



WRITTEN TESTIMONY BEFORE THE HOUSE WAYS AND MEANS COMMITTEE

HB 371

**Kent Scarrett
Ohio Municipal League
Executive Director**

Thank you for the opportunity to write in opposition of HB 371, which would exempt from property taxation the increased value of land subdivided for residential development until construction commences or the land is sold. Under the bill as it is currently written, subdivided land where streets, sidewalks, curbs, driveways, water and/or sewer or other utility lines have been installed or constructed is still considered “pre-development” and would be exempt from taxation, despite improvements that have inarguably added value to the land.

Local government’s concerns regarding HB 371 extend beyond the loss of revenue. One of the largest drawbacks of the bill is the impact it would have on current appraisal methodology. Currently, Ohio enjoys a uniform standard of appraisal practice throughout its political subdivisions. This uniform standard ensures the approximation of the “true” or fair market value of a piece of land. HB 371 creates a new term: “ascribed taxable value”. This term would replace the uniform standards of appraisal to be used broadly and even at random to the detriment of neighboring parcels of land. This would mean other taxpayers would have to endure the loss of local revenue being balanced on their backs.

Even though the tax freeze would be capped at 10 years and even though the freeze would not be permitted at CAUV levels, the impact to local governments and taxpayers alike would be irreversible, not to mention the affect this has on approved and universally-implemented standards of appraisal throughout the state of Ohio. If an amendment to create a local opt-in structure for the exemption were accepted, the Ohio Municipal League would move to neutral on HB 371. This structure would allow our members to decide if such exemptions benefit their communities.

We strongly urge the opposition of HB 371 in its current form. Thank you for your consideration.

Respectfully,

Kent Scarrett
Executive Director
Ohio Municipal League