



## WAYS AND MEANS COMMITTEE

Witness Form

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Organization Representing: Princeton City Schools

Testifying on Bill Number: House Bill 126

Testimony: \_\_\_\_\_ Verbal  Written  Both

Testifying As: \_\_\_\_\_ Proponent  Opponent  Interested Party

Are you a Registered Lobbyist? \_\_\_\_\_ Yes  No

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**Senate Ways and Means Committee  
HB 126 Opposition Testimony**

**Princeton City School District, Butler, Hamilton & Warren Counties  
Tom Burton, Superintendent**

**November 16, 2021**

Chair Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to testify in opposition to House Bill (HB) 126.

My name is Tom Burton and I serve as the Superintendent for the Princeton City School District in Butler, Hamilton and Warren Counties. The Princeton City School District is one of the most unique school districts in Ohio. We encompass nine cities/townships and are located in three counties in Southwest Ohio. We serve just over 6,000 students who attend eight elementary, one middle school, one high school and one Innovation Center. Princeton is the most diverse school district in the state of Ohio. The overall student population is 41% Black, 28% Hispanic, 22% White, 6% Multiracial, 4% Asian/Pacific Islander, and <1% American Indian/Alaskan Native. Approximately 66% of students are Economically Disadvantaged, 19% are English Learners and 13% are identified as Students with Disabilities. Students in Princeton speak 34 different languages.

We oppose the changes proposed in H.B. 126, which would make filing property tax complaints and counter-complaints by boards of education overly burdensome and redundant to filing and notice provisions already requested under Ohio law.

Since school districts 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 (the "BOR") process. It is important to note that most BOR cases in the Princeton City School District arise when property owners seek lower values, which results in the School District losing revenue in that tax year and potentially future tax years. The largest of these complaints are continually brought by the same corporate property owners and their attorneys who relentlessly seek lower values. For them, values are seemingly always too high, and their attorneys seek out appraisers who



pursue ridiculous theories of valuation, such as the theory that all property must be valued as if it is vacant and akin to distressed property.

Under existing law, school districts are notified of these property owner-initiated complaints when the requested reduction in fair market value is \$50,000 or more. In the Princeton City School District, the vast majority of these property owner complaints are brought by commercial property owners. We file counter-complaints to contest these reductions in value whenever the complaint and supporting evidence submitted with it do not contain sufficient evidence to support a reduction in value. Thereafter, we attempt to reach stipulations of value with property owners if they later present sufficient evidence to support a reduction in value. If they fail to present sufficient evidence, we proceed with the case to defend the School District's tax base and help ensure that the tax rate of our other property owners is not unnecessarily increased to account for the reductions in value being sought through the BOR process.

I'd like the Committee to consider how the Princeton City School District just recently handled numerous complaints filed by hotel owners. Hotels were seriously impacted by the pandemic and often ran vacant or near vacant in calendar year 2020 and early 2021. We faced numerous Board of Revision complaints filed by hotels this year and worked to grant them the immediate relief they were seeking for the 2020 and 2021 tax years. In exchange, we secured agreements that ensure their property values are increased in future tax years when the pandemic is no longer impacting their business. Without these agreements, their lower values may carry-forward indefinitely. This is a win-win for the hotel owners, the School District and other taxpayers.

Under the amendment proposed last week, the School District would not even have a seat at the table to work out an arrangement like this. Under HB 126 as it was presented to this Committee from the House, the School District would face substantial hurdles and a very short window of time to file its counter-complaints to ensure it was a party to property owner complaints. The roadblocks that HB 126 places in front of the School District just to file a one-page counter-complaint for a seat at the table are substantial and unnecessary.

As for original complaints that we file, the Princeton City School District only files a complaint when we see that a sale has occurred, and the Auditor's value is well below the sale price. That's typically when at least \$200,000 in fair market value is at stake. Most cases are resolved inexpensively. In calendar year 2020, the average BOR case cost to the School District was just \$406.00 in attorney fees. When compared with the nearly \$500,000 in tax revenue saved through the BOR process, this was a sound investment that protected our tax base and helped keep the tax rate of our other taxpayers where it should be. The School District understands that it does not make sense to incur costs that exceed what it might gain from an original complaint or lose from a counter-complaint.



Under current law, the BOR is already required to provide notice to an owner by certified mail of any 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. Thus, under the current system, owners receive ample, repeated notice of proceedings that affect the valuation of their property and enjoy the right to fully participate in those proceedings, including the right to appeal.

HB 126 proposes to change current law by requiring school districts and local governments to notify the property owners that a challenge will be filed against the current valuation of the property. This redundant notice must be sent by certified mail to the owner's last known tax-mailing address and, if different, to the property's street address. By adding the property's street address in this requirement, the bill will create a considerable and unnecessary administrative cost burden on school districts. In addition, the bill would require a board of education to pass a resolution authorizing the filing of the challenge for each property. Since the bill's additional notification procedure occurs before this board action, this will have the effect of politicizing the decisions of the board of education as to which properties would be challenged.

These changes would result in additional costs to the School District, make the time-frame to file a counter-complaint against owner-initiated complaints nearly impossible to meet, make it easier for large corporate property owners to obtain reductions in value that may not be justified, and thereby likely result in our other taxpayers picking up the tax burden.

The Princeton City School District believes the current system has worked to benefit Ohioans for decades. It provides the proper checks and balances to maintain a fair taxation system.

Mr. Chairman, this concludes our testimony. Thank you for your consideration.

Respectfully,



Tom Burton  
Superintendent

