

# Columbiana

## EXEMPTED VILLAGE SCHOOLS

SUPERINTENDENT 700 Columbiana-Waterford Road  
 TREASURER 700 Columbiana-Waterford Road  
 Faxes: 330-482-5361 (Treasurer)  
 330-482-5358 (Dixon)

330-482-5352  
 330-482-5353  
 330-482-5360 (H.S.)  
 330-482-6332 (SSMS)

JOSHUA DIXON 333 North Middle Street 330-482-5355  
 SOUTH SIDE MIDDLE 700 Columbiana-Waterford Road 330-482-5354  
 COLUMBIANA HIGH 700 Columbiana-Waterford Road 330-482-3818

### Senate Ways and Means Committee HB 123 Opposition Testimony

### Columbiana Exempted Village School District, Columbiana and Mahoning Counties Dr. Donald Mook, Superintendent of Schools

April 4, 2022

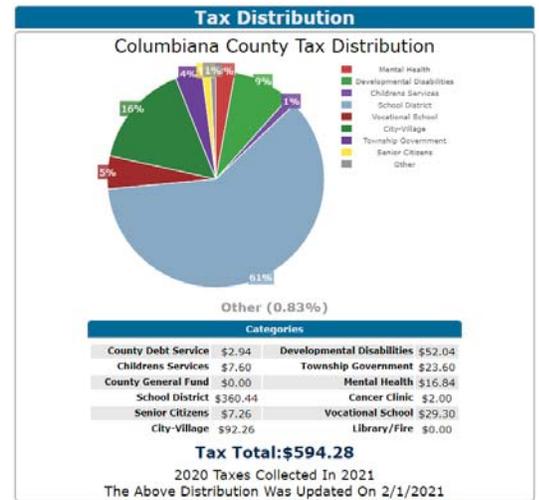
Chair Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to testify in opposition to House Bill (HB) 123.

My name is [Your Name] and I serve as the [Title] for the [School District Name] in [County or Counties]. The [School District Name] . . . . *[provide any relevant details on size, number of students served, etc.]*

On behalf of the Columbiana Exempted Village School District, I am writing to express opposition to HB 123. The Community Reinvestment Area utilized in our school district is absolutely detrimental to our local school funding. Two thirds of our school district's revenues come from local taxes. We have been extremely supportive of our city's desires to expand the development of our businesses and have agreed in principal to tax abatements at 100% for 15 years in virtually every case. We have in good faith negotiated each instance with our local officials and businesses in our school district. We have at least had a significant seat at the table with

this process. However, our city is now giving residential abatements for 100% and 15 years to people building \$350,000 to \$1,000,000 homes in addition to commercial CRAs. Developers have increased their profit from 25% to 75% on every

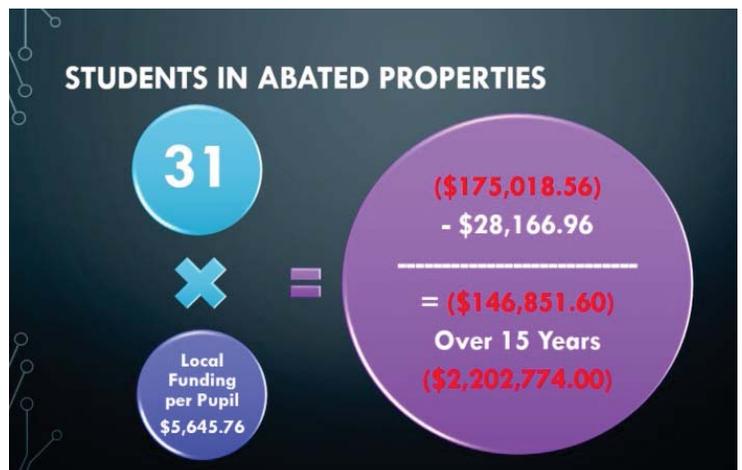
empty lot in our community. One third acre lots that would not sell at \$38,000 because they were priced too high are sold at \$60,000 plus. The City of Columbiana is selling the property for them with this abatement and giving away 100% of the property tax that goes with any improvement. The school district receives 61% of property tax to assist with operating our schools. With this move the



Parcel ID: 18-03483.174		Property Address: 253 HOMESTEAD DR	
Owner Name	NOEL RICHARD A	NOEL RICHARD A & OR	253 HOMESTEAD DR
Owner Address	606 SPRINGFIELD	COLUMBIANA OH 44408	COLUMBIANA OH 44408
Tax District	18 COLUMBIANA VILLAGE	Tax Payer Address:	NOEL RICHARD A & OR
School District	18 COLUMBIANA VILLAGE		253 HOMESTEAD DR
Neighborhood	1502 COLUMBIANA EVSD		COLUMBIANA OH 44408
Use Code	552 One Family Dwelling		USA
Area	36620		
Destination	LOT 121 FIRESTONE FARMS PLAT #4 .3662A FRONTAGE: 110.00' HOMESTEAD DR MINERAL PARCEL #18-08784.000 7-7-2020		
<b>Current Value</b>			
Board of Revision	N	Hst Land Value	\$62,100
Homestead/Disability	N	CALV	\$0
2.5% Reduction	N	Hst Impv Value	\$71,800
Divided Property	N	Total	\$133,900
New Construction	Y	Current Tax	
Foreclosure	N	Annual Tax *	\$793.16
Other Assessments	N	Paid **	\$396.58
Front Ft.	0	Delq	\$0.00
<b>Recent Transfer</b>			
Account Number	18-000L176000	Parcel #	1
Deed Type	GWD-General Warranty Deed	Amount	\$66,000
Year Remodeled	1/7/2020	Grade	1065
Conveyance		Deed #	
Notes			

Dwelling Information			
Sq Ft Finished	2492	Room Count	6
1st Floor Area	2492	Fireplace Stacks	0
Upper Floor Area	0	Fireplace Openings	1
Half Story Area	0	Year Built	2020
Attic Area	0	Full Baths	2
Finished Basement	0	Half Baths	1
Basement Type	Full Basement	Heating	Forced Air
		Air Cond	Central AC
		Style	Single Fam
		Ext Walls	100% Frame

Land				
Land Type	Acres	Square Ft.	Actual Frontage	Value
FRONT LOT	0	0	110.00000	\$54,450



district gets only the value of the land. For example, 253 Homestead, Columbiana, Ohio is one of these abated properties. The owner pays \$360.44 (61%) to the school district which would be \$2,749.58 (61%) of an abated tax bill of \$5,279.00. We have ZERO decision making in this residential CRA and we have the most at stake. Where is the logic here? We now have 31 students in abated houses that we must come up with the additional local dollars to educate them at approximately \$175,018.56 per year. We can expect at least \$175,000 per year, if that number doesn't grow. We expect it will grow due to the fact that some of those students are in pre-school, and we personally know some of the families have new babies. Some of the students that enter our school system from abated homes will not contribute to the education of their own children from Kindergarten through Grade 12. This is just the residential impact on our schools. Will the state of Ohio make up the difference for this law? Now, we have to consider getting additional impact by our lawmakers from HB 123. When will you fix funding? Local taxes received from property values is a major component in the Ohio school funding formula. How can the local government have the ability to eliminate (in the residential CRA) or reduce (in the commercial CRA) this source of revenue? Why does my property rich rural district need to operate in obsolete buildings? We are forced to fund our facilities locally while every school district around us has new buildings, endless state funds and with no concerns for economic development. The CRA laws hurt our schools in Columbiana.

Other district leaders are deeply concerned about how the proposed changes to the community reinvestment areas (CRA) will impact school districts. We are not a large metropolitan area that can withstand significant losses to our revenues. Our district is already operating at the floor with little options for school funding. Two – thirds of our districts revenues comes from local property tax in a community that is largely made up of retirees.

The current law for commercial CRAs allows for the elected boards of education of the impacted school districts to speak on behalf of their communities when a proposed exemption exceeds a 50% threshold, which then requires an evaluation of the impact of abating an approved tax to stimulate development. Increasing this threshold from 50% to 75%, as proposed in HB 123, disrupts this necessary dialogue and balance between incentivizing development and the need to provide the necessary resources to educate the children in the impacted communities. We ask the Committee to reject this change. We would prefer to work with our city officials and businesses while not being forced to hinder the growth that has taken place in our community.

The proposed change to eliminate the sharing of payroll taxes under current law again limits our ability to be part of the conversation. The statutory authority for the municipality or county that established the CRA to enter into a compensation agreement with the school district is absolutely necessary. The school district is foregoing property tax revenue due to the CRA abatement and the sharing of payroll taxes is crucial to make the district whole. This authority provides each community the flexibility to find the right balance between incentivizing the development and meeting the needs of the impacted school district. For this reason, the use of revenue sharing agreements is standard in other economic development tools, such as enterprise zones and tax increment financings.

Revising the CRA law to further limit a school district's ability to raise the necessary funds at the local level will have a devastating impact on our schools, and ultimately, the communities they serve. It will minimize our position to work with our local government to do what is in the best interest of everyone within the community. Therefore, we urge the Committee to leave the portions of the current CRA law applicable to school districts as-is, and reject the modifications proposed in HB 123. Additionally, we ask you reconsider the residential laws that were originally designed to build homes on property that had little to no value. We ask that you eliminate the loop hole in the law that permits people building half a million dollar homes with 15 years of no taxes to support schools. The laws could not have been created to allow for this type of tax evasion. Lastly, no one that holds a lesser value of the tax collection (16% = City of Columbiana) should be permitted to have 100% of the decision making ability over one who holds the majority (61% = Columbiana Schools). It is like giving the person who owns one slice of a pizza the ability to give the whole pizza away to someone else without asking permission from the one who owns most of the pie!

I appreciate the time that you have taken to read this letter. I am available to further discuss some the current impact we see taking place with our school district. Please do not hesitate to call (330-482-5352) or email me ([Don.Mook@ColumbianaSchools.org](mailto:Don.Mook@ColumbianaSchools.org)) I would love to have a further discussion.

Sincerely,

A handwritten signature in black ink that reads "Donald J. Mook". The signature is written in a cursive style with a large, prominent "D" and "M".

Dr. Donald Mook, Superintendent  
Columbiana Exempted Village School District