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Eric S. Gordon

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January 22, 2020

Chairman Schuring, Vice Chair Rulli, Ranking Member O'Brien and members of the Senate General Government & Agency Review Committee, my name is Eric Gordon, Chief Executive Office for the Cleveland Metropolitan School District (CMSD). I appreciate the opportunity to submit written testimony in regards to House Bill 76.

I am sharing our opposition to HB 76 which would modify ballot language for property tax levies, making it easier to miscalculate the tax liability for individual taxpayers. Property taxes are levied at the "taxable" or "assessed" value of the property which is 35% of the fair market value. Mandating the use of a fair market value may overstate the annual taxes of a levy on a ballot, and could lead to widespread confusion among voters. According to The Cleveland Plain Dealer<sup>1</sup>, the use of \$100,000 of fair market value exceeds the median price of \$47,450 of a home in the City of Cleveland. We anticipate asking voters to renew a levy in November, 2020, and there is no "grandfathering" provision for the renewal to clarify to a voter that the new language does not result in an increase of taxes. Under current law, the ballot language and calculation are suited to apply to several scenarios that effect individual taxpayers.

Property taxes represent 30.3% of CMSD's total revenue collection in our General Fund. CMSD serves nearly 39,000 students and we are committed to ensuring that every child in Cleveland attends a high-quality school and that every neighborhood has a multitude of great schools from which families can choose. To reach this goal, we have undergone reforms to address the challenges facing the district and are proud to say we've generated positive results. However, the long-term survival of our pledge to the community requires the right policy solutions which is why I am weighing in on this legislation.

Thank you for your time and consideration. I am available for any questions or additional information.

Sincerely, Eric S. Gordon

Educator: Chief Executive Office

<sup>&</sup>lt;sup>1</sup> The Cleveland Plain Dealer: Another year for hot home sales in Tremont, Kamm's, Detroit-Shoreway, Ohio City, other areas of Cleveland. *January 10, 2020*, https://www.cleveland.com/datacentral/2020/01/another-year-for-hot-home-sales-in-tremont-kamms-detroit-shoreway-ohio-city-other-areas-of-cleveland.html