

INDEPENDENCE LOCAL SCHOOLS

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Chairman Merrin, Vice Chair LaRe, Ranking Member Rogers, Members of the Ways and Means Committee, thank you for giving me the opportunity to provide opponent testimony on S.B. 95. amended with H.B. 75.

I am Eric Koehler, Treasurer/CFO of the Independence Board of Education. Our school district is in southern Cuyahoga County at a major intersection of Interstates 480 and 77. The commercial real estate development from the 1960s to the present time period provides the near majority of our financial resources and provides our taxpayers with one of the lowest property tax rates in Cuyahoga County.

Our district relies heavily on local property taxes. With the recession and aggressive taxpayer consultants there has been an onslaught of decrease complaints as many commercial taxpayers sought repeated reductions at the Board of Revision to challenge existing and ongoing revenue. The Board of Education files increase complaints on commercial property largely on account of a recent sale exceeding the County's valuation. The board of education files increase complaints to make up the loss of revenue from decrease complaints. Any higher valuations reduce millage rates on other taxpayers and need to go to the voters for additional millage. The School Board does not file complaints as to residential property looking to focus on retaining revenue from the larger commercial properties. The filing of complaints involves the elected School Board who are fully aware of the matters and direct me to manage and oversee the process. Our ability to manage local property taxes directly impacts our funding and the need to secure additional resources from the voters and the General Assembly.

On December 13, 2018, the Senate Ways and Means Committee passed Sub. H.B. 343 based on the compromises agreed to by the sponsor, Rep. Derek Merrin, and Interested Parties at a meeting on December 7, 2018, Senator John Eklund, the Chair of the Senate Ways & Means Committee lead the meeting attended by Rep. Merrin along with lobbyists and attorneys from various educational, governmental and business groups. Rep. Merrin conveyed to the participants his interest in a compromise Bill and Rep. Merrin indicated to Senator Eklund his consent to each change in the Bill.

H.B. 75 and S.B. 95 largely revert to the original H.B. 343 introduced in the House. First, there is a requirement in H.B. 75 and S.B. 95 which was not included in the compromise Bill for a board of education to approve the filing of a counter-complaint filed in response to a taxpayer-initiated decrease complaint. A board of education filing a counter-complaint is responding to the taxpayer initiated complaint to request the Board of Revision to retain the existing value and attend the hearing. H.B. 75 and S.B. 95 create unnecessary requirements for a board of education to file a counter-complaint. In the 30 day time period provided under law to file a counter-complaint, a board of education must receive the complaints, review the complaints, prepare a notice letter to the taxpayer for each complaint, serve by certified mail

the notice letter at least 14 days in advance of a Board meeting to approve the filing of a counter-complaint, and prepare and file counter-complaint. Second, H.B. 75 and S.B. 95 include notice requirements to taxpayers for increase and counter-complaints removed in the compromise Sub H.B. 343. The notice requirements for increase complaints duplicate the notice provided by the Board of Revision. Further, a board of education meeting is not the forum to discuss the merits of a tax complaint. While intended to ensure a board of education is aware and approves the filing of complaints, H.B. 75 and S.B. 95 create a cumbersome process a school board to protect revenue.

We request that the Committee amend S.B. 95 to remove H.B. 75 or incorporate the compromises agreed to by all parties, including Rep. Merrin, and approved by the Senate Ways & Means Committee two years ago.

We appreciate your consideration of our objections and look forward to working with interested parties, the sponsor, and the committee for additional discussions.

Thank you,



Eric Koehler, Treasurer