

## Part 3 of Self-imposed Eviction: Confusion – Good Intentions By Deception and Legislation

In Part 3 of this four part series of “Self-induced Eviction” we will clarify a couple of questions from Part 2 and then we will make every attempt to use the KISS principle in getting through the deception by good intentions that honestly you have NO, Zero, Nada, Nie idea about the reality that by virtue of the Ohio Constitution, you have no direct input in a number of Levy actions. Also, we will direct your attention to the culprits that allow Levies to get to the ballot and in most cases without ever reviewing the actual need for the levy.

Disclaimer: The Ohio Revised Code as well as Other States law codes make understanding Levies so difficult that even the taxing authorities have a difficult time knowing what is best for the Citizens and the general good. We will do our best to keep it simple but no promises.



### *Last Post Clarification:*

First off, a couple of points were brought to our attention from the [last Blog Post](#). One question came up regarding where the assessed valuation of the property was taken from in the example given in the chart. For those living in Geauga County Ohio, the information was directly taken from the [County Auditors Page for Property](#). Those living in the County can apply the process to your own parcel using this web site. The Liberator Network in conjunction with the Geauga County Tea Party and Lobbyists for Citizens are developing a handbook that can help you find out if you Taxation Unaffordability Factor is or you can look at the example in Part 2 to figure out the math on your own. It really isn't all that difficult.

Secondly, this blogger was asked where the County chart data came from. Once again, go to the Geauga REALink for your property. Once on the page for your property, click the tab titled “Tax Details”, then scroll to the bottom of the page and click on “See Where Your Real Estate Dollars Go”. The charts make it all really personal. The other interesting link is right under that is the link to: “See how issues on latest ballot could/will affect your taxes”. Here is were you will see the real affect a passed levy will have on your tax burden.

### *Now The Confusion!*

Just to drive the point home, trying to keep this simple is one of the greatest challenges ever faced. This blogger has spent hours researching the Ohio Revised Code and numerous other

sites of which a number will be referenced here for you to check out if you have the inclination. Here is statement in the County Commissioners Handbook Chapter 14<sup>i</sup> on Millage:

“Article XII, Section 2 of the Ohio Constitution provides that:

No property, taxed according to value, shall be so taxed in excess of one per cent of its true value in money for all state and local purposes, but laws may be passed authorizing taxes to be levied outside of such limitation, either when approved by at least a majority of the electors of the taxing district voting on the proposition, or when provided for by the charter of a municipal corporation.”

So here we go, what we discussed in Part 2 is basically termed 'Outside Millage'. Most simply put, it means the levy amounts that you vote on to increase your property tax. What this equates to is that a taxing authority comes to you, the Citizen Property Owner, telling you they need more money than what they are already authorized based on State law. So stop right here! Who are these taxing authorities that are guaranteed property tax money? Here is the list from the Ohio Revised Code from [5705.01 Tax levy law definitions](#) (bolded emphasis added).

This is long but you need to clearly grasp all that is affecting your property taxes and you have NO say without getting the State Legislature to make the changes.

(A) "**Subdivision**" means any county; municipal corporation; township; township police district; joint police district; township fire district; joint fire district; joint ambulance district; joint emergency medical services district; fire and ambulance district; joint recreation district; township waste disposal district; township road district; community college district; technical college district; detention facility district; (what ever this is... go look it up); a combined district organized under sections 2152.41 and 2151.65 of the Revised Code (once again, what the hoot is this?); a joint-county alcohol, drug addiction, and mental health service district; a drainage improvement district created under section 6131.52 of the Revised Code; a lake facilities authority created under Chapter 353. of the Revised Code; a union cemetery district; a county school financing district; a city, local, exempted village, cooperative education, or joint vocational school district; or a regional student education district created under section 3313.83 of the Revised Code.

**That alone is a huge mouthful and consider all the rest here as well:**

(B) "**Municipal corporation**" means all municipal corporations, including those that have adopted a charter under Article XVIII, Ohio Constitution.

**This next one is important to put each entity on a separate line so please forgive how long this is but otherwise you will not clearly see who the entity is and who is responsible for jacking up your taxes... Oh, I mean asking you to tax yourself out of your homes. \*\*\*The party**

responsible for submitting the Levy will be bolded and underlined!

(C) "Taxing authority" or "bond issuing authority" means,

- in the case of any county, **the board of county commissioners;**
- in the case of a municipal corporation, **the council or other legislative authority of the municipal corporation;**
- in the case of a city, local, exempted village, cooperative education, or joint vocational school district, **the board of education;**
- in the case of a community college district, **the board of trustees of the district;**
- in the case of a technical college district, **the board of trustees of the district;**
- in the case of a detention facility district, a district organized under section 2151.65 of the Revised Code, or a combined district organized under sections 2152.41 and 2151.65 of the Revised Code, **the joint board of county commissioners of the district;**
- in the case of a township, **the board of township trustees;**
- in the case of a joint police district, **the joint police district board;**
- in the case of a joint fire district, **the board of fire district trustees;**
- in the case of a joint recreation district, **the joint recreation district board of trustees;**
- in the case of a joint-county alcohol, drug addiction, and mental health service district, **the district's board of alcohol, drug addiction, and mental health services;**
- in the case of a joint ambulance district or a fire and ambulance district, **the board of trustees of the district;**
- in the case of a union cemetery district, **the legislative authority of the municipal corporation and the board of township trustees, acting jointly as described in section 759.341 of the Revised Code;**
- in the case of a drainage improvement district, **the board of county commissioners of the county in which the drainage district is located;**
- in the case of a lake facilities authority, **the board of directors;**
- in the case of a joint emergency medical services district, **the joint board of county commissioners of all counties in which all or any part of the district lies;**
- and in the case of a township police district, a township fire district, a township road district, or a township waste disposal district, **the board of township trustees of the township in which the district is located.**

- "Taxing authority" also means the educational service center governing board that serves as the taxing authority of a county school financing district as provided in section 3311.50 of the Revised Code, and the board of directors of a regional student education district created under section 3313.83 of the Revised Code.

\*\*\*Notice: On a number of boards noted above..... the citizens on the boards are NOT Elected! Yet, they - maybe with good intentions - are the ones who are responsible for increasing your property taxes. I can attest for a fact that when one is appointed to a board there is Zero education as to how financial management works or what is the fiduciary responsibility of the board to the citizens. It becomes only about the entity with no consideration of the Citizens that are statutorily mandated to support that long laundry list of "Taxing Authorities".

By the way, did you know that across Geauga County there are 'Thirty' (30) tax levies on the ballot. I know, you only see those in your area but look at [the 100 day notice on the Board of Elections](#) site. It makes my bank account groan!

***And are you ready for the (TAXED ENOUGH ALREADY) 'TEA' Parties Again?  
You should be!***

OK - back to the math problem of these taxing authorities and subdivisions who want you to extend or renew existing taxes to continue their operations as well as in some cases they want new levies to increase the millage of what an old levy was doing.

In our example in Part 2 of this series, the property taxes are a combination of Outside Millage and our pointed conversation here, which is the 'Inside Millage'. What the heck is Inside Millage?

From an article titled "Inside, Inside Millage - A Close-Up View By: John Varanese, Esq."<sup>ii</sup> we get a great description that reads: "inside millage is - an unvoted property tax authorized by the Ohio Constitution and established by the General Assembly which may not exceed ten mills in any taxing district." This means that a county can tax you up to 1% of your assessed property value without your vote. I have to ask you a question at this point: How much is that 1% in real dollars for you?

Simply - if your house has an assessed value of \$100,000.00 you automatically have to shell out \$1,000.00 per year without a vote. \*\*\*To keep to our KISS principle, I am not going to go into the 'Roll Back' formula that does get you a few dollars back.\*\*\* This is the "Inside Millage". Now - think about this - every one of that laundry list of taxing authorities and subdivisions is screaming and yelling for their portion of that \$1,000.00. So the legislature in its mathematical wisdom set up formulas for the sharing of your \$1,000.00 and then, the legislature knew that you should have direct voting authority on what these entities might have as a short fall - so

they established the Levy laws ORC 5705 that sets the guidelines for all those who want more to figure out how to get more.

OK, there is cynicism in this article but I believe it is due since the responsibility and accountability of the taxing entities is as I already stated.... All about them and Phooey on you! They do not show clear accountability or transparency to the voter. They only call you names and disparage you if you do not cave to their demands. Ok, enough commentary and onto the math.

### ***Mandated Distribution of the 1% Inside Millage or the 10 Mill Puzzle***

This is a puzzle and I have to refer you to [the article by John Varanese, Esq.](#) once again. He charts it all out and makes every attempt to simplify the word games of the ORC and the complexity of the math. And according to the 'County Commissioners Handbook Chapter 14, page 32, "The majority of inside millage is distributed to schools; however, it is an important source of revenue for the county general fund. In most counties inside millage revenue is usually the second largest source of revenue to the general fund, following the permissive sales and use tax." By the way, we are going to be talking about where the transparency should come from... hint... The County Budget Commission. Go figure that one out and let it light your hair on fire!

What is important for us to understand and we hope that the County Commissioners REALLY Understand is how this works. To help us all out a tad we have to look again at "The Handbook" - "The county budget commission must approve without modification a minimum levy within the ten mill limitation as long as the subdivision shows a need for the revenue in the tax budget and other subdivisions can fully meet their debt obligations. This minimum levy, also referred to as "guaranteed inside millage," equals two-thirds of the average levy for current expenses and debt service allotted within the former 15 mill limitation during the last five years (1929-1933) the 15 mill limit was in effect (ORC 5705.31). "

One last point before this becomes a book. I suspect that you are already lost and gone from reading. If you made it this far then I am guessing you are as upset with this lack of understanding and transparency in the process as we look at THIRTY Levies on the ballot. If you are not upset.... Well than you are either very wealthy and don't care or you are afraid of the taxing authorities and won't care or more likely You NEVER were told in school how this all works. The politicians and Board Members of the entities really don't want you to know.

Anyway, here is the last technical piece of information you need to understand on 'Inside Millage' before we hit the conclusion.

Again from "The Handbook" - "

#### 14.17 CLASSIFICATION OF PROPERTY TAX LEVIES (ORC 5705.04)

ORC Section 5705.04 requires every taxing authority to divide or classify all of its property tax levies into the following separate levies:

##### 1. Inside Millage Levies

a. General levy for debt charges.

b. General levy for current expenses.

c. Special levies authorized in ORC Sections 5705.01 - .5705.47 which includes a number of levies for specific purposes. Although most inside millage goes to the county general fund, some counties have allocated inside millage for the repayment of debt. For example, ORC 5705.06 authorizes commissioners to levy inside millage for the following purposes:

(1) For the construction, reconstruction, resurfacing and repair of roads and bridges other than state roads and bridges.

(2) For paying the county's portion of the cost of the construction, improvement, and maintenance of state highways.

(3) For any specific permanent improvement which the county is authorized to acquire, construct, or improve or any class of such improvements that can be included in a single bond issue.

(4) For library purposes authorized by law.

##### 2. Outside Millage Levies

a. The general levy for debt charges authorized by law or approved by the voters.

b. Other special or general levies authorized by law or approved by the voters.

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All the above sets the baseline for how the Property Tax levies are suppose to work. Oh, and to let you know, that County Budget Commission: They don't have to be bobble headed yes men to the taxing authorities... They can and have the responsibility to "Reduce the Tax Levies"! Get this from that pesky "Commissioners Handbook" -

#### 14.18 AUTHORITY OF COUNTY BUDGET COMMISSION TO REDUCE TAX LEVIES

One important responsibility of the county budget commission is to review tax budgets of all political subdivisions. Tax budgets must be adopted by July 15 of each year by most political subdivisions (January 15 for school districts) and submitted to the county auditor by July 20. If the county budget commission has waived the requirement to adopt and file a tax budget, it may require political subdivisions to submit other information so the

budget commission may perform its responsibilities relating to property tax levies.

## **Conclusion:**

Inside Millage is determined by the State Constitution and the Ohio Revised Code. Within that established law there are limitation on taxing amounts and the establishment of taxing authorities. The way that the majority of taxing authorities and subdivisions, other than schools, get their share of the Inside Millage is up to the County Budget Commission and to an extent the Commissioners.



The travesty is that no one knows what the County Budget Commission does. The assumption is that they are 'Bobble Heads' and just approve everything a taxing authority puts forward for Levies regarding 'Outside Millage'. Are they reviewing the proper distribution of 'Inside Millage'.

Lastly, the real and most important levels of responsibilities, transparency, and accountability are on the heads of those hired, appointed, in some instances elected to the various boards of the taxing authorities. They **MUST** not be the self-serving preservationists of their particular taxing subdivision. They must first remember they are citizens and with the rest of us in the Counties of Ohio - they are responsible for taxing us and themselves with "Self-inflicted Eviction".

**Please attend the various Subdivision Board meetings, the Commissioners Meetings and your local TEA Party Meeting!**

**Get Informed and Get Active**

**Otherwise: start packing your residence because of - Self-inflicting your eviction by high Property Taxes**

- i County Commissioners Handbook, Chapter 14 <http://www.ccao.org/wp-content/uploads/HBKCHAP014%2010-2-14.pdf>
- ii "Inside, Inside Millage - A Close-Up View By: John Varanese, Esq., September/October 2014, Ohio Township News, <https://ohiotownships.org/sites/default/files/Inside%20Millage.pdf>