

**House Bill 126**  
**House Ways and Means Committee**  
**Opponent Testimony**  
**Tuesday, March 9, 2021**

Chair Merrin, Vice Chair Riedel, Ranking Member Sobecki, and members of the House Ways and Means Committee, thank you for allowing me to testify in opposition to House Bill 126.

Our coalition of several school boards from around the state, including the Jackson City Schools, Urbana City Schools, Pickerington Local School District, Lockland Local School District, and Wellston City School District, oppose House Bill 126.

We oppose House Bill 126, which in all material aspects amounts to a reintroduction of House Bill 75 from the 133<sup>rd</sup> General Assembly and House Bill 343 from the 132<sup>nd</sup> General Assembly. While we appreciate the effort Representative Merrin and others made to compromise on many aspects of the legislation in 2018 on House Bill 343, the current version of this bill resurrects nearly all of House Bill 343's most onerous and cumbersome requirements for school districts. Meanwhile, this re-introduced bill abandons most of the compromises and amendments that representatives of property owners and school boards ironed out when House Bill 343 was under the Senate Ways and Means Committee's consideration in the 132<sup>nd</sup> General Assembly.

Because House Bill 126 fails to include the compromises that the interested parties struck in the Senate during the last General Assembly, we fear the bill would have the same devastating effects on school districts.

Current law permits property owners, school boards, and others to file and respond to cases affecting the value of real estate. Current law ensures that a property owner receive multiple written notices of property tax cases affecting their property. Each county's board of revision ("BOR"), composed of elected officials, hears these cases. And the BOR is already required to provide notice to an owner by certified mail of valuation complaints and hearings that affect the owner's property. At those hearings, owners and other parties have the opportunity to present documents and testimony relating to the property's value, and to examine and refute the other side's evidence. In other words, under the current system, owners receive ample, repeated notice of proceedings that affect the valuation of their property, and enjoy the right to engage in all stages of these proceedings, including the right of appeal.

It makes sense to permit owners and school boards to fully participate in this process because most schools receive most of their funding from property taxes, and the local school district receives the majority of each dollar of property tax. The result is a balanced playing field, where the parties with the most incentive to determine a property's true value have the option of being at the table.

It is important to reiterate that most BOR cases arise when property owners seek lower values, which results in schools getting less revenue. In a minority of cases, the local school board files an "increase complaint."

House Bill 126, which alters Ohio Revised Code § 5715.19, would require every entity *other than a property owner* to take unnecessary and time-consuming procedural steps before responding to or initiating a property tax valuation case. Boards of education get 30 days from receiving notice of a valuation complaint to file a counter-complaint; if they don't file in time, they're frozen out of the process. In its current form, House Bill 126 would preclude a school district from adequately and appropriately participating in a system that the state has determined is the best public policy apparatus to fund our public schools.

Because counties notify boards of education of new valuation complaints on an intermittent basis throughout spring and summer, and because school boards only have 30 days to file counter-complaints in response to owners' valuation complaints, this bill would impose a cumbersome series of rolling deadlines. Since the bill requires notice be sent to the property owner at least 14 days prior to the school board's meeting, which they are to consider the resolution, it compresses how quickly the school must make a decision that it will file the counter complaint within the 30 day deadline. With the overlay of noticed public meeting requirements, the bill would create a serious obstacle to districts having the chance to timely file the paperwork necessary to participate in valuation cases. And it's worth remembering that this bill would apply not only to school-initiated cases, but also to those cases where owners seek reductions in property value that will deprive the school districts of local revenue.

There are several other harmful elements of House Bill 126 that remain from the past bills, House Bill 75 and House Bill 343. House Bill 126 still requires a board of education to pass a separate board resolution for *every single BOR case* that it wants to participate in, including cases where the school district desires merely to oppose an owner-initiated case. During compromise discussions on House Bill 343, it was agreed upon that the school could vote on all resolutions at once in the board meetings. This compromise would have alleviated some of the burden on the school districts. But, the bill's language turned its back on the old compromise.

The bill also retains the onerous provisions requiring school boards to pass, give notice of, conduct a hearing on, and debate every separate filing and that would precede the current process that already mandates notices to current owners and hearings on the merits of each case. These and other concerning elements of House Bill 343 were addressed through meetings and compromises during the 132nd General Assembly. In the following General Assembly, the compromise language was once again adopted in as substitute bill of House Bill 75, yet this re-introduced bill includes virtually none of those productive compromises again. For these reasons, our group of school districts must oppose the current version of House Bill 126.

Instead, we support a deliberative process calculated to achieve a compromise similar to the one we struck in 2018. We propose that House Bill 126 be amended to require public bodies like boards of education to pass a single resolution that identifies the properties upon which the board would like to file an original BOR complaint. This compromise would eliminate the board resolution requirement for counter-complaints, which after all are merely filed in response to cases that property owners themselves have initiated. A fair proposal would also remove the cumbersome notice provisions that the bill presently contains.

If House Bill 126 is amended with the compromise language, then our group of school districts would support it. However, our group must remain opposed to the bill as it is currently written.

Therefore, we strongly urge you to reject House Bill 126 and instead amend the language to reflect the compromise language from the original bill, House Bill 343. Thank you for your consideration.