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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 126\*  
134<sup>th</sup> General Assembly

## Bill Analysis

[Click here for H.B. 126's Fiscal Note](#)

**Version:** As Reported by Senate Ways and Means

**Primary Sponsor:** Rep. Merrin

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### SUMMARY

- Prohibits any person or political subdivision from filing a property tax complaint with respect to property that the person or political subdivision does not own.
- Allows a school district to file a counter-complaint only if the school board first adopts a resolution authorizing the counter-complaint.
- Prohibits a school district that has filed a counter-complaint from appealing the decision of a board of revision.
- Prohibits a property owner and a school district from entering into a private payment agreement whereby the owner pays the school district to dismiss, not file, or settle a counter-complaint.

### DETAILED ANALYSIS

#### Limitations on property tax challenges

##### Filing of property tax complaints

The bill prohibits any person or political subdivision, including a school district, from filing a property tax complaint with respect to property that the person or political subdivision does not own. Under current law, a school board, a county treasurer or prosecuting attorney, the mayor of a municipal corporation, or the board or legislative authority of a county, township, or municipal corporation can file a complaint against any property located in the county. Similarly, a property owner, the owner's spouse, or an agent of the owner or spouse

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\* This analysis was prepared before the report of the Senate Ways and Means Committee appeared in the Senate Journal. Note that the legislative history may be incomplete.

can file a complaint with respect to any property in the county. In addition, continuing law authorizes certain long-term tenants to file complaints for property the tenant leases.

Such complaints may challenge a property's value as assessed for tax purposes or its classification as residential/agricultural or commercial/industrial for "H.B. 920" tax reduction purposes, as agricultural property eligible for current agricultural use valuation (CAUV), or as nonbusiness property eligible for the 10% rollback. Complaints also may challenge recoupment charges imposed for conversion of CAUV land to nonagricultural use. The vast majority of property tax complaints challenge a property's assessed value.

Complaints are heard before the county board of revision, which is comprised of the county treasurer, the county auditor, and a county commissioner. Generally, a party may initiate a complaint with respect to a particular parcel only once in each three-year period between the reappraisal and assessment update years (the "interim period") unless certain events have occurred in the meantime, such as the property having been sold.<sup>1</sup>

### **Counter-complaints**

The bill also imposes new limitations on the filing of counter-complaints. Under current law, once certain complaints are initiated, a counter-complaint may be filed in response by a school board or, if the owner did not initiate the complaint, by the owner, spouse, or their authorized agent. A school board can file a counter-complaint only if the complaint alleges a differential of \$50,000 or more in the property's true value relative to the appraised value set by the county auditor. For example, if a property owner initiates a complaint to reduce the assessed value of the property by \$75,000, a school board may respond with a counter-complaint defending the original assessed value or alleging a different value.

Since the filing of initial complaints is limited to property owners or their representatives, the only entity with authority to file a counter-complaint under the bill is a school board. However, the bill imposes new limitations on that authority.

Under the bill, before filing a counter-complaint, the school must first adopt a resolution approving the action. If the counter-complaint alleges that the property's value should be higher than the county auditor's valuation, the resolution must include evidence supporting that higher valuation. The board must adopt a single resolution for each counter-complaint, vote on each such resolution separately, and certify each resolution to the board of revision. If the resolution is not certified, the board of revision does not have jurisdiction, and must dismiss the counter-complaint.<sup>2</sup>

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<sup>1</sup> R.C. 5715.19 and 4503.06.

<sup>2</sup> R.C. 5715.19(B).

## Appeals of board of revision decisions

Under current law, if a board of revision decides against a school board's counter-complaint, the board may appeal the decision to the Board of Tax Appeals. The bill prohibits the filing of such appeals.<sup>3</sup>

## Private payment agreements

The bill also prohibits a school district from entering into a private payment agreement with a person that has filed a property tax complaint. A private payment agreement is any agreement in which the property owner or compliant-filing tenant, or a person acting on behalf of the owner or tenant, agrees to make one or more payments to the school district in exchange for the district dismissing a counter-complaint, refraining from filing a counter-complaint, or settling a claim.

The bill does not prohibit agreements in which the parties agree upon a new valuation for the property that is the subject of a complaint, as long as the new valuation is reflected on the tax list and the agreement does not require any payments.<sup>4</sup>

## Application date

The bill's requirements apply to any complaint or counter-complaint filed for tax year 2022 or any later tax year.<sup>5</sup>

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## HISTORY

Action	Date
Introduced	02-16-21
Reported, H. Ways & Means	03-24-21
Passed House (62-31)	04-15-21
Reported, S. Ways & Means	---

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<sup>3</sup> R.C. 5717.01.

<sup>4</sup> R.C. 5715.19(I).

<sup>5</sup> Section 3.