties. The bottom-line is that the process worked! The school district being able to file complaints and counter-complaints resulted in dialogue and conversations the resulted in win-win outcomes.

We do not pursue BOR complaints and counter-complaints as frivolous activity to pad our district's bank accounts and/or to fund an aggressive attorney. We take these actions seriously as a business decision with a focus on protecting the funding for our students and ensuring the tax burden is fair for all taxpayers. By handling the process this way, we are able to minimize any politicization and focus on what is fair for all concerned. The current process works which makes HB 126 is completely unnecessary.

Mr. Chairman, this concludes my testimony. I urge the committee to oppose HB 126. I will be happy to address your questions.

Randy Drewyor
Treasurer/CFO
Perrysburg Exempted Village School District