



BEFORE THE OHIO SENATE WAYS AND MEANS COMMITTEE
TESTIMONY ON HOUSE BILL 126
November 16, 2021

Good morning Chairman Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the committee. My name is Tony Long, and I am the Director of Tax & Economic Policy for the Ohio Chamber of Commerce. On behalf of the Ohio Chamber, I am testifying in support of the proposed amendment to House Bill 126 that would limit real property valuation appeals to the owner or tenant of that property.

When I last testified before this committee in September, I mentioned that the Ohio Chamber would prefer legislation that went beyond the language contained in HB 126 but recognized that the language is carried over from the past two General Assemblies. The proposed amendment is a welcomed change, and the Ohio Chamber supports its inclusion into HB 126.

The current statutory framework that allows local governmental entities to file complaints against real property owners to dispute the valuation set by a county auditor negatively impacts the business environment of Ohio, because a vast majority of the disputes are made against businesses owning or leasing commercial and industrial real property. In fact, in 2019 (updated in March 2020), the Council on State Taxation (COST) in conjunction with the International Property Tax Institute, issued a scorecard on the "Best and Worst of International Property, Tax Administration," Ohio received a grade of D+. One of the negative factors was the ability of the state's local political subdivisions to appeal property owners' valuations.

While the process of local entity involvement only impacts a small amount of the estimated 5.5 million parcels of land in Ohio, on a micro-level or individual property owner level, the process is disruptive, expensive, and creates tax uncertainty for the real property owner. The process sometime leads to intrusive document requests and produces settlements like the one attached to my testimony.

This settlement does not discuss the agreed upon value or the resulting monies owed on the property. Did that money go back into the formula? Did it benefit other local government entities? Did it impact the tax levy calculations? Did it reduce the taxes of other property owners in that district?

The larger question is why did that property owner face such scrutiny after the owner already relied on the expertise of the county auditor and the Ohio Department of Taxation to set the value of the property. This second bite of the valuation cherry offered to other local governmental entities is unnecessary and most likely yields small temporary gains given the ebb and flow of the three-year cycle of valuation.

As amended, HB 126 would limit standing to the owner or tenant of the real property and only that owner or tenant should decide if a second review is necessary to determine if an error in value was made during the initial assessment. It is long past time to correct the current practice used in Ohio and improve the business climate of Ohio and improve the real property administration report card score of a D+. Thank you for the opportunity to testify on HB 126. I will try to answer any questions you may have for me.

OHIO BOARD OF TAX APPEALS

OLENTANGY LOCAL SCHOOLS BOARD OF EDUCATION, (et. al.),)	
)	
Appellant(s),)	CASE NO(S). 2020-1870
)	
vs.)	
)	(REAL PROPERTY TAX)
DELAWARE COUNTY BOARD OF REVISION, (et. al.),)	
)	ORDER
)	
Appellee(s).)	

APPEARANCES:

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Entered Wednesday, April 14, 2021

Mr. Harbarger, Ms. Clements, and Mr. Caswell concur.

Upon consideration of the stipulation jointly filed by the parties, this matter is hereby remanded to the county auditor/fiscal officer with instructions to take further action as appropriate to give effect to the parties' settlement agreement.