



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 343 of the 132nd G.A.
(L_132_3129-1)

Status: In Senate Ways & Means

Sponsor: Rep. Merrin

Local Impact Statement Procedure Required: No

Subject: Prohibits certain local governments from contesting a residential property's value and requires them to pass an authorizing resolution and provide advance notice to owners before contesting the value of nonresidential property

State & Local Fiscal Highlights

- The bill prohibits local government units from initiating property tax valuation complaints against residential property, but allows such complaints against nonresidential property, and allows counter-complaints, subject to limitations.
- The bill's requirement that a local government contesting the value of a parcel or parcels pass an authorizing resolution will add to direct costs, but by an amount that appears unlikely to be large.
- Indirect fiscal effects may reduce both local government revenues and costs.
- No direct fiscal effect on the state.

Detailed Fiscal Analysis

H.B. 343 prohibits a board of county commissioners, a board of township trustees, a board of education of a school district, or the mayor or legislative authority of a municipal corporation from initiating a property tax valuation complaint against residential property. Any of them may, however, file a counter-complaint to a previously filed valuation complaint for residential property and may file a valuation complaint against property that is not residential, subject to limitations specified in the bill.¹ To contest the value of a parcel or parcels not owned by that local government, the county, township, school district, or municipal corporation must first pass an authorizing resolution at a public meeting. Each parcel, or more than one parcel if owned by the same owner or owners, must be identified in a separate resolution. However, multiple such resolutions may be adopted by a single vote (i.e., a separate vote on each resolution is not required). No resolution is required for a counter-complaint.

¹ The right of county prosecuting attorneys and treasurers to file valuation or classification complaints is unchanged by the bill.

Local governments may incur added costs to pass resolutions. Such added administrative costs appear unlikely to be large. For schools, board members are paid a flat rate per meeting, so longer meetings to pass resolutions would not add to the cost of their pay.² Costs might be incurred for any hourly paid employees required to be present at such meetings, but some school employees in attendance presumably would be salaried not hourly.

The bill could result in indirect fiscal effects. If, for example, the bill resulted in fewer property tax complaints being filed, both revenues from successful complaints and the legal costs to file these complaints might be reduced.

² R.C. 3313.12(B).