

# THE ENQUIRER

ONLINE EDITION OF THE  
REGION'S #1 NEWSPAPER

Tuesday, February 8, 2005

Report offers a bad answer for reforming school funding

By Dusty Rhodes  
Guest column

A proposal in a report issued last week by the Governor's Blue Ribbon Task Force on Financing Student Success is nothing more than a trick to take more Ohio taxpayers' money on a continuing basis without allowing voters to decide if their school district has earned it or needs it.

Present law gives most schools no more property tax money than the voters originally approved regardless of valuation changes. Legislators recognized that real estate does not track inflation and periods of big property value increases would result in excess taxes.

House Bill 920 was passed in the 1970s to prevent revenue windfalls to taxing entities based on increases in real estate value. Because of this, voters can approve levies without fear of huge tax increases due to property value appreciation.

Assume a school district asks for \$10 million in new money and the voters pass 10 mills to give it to them. Imagine the aggregate property value in that district doubles. Thanks to HB 920 the district does not suddenly receive an extra, unanticipated ten million dollars. It still gets just the ten million the voters originally approved before the reappraisal. The ten mills become five mills.

Confusing? You bet! It often seems as if the state

tax code was designed to make people crazy. But it does force accountability by leaving major tax decisions in the hands of the people.

The proposed quick fix of giving schools more taxes with no vote, whenever there is a reappraisal that raises values, is a cruel hoax. Higher income communities can see the greatest increases in values. So the rich districts could well benefit a lot and the poorer districts much less.

If there is a period of diminished real estate value growth or deflation, the "solution" to give schools automatic, unvoted tax increases is no solution at all. They might even get less. Then what?

Why would a school funding task force not include any of Ohio's 88 County Auditors? County Auditors are an important administrative arm of the state and set the values on which school property taxes are based. As we interact with taxpayers on a daily basis we could have pointed out the serious pitfalls of this proposal.

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