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September 21, 2021

VIA EMAIL

Ohio Senate
Senate Ways and Means Committee

Re: Support of H.B. 126 – Local Political Subdivision Property Tax Complaints

Dear Chair Blessing, Vice-Chair Roegner, Ranking Member Williams, and Members of the Committee:

On behalf of the Council On State Taxation (COST), I am writing to notify you that COST supports H.B. 126, legislation similar to Sub. H.B. 343 and H.B. 75 which passed the Ohio House in 2018 and 2019, respectfully. While COST would like Ohio to go further and join the majority of states that do not allow local political subdivisions to independently file property tax complaints, H.B. 126 makes significant improvements by requiring a local political subdivision to notify property owners that a property tax valuation complaint may be filed, and by instituting a formal resolution process before a subdivision can contest a property owner's valuation.

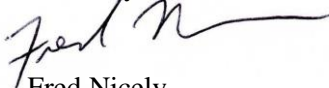
COST is a nonprofit trade association based in Washington, DC. COST was formed in 1969 as an advisory committee to the Council of State Chambers of Commerce and today has an independent membership of over 500 major corporations engaged in interstate and international business. COST's objective is to preserve and promote the equitable and nondiscriminatory state and local taxation of multijurisdictional business entities. COST comprises a significant number of members that own property, have employees, and otherwise have significant operations in Ohio.

Property taxes are important because they typically represent the highest portion of state and local taxes paid by the business community — 38% of all such taxes nationally (34.6% in Ohio).¹ In 2019, COST, in conjunction with the International Property Tax Institute, issued an updated Scorecard on the "Best and Worst of International Property Tax Administration."² Ohio's overall grade was a "D+." One item attributing to this poor grade is the Ohio local political subdivisions' ability to appeal property owners' valuations.

H.B. 126 will help mitigate instances of unwarranted property tax appeals by local political subdivisions. Such litigation is expensive and hinders Ohio's ability to foster a pro-business economic development environment. Accordingly, COST sees this legislation as a step in the right direction and supports the passage of H.B. 126.

Please let me know if you have any questions.

Sincerely,



Fred Nicely

cc: COST Board of Directors
Douglas L. Lindholm, COST President & Executive Director

¹ COST/EY "Total State and Local Business Tax Burden Study for Fiscal Year 2019," issued October 2020, is available at: <https://www.cost.org/state-tax-resources/cost-studies-articles-and-reports/>.

² COST/IPTI "Best and Worst of International Property Tax Administration," issued June 2019, is available at: <https://www.cost.org/globalassets/cost/state-tax-resources-pdf-pages/cost-studies-articles-reports/2019-international-property-tax-scorecard---final-june-20.pdf>.