

**House Bill 343**  
**Ryan Jenkins, Treasurer/CFO**  
**Pickerington Local School District**  
**House Ways & Means Committee**  
**Tuesday, November 28, 2017**

Chairman Schaffer, Vice Chair Scherer and members of the House Ways & Means Committee, thank you for allowing me to testify on House Bill 343.

My name is Ryan Jenkins and I have the privilege of serving as the Pickerington Local School District's Treasurer and Chief Financial Officer. Under the supervision of the Board of Education and along with my staff, I supervise the fiscal operations of the Pickerington Local School District. However, I began my career in education as a high school math teacher. I have served as both a high school assistant principal and a lead middle school principal.

Current law permits property owners, school boards, and others to file and respond to cases affecting the value of real estate. Each county's board of revision ("BOR"), composed of elected officials, hears these cases. It makes sense to permit owners and school boards to fully participate in this process as most schools receive most of their funding from property taxes, and the local school district receives the majority of each dollar of property tax. The result is a balanced playing field, where the parties with the most incentive to determine a property's true value have the option of being at the table.

Most BOR cases arise when property owners seek lower values, which results in schools getting less revenue. In a minority of cases, the local school board files an "increase complaint." The overwhelming majority of those increase complaints occur when the property recently sold. During the recession, owners frequently used this process to show that a recent sale demonstrated that a county auditor's assessed value was too high. The pendulum has thankfully swung the other way, and county auditors' values sometimes lag behind the market. Thus, properties oftentimes sell for prices that substantially exceed the auditor's values. This scenario accounts for the overwhelming majority of school board increase cases, and most of those cases focus on commercial properties, not private homeowners.

House Bill 343, which alters Ohio Revised Code § 5715.19, would require every entity *other than a property owner* to take unnecessary and time-consuming procedural steps before responding to or initiating a property tax valuation case. Boards of education get 30 days from receiving notice of a valuation complaint to file a counter-complaint; if they don't file in time, they're frozen out of the process. But this bill would impose time-consuming and cumulative procedural delays during this critical period. Lengthening the time for schools to counter-complain might seem like a solution, but would only add further delay to a process that is already lengthy.

Moreover, the bill requires a board of education to pass a separate board resolution for *every single BOR case* that it wants to participate in. Rather than require boards of education to adopt a uniform policy that articulates which sorts of cases it will file or oppose, this bill would make school boards pass, give notice of, conduct a hearing on, and debate every separate case. But

because there is no “discovery” process at the BOR level, the board of education and the affected property owners would end up talking past each other. Rather than getting to the bottom of a property’s true value, House Bill 343 would encourage owners to cry foul, hoping that objections to higher taxes would mask the actual inquiry, which is determining a property’s true value.

House Bill 343 would cause delay, promote enmity, and won’t help owners or school boards determine properties’ true values. In short, the measure would add heat, but wouldn’t shed light.

Instead, the legislature may consider other, more productive measures. For instance, some school boards have already adopted procedures or policies that provide guidelines for which BOR cases the board will initiate, and which it may oppose. These policies can foster productive debate, without being focused on individual property owners.

Another possible measure would be to raise the dollar threshold on the sorts of cases that school boards can participate in. Right now, school boards can participate in every case where the change in value exceeds \$50,000. It may be productive to evaluate whether a higher threshold might help focus all parties on the really important cases.

An additional option may be to address concerns about attorneys who represent school districts in these cases on a contingency fee basis. It may be productive to consider prohibiting that practice in the context of school district-initiated cases.

Finally, it might be productive to limit school board-initiated cases to commercial or income-producing properties, while removing school boards’ ability to seek increases in the value of owner-occupied homes.

All of these alternative measures would apply across the board, would not impose costly delay, and would not amplify the squeakiest wheels. These other options may be worthy of consideration; House Bill 343 is not.

Thank you for your consideration. I am happy to answer any questions from the Committee.