



HOUSE BILL 126  
INTERESTED PARTY TESTIMONY  
November 15, 2021

Dear Chairman Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee:

Thank you for the opportunity to comment on H.B. 126 which proposes adjustments to the procedures for challenging property value at the Board of Revision. In general, I join with the County Auditor's Association in supporting the purpose of the initial bill-increasing transparency and accountability for local governments contesting property values. I hope the committee would still consider some adjustment to that proposed procedure. In addition, I strongly oppose the proposed amendment which instead of adding guard rails to local government complaints would prohibit them entirely.

**The current Board of Revision process supplements the mass appraisal work conducted by county auditors.**

A primary purpose of the Board of Revision is to hear and decide complaints that the Auditor did not set a property value correctly. The Auditor's values are determined by computer assisted mass appraisal and are adjusted county wide only once every three years. Some parcels will be adjusted outside of the three-year cycle due to annual maintenance of the tax duplicate which includes new construction and other changes to property. While every single parcel is reviewed, the nature of appraising an entire county means that the values are set through a more holistic process necessary to both complete the work efficiently and consistently for the county. Standards for mass appraisal are set in Ohio law with rules, guidance, and oversight provided by the tax commissioner.

This process is an effective means of setting taxable value, but there are times when more individualized attention is needed to find the correct value for a parcel and Board of Revision complaints serve this purpose. Boards of Revisions routinely consider complex appraisal and economic evidence in determining the appropriate value after a complaint. The process is balanced because both property owners and local government entities<sup>1</sup> can challenge value or counter any filed claim. The ability of

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<sup>1</sup> Under R.C. 5715.19, all local government entities are eligible to file complaints or counter complaints at the Board of Revision. In practice, Boards of Education are the only entities who regularly file such complaints though their involvement can protect the interest of all overlapping taxing authorities.



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multiple parties to file helps keep decisions balanced with some property values being reduced and others being increased based on the evidence presented.

The complaint and hearing process is designed for review of an individual property and the Auditor's value is presumed to be accurate. This means that those filing complaints will need to show their claimed value is based on the property and not simply argue based on economic conditions or a burdensome tax rate which is largely determined by voter approved levies. The information gathered and resulting decisions create the correct taxable value for that property owner and can help inform future appraisal decisions.

**Additional transparency and accountability can support the Board of Revision and appraisal process.**

The bill as initially introduced to require the local government legislative body to approve complaint filings would strengthen the board of revision process. I would like to see changes to the bill as it is currently pending to limit the administrative burden on complaint filings. This could include allowing for a single resolution listing all properties on which a complaint can be filed, allowing for counterclaims without a resolution, and streamlining the notice requirements. I would also support the option suggested by other witnesses to require the adoption of a policy for when and how complaints would occur rather than signing off on individual properties.

The proposed amendment requiring the reporting of any side agreements or settlements of property value disputes would add additional transparency and give auditors more complete information for future appraisal work. Settlements can be an important part of any dispute, but secret agreements undermine the goal fair property values for both individual owners and communities as a whole.

**Prohibiting local government property value complaints will create one-sided arguments and can harm all taxpayers.**

Many of the proponents of this bill assert that the property challenge process is abused by local governments, namely local schools. This has not been my experience as county auditor. In Franklin County, local school filed original complaints are less than half the total board of revision case load representing fewer than 2% of parcels annually over the last three years. For tax year 2020 original school board cases covered 6,068 parcels in 1,103 unique cases. [INSERT COUNTER COMPLAINT DATA] These cases overwhelmingly involve commercial or industrial property or investor-owned residential property including large apartment complexes and other rental properties. Cases against owner occupied parcels are incredibly rare.

Both the school board complaints and critically countercomplaints make sure that the Board of Revision is not only asked to lower property values. Often school board representatives present evidence of property investment or a sale that for a variety of reasons has not yet been considered by our appraisal process. Understandably, property owners almost exclusively request that their appraised value be reduced. In contrast, when school boards file complaints they assert an increased value is warranted. In the case of countercomplaints, the countering party often helps defend the auditor's value

or argue for a compromise value change. Without this option, Board of Revision decisions would serve only to lower the overall tax base.

Balanced Board of Revision decisions are not only important to auditors and local governments, but also to every taxpayer in that jurisdiction. Every year tax rates are set or equalized by the Department of Taxation to make sure that property value changes still result in the correct amount being collected for each applicable levy. When a property value is changed at the Board of Revision, that new value is included in the following tax year calculation. If the Board of Revision universally lowers property values tax rates will increase over time ultimately harming those who do not challenge their value.

## **Conclusion**

Board of Revision complaints by property owners and local government entities are an important supplement to the mass appraisal process. Existing procedures and several of the measures proposed in this legislation can increase public awareness and accountability for local government decisions. I implore the committee to consider these guard rails but reject upending the current complaint process by making all claims one-sided and cutting off the ability of local governments to participate in this process.

Thank you for your consideration of this important legislation and the opportunity to review Board of Revision procedure. Never hesitate to reach me directly at AuditorStinziano@franklincountyohio.gov or 614-525-5700.

Sincerely,

Michael Stinziano,  
Franklin County Auditor