



WAYS AND MEANS  
COMMITTEE

Witness Form

Today's Date 1/8/2021

Name: Bill Wade

Address: 6451 Center Street  
Mentor, OH 44060

Telephone: 440-974-5222

Organization Representing: Mentor Public Schools

Testifying on Bill Number: HB No 126

Testimony:  Verbal  Written  Both

Testifying As:  Proponent  Opponent  Interested Party

Are you a Registered Lobbyist?  Yes  No

Special Requests: \_\_\_\_\_  
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Chairman Blessing, Vice Chair Roegner, Ranking Member Williams, Members of the Ways and Means Committee, thank you for giving me the opportunity to provide opponent testimony on H.B. 126.

I am Bill Wade, Treasurer/CFO of the Mentor Board of Education. Mentor Schools in Lake County is a suburban school district that serves more than 7,300 students. Mentor High School is one of the largest in the State of Ohio. While keeping students safe and providing a high-quality education is a top priority, maintaining fiscal responsibility by being good stewards of our taxpayer dollars is equally important.

Like all districts in Ohio, Mentor Schools must raise local dollars to provide its local share of funding as required by the Ohio Constitution. Under Ohio law, a school district is limited in its ability to raise its local share, with local funds raised primarily through local property taxes. In fact, when analyzing Mentor Schools' state and local share for school funding, 73% of our funding is from local property taxes.

Considering that most schools receive most of their funding from property taxes, and the local school district receives the majority of each dollar of property tax, it makes sense to permit owners and school boards to fully participate in the board of revision (BOR) process. It is important to note that most BOR cases arise when property owners seek lower values, which results in schools getting less revenue and placing an increased tax burden on the other local property tax payers.

In Mentor, I manage and oversee our complaints process on behalf of our Board of Education and file increase complaints on commercial property largely on account of a recent sale exceeding the County's valuation. Furthermore, we only file complaints on commercial properties where a reduction sought is at least \$50,000 in fair market value for each property involved. In Mentor, our Board of Education is fully aware of the matters and directs me to manage and oversee the process.

Ohio's current property valuation and tax system has been effective for many years. The Board of Revision is already in place and provides necessary checks and balances. From our perspective, the most important aspect of this proposal is consistent and equal application of the property tax collection.

While intended to ensure board approval of tax complaints, H.B. 126 creates a cumbersome process for our school board to protect revenue. We oppose H.B. 126 for the following reasons:

- The bill in its present form has the potential to politicize the process and opens the door to selective enforcement as Boards would be asked if a proposed tax should be pursued. This selective enforcement will not only negatively impact the school district, but also the residential and commercial taxpayer. This is because any taxpayer whose property values are accurate will pay more than their fair share of taxes, subsidizing the lower taxes paid by property owners whose properties are undervalued. In a time where it is already difficult to secure revenues with the current funding system any adverse impact on the revenue of a district on an approved millage should be carefully considered; particularly

one that has the ability to adversely impact those citizens whose property values are accurate.

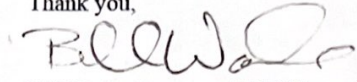
- Property tax complaints are filed as to a property (not a parcel) which may involve more than one parcel and in some cases dozens or hundreds of parcels. The legislation would result in a taxpayer receiving multiple notices for the same property where a single notice would suffice. The County Board of Revision serves a single notice on the taxpayer of the filing of a complaint.
- The requirement in the legislation for notice and approval for the filing of a counter-complaint is unnecessary. A board of education filing a property tax counter-complaint is seeking to participate in the proceedings and retain the County's value. A counter-complaint under Ohio law must be filed within thirty (30) days of the BOR providing notice to a school board of the decrease complaints. There is limited time within the existing 30-day period to gather the information as to the complaints, provide notice as provided in the legislation fourteen (14) days in advance of a board meeting, schedule and hold a school board meeting, and file the counter-complaints.

Rather than putting Boards in these situations I would suggest it should be the Boards responsibility to create and oversee a policy that requires equal and consistent application. HB 126 could be adjusted to require school boards to create a policy which sets parameters for when a challenge can be enacted, what percent change would trigger a challenge, and a requirement for board notification on when such challenges have occurred. This would provide direction to the superintendent and treasurer of expectations and the taxpayers would be assured of fairness and equality in the actions the district takes. Our goal in any challenge is to ensure the interests of the community are met and we base this on fair market value of the sale of properties, typically commercial properties, in the area. We look at it as our responsibility to all our taxpayers to monitor the revenue of the district, while making sure we protect those property owners whose values are accurate to ensure they do not pay more than their fair share of our approved millage rates. Living within a set of clear expectations is reasonable and only helps ensure a goal of consistent and equal application of the property tax collection is achieved across the state.

In the alternative, I direct attention to the compromise legislation approved by this Committee in 2018 and the Senate in 2020. The compromise legislation was the result of work of Senators Eklund and Manning and an Interested Parties meeting convened by Senator Eklund in December, 2018, attended by the sponsor and all parties, including the County Auditors Association and Chamber of Commerce. The compromise legislation retains the requirement for a board of education to approve the filing of an increase complaint while removing new requirements as to Board of Education filing a counter-complaint in response to the taxpayer's complaint.

I appreciate your time and would be happy to answer any questions you may have.

Thank you,

A handwritten signature in black ink, appearing to read "Bill Wade". The signature is fluid and cursive, with the first name "Bill" and last name "Wade" clearly distinguishable.

Bill Wade, Treasurer/Chief Financial