



Senate General Government and Agency Review Committee

HB 76 Opposition Testimony

December 11, 2019

**Buckeye Association of School Administrators
Ohio Association of Parks and Recreation
Ohio Association of School Business Officials
Ohio Library Council
Ohio School Boards Association
Ohio Township Association**

Chairman Schuring, Vice Chairman Rulli, Ranking Member O'Brien and members of the Committee. My name is Barbara Shaner, representing the Ohio Association of School Business Officials (OASBO). Joining me today for this testimony are Kevin Miller from the Buckeye Association of School Administrators, Jay Smith from the Ohio Library Council, Will Schwartz from the Ohio School Boards Association, Marisa Myers from the Ohio Township Association, and Woody Woodward representing the Ohio Association of Parks and Recreation. Also joining us in answering your questions is Rebecca Princehorn from the law firm Bricker and Eckler, counsel to the Buckeye Association of School Administrators.

Thank you for the opportunity to speak to you today to express our opposition to House Bill (HB) 76.

We are here today representing our collective memberships, all of which have to rely on local property taxes for support. We understand the proposed changes in HB 76 are intended to allow

voters to better understand the effects a proposed levy will have on their property taxes. However, we believe the changes in HB 76 will actually cause confusion and misunderstanding by voters.

By necessity, ballot language is technical in nature and not meant to be an accurate estimate of the taxes owed by each individual taxpayer should the levy pass. Instead, the current ballot language describes the taxes that will be levied on behalf of the taxing entity.

The transition to the use of “\$100,000” in value for tax purposes presents opportunities for the miscalculation of the taxes for an individual property, particularly when using the proposed term “fair market value”. This term may mean different things to different people, but we believe the average homeowner believes it to mean the possible sale value of their home. This value may not actually be the taxable value for purposes of calculating the taxes property owners will pay.

Further, the bill’s requirement that the county auditor’s estimate of annual collections be in the ballot language will be very misleading to voters. For instance, as values in the district go up, the millage rate collected by the county auditor will go down. Also, as bonds for a capital project are retired, the amount of money needed to make the bond payments may go down, reducing the collection amounts. Again, the purpose of the language in the current ballot requirement is to direct the county auditor in collecting the tax -- not to indicate to individual voters how much they will pay.

During levy campaigns, school districts and other local governments routinely provide an estimated tax obligation on homes valued at \$100,000, but they have the ability to distinguish the various factors that will affect this estimate. The following differences among taxpayers, levies and properties mean the calculation of the actual taxes on an individual property derived from a levy will vary widely:

- Differences between Class 1 (Residential and Agriculture) and Class 2 (Commercial) Property (the calculation is most often different among the two classes)
 - Current Agricultural Use Value is not based on “market value”
 - Manufactured homes have two different taxing percentages depending on when situated in Ohio
- The taxpayer may have specific discounts (i.e., the Homestead Exemption)

- The type of levy has a bearing on what a property owner will pay (i.e., for renewal levies, residential property qualifies for the state-paid 10% rollback; commercial properties do not)
- “HB 920” means property owners often pay lower “effective rates” for levies rather than the full voted rate after the initial year of implementation

These differences among properties, taxpayers and levy types will surely lead to the miscalculation of taxes should voters be led to believe the calculation is a simple one. Further, to include this granular detail in ballot language would make for an extremely long and detailed ballot.

Again, we believe taxing entities are already providing more accurate information to potential voters during the levy campaign process. If individual voters wish to better understand the impact of a proposed levy on their specific property, the County Auditor can calculate an estimate based on all relevant factors.

Thank you for your consideration. **We urge you to reject HB 76.** We will be happy to address your questions.