

For Immediate Release

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February 14, 2022

The following was sent to the Editor of the *Vindicator* in response to an article published in the paper on January 30, 2022:

The article in the *Vindicator* on Sunday January 30, 2022 “Challenge to school taxing divides legislators by party” had some omissions and misleading statements. The County Auditors Association of Ohio (CAAO) has issued a memorandum in opposition to the recent amendments to House Bill 126. The CAAO supported an earlier version of the Bill which improved transparency and fairness, but is now opposing the revised version as too restrictive.

As background, some Ohio school districts have aggressively filed Board of Revision actions against residential property owners. In Mahoning County for the last BOR filing period, 202 appeals were filed. There are six Mahoning County school districts that filed actions. They filed 32 complaints and 40 counter complaints, all against commercial properties. The CAAO advocates limiting the ability of a Board of Education to file a complaint when the requested change is less than \$100,000 or 10% of the assessed value set by the County Auditor, and further, to prohibit filing against owner occupied and agricultural properties. These provisions would protect property owners from being forced to defend their values and limit commercial filing to significant differences. Mahoning County school boards have not aggressively filed complaints against residential properties, but school boards have in other parts of the state.

These measures would not result in revenue loss for schools. Voted school levies generate local funding for schools. As asset values increase or decrease, the amount to schools does not change materially. Tax rates are calculated by the county auditor based on levies. Increases or decreases in assessed values within a taxing district would affect how much each taxpayer is paying, but the net to schools would be materially the same.

The CAAO also endorses the moratorium on side deals between school districts and property owners. From your article, “It also stops school districts from resolving complaints outside county boards of revision.” As presented, this sounds unfair, but as practiced it is unfair to taxpayers and entities receiving tax proceeds. After filing complaints to the Board of Revision, school districts have made deals with the commercial property owner for direct payment to the school district in exchange for dropping the complaint. The school district receives a side payment equivalent to the foregone tax receipts, the property remains in the tax base at a reduced value to the detriment of all other tax payers, and all other entities receiving tax proceeds do not derive the benefit of a higher assessed value.

Currently, Boards of Education can file an original complaint with the Board of Revision prior to the tax lien date in which a sale occurred. This means a property owner would be responsible for taxes incurred before they owned the property. The CAAO believes this is unfair.

There is a loop hole in the current law permitting transfers of property held in Limited Liability Corporations (LLCs). These transfers are made to avoid transfer taxes and hide the sales price of the property. The CAAO wants this loophole to end. My office has tightened the documentation for these transactions and examines each for compliance. Current sales information is required to determine fair market values.

The Auditor's Office is preparing for a revaluation in 2023, which is conducted every six years. All 164,000 parcels in the county must be assessed. These revaluations rely on current sales data, which is much more available for residential properties than commercial or industrial properties. Board of Education filings highlight valuation disparities for commercial properties that would normally be review every six years. There clearly is a role for Boards of Education in the process. Their role must be fair and transparent.

The County Auditor is the Secretary of the Board of Revision and Chief Assessor of the County. Going forward please do not hesitate to contact me on matters pertaining to this office. Framing this matter solely in a political context did not illuminate the issues and lead to misinformation.

Very truly yours,

*Ralph T. Meacham CPA*  
Mahoning County Auditor

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