**Testimony before the Ohio Senate Ways and Means Committee**

**Senate Bill 36 (Hite) Proponent Testimony**

**Mike Bensman, OFBF District 10 Trustee**

**February 22, 2017**

Chairman Eklund, Vice Chairman Terhar, Ranking Member Williams and members of the Senate Ways and Means Committee thank you for the opportunity to provide proponent testimony on Senate Bill 36. My name is Mike Bensman and I am the District 10 Trustee for the Ohio Farm Bureau Federation. District 10 encompasses Mercer, Auglaize, Shelby, and Logan counties and I help represent the Farm Bureau members in that area as a member of the state Farm Bureau Board.

As you know, the Current Agricultural Use Value (“CAUV”) was amended into our state’s constitution to preserve farmland and help farmers with developmental pressures. It is important to keep in mind that for farmers, our farm ground is our “factory”, it is our business. We help not just feed our local communities and Ohio, but the country and the world. That is why CAUV is so critical for our state’s agricultural community.

For the last several years though, farmers have seen a dramatic shift in the property taxes they pay. From 2008 to 2014, the average statewide CAUV value increased by 294% and farmland property tax payers paid $370 million more in taxes in 2014 than they did in 2008, a 307% increase. While I am far from an expert on the intricacies of the CAUV formula, I can talk to how the dramatic increases in CAUV have affected my farm and my neighbors. I’m fortunate my parents had the foresight to set up farming entities to continue our enterprise for future generations. We are now setting up opportunities and goals for the fifth generation.

I own and farm 600 acres and help farm an additional 3,400 acres in a fourth generation partnership, as mentioned above, with my brothers in Shelby County. Like countless other farmers across the state, we too have seen dramatic increases in property taxes.

As a board member, one of my duties is to collaborate with my fellow board members to develop Farm Bureau’s priority issues each year. CAUV has become the absolute number one issue for our members and to reflect the urgency of this needed bill, we set CAUV reform as the primary focus for our tax policy.

At county farm bureau policy development committee meetings, breakfast on the farm events, and even debate on the delegate floor at OFBF’s annual meeting, CAUV has been *the* issue for our members. It’s not hard to understand why when you consider the dramatic increases we’ve seen the last several years now. For those of you who have worked in small business, ask yourselves if you would be able to manage a tax increase of 300%. It’s not an easy thing to budget for. In fact, some farmers have had to take out loans to pay for the vast increases in the tax.

Our support of SB 36 is based on hundreds of hours of intensive study of the formula by Farm Bureau staff, including an economist contracted to also look at the issue. We know that the bill will provide a more accurate valuation that better reflects the modern day farm economy. As an Ohio Farm Bureau board of trustee member and farmer, I believe SB 36’s targeted changes will help us achieve these much needed improvements, eliminate factors that have led to unsustainable property tax increases and uphold the integrity of Ohio agriculture’s most important program.

Thank you Mr. Chairman. I am happy to answer questions the committee may have.