



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 124
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. D. Thomas and T. Hall

Zachary P. Bowerman, Attorney

SUMMARY

- Requires TAX to consider only a representative sample of arm's length property sales submitted by county auditors when conducting sales assessment ratio studies as part of its function to adjust, or "equalize," proposed property values.
- Authorizes TAX to appeal a county auditor's sample as unreasonable or unlawful to the Board of Tax Appeals (BTA).

DETAILED ANALYSIS

Property tax sales assessment ratio data

Background

The Ohio Constitution requires that real property be taxed according to its fair market value, i.e., the price the property would sell for in an arm's length sale between a willing buyer and seller.¹ To ensure that this constitutional requirement is met, county auditors reappraise or update the value of all property every three years. Once every six years, each county undergoes a "sexennial appraisal," in which the county auditor reappraises all property based on an examination of each parcel. At the midpoint of this six-year reappraisal cycle, auditors review and adjust these values to reflect market conditions since the reappraisal. This reassessment phase is known as the "triennial update." During the triennial update, in lieu of examining each parcel, auditors make valuation adjustments on a statistical basis, using the overall percentage change in the aggregate value of each class of property.

¹ Ohio Constitution, Article XII, Section 2.

Current role of TAX

Under continuing law, TAX reviews county auditors' valuations during both the sexennial reappraisal and triennial update. If TAX determines that the taxable value of any class of property in any taxing district does not reflect true market values, TAX will order the auditor to increase or decrease the aggregate value of that class of property so that it is correctly valued. TAX sends notice of any such correction to the auditor, who must then adjust the property tax abstract within 90 days.

As part of this review process, TAX performs studies that analyze a county's property values and recent sales data. These "sales ratio" studies compare sales prices and the assessed value of property, with the goal of ensuring that property is being assessed at 35% of its fair market value. In particular, these studies play a significant role in updating property values as part of a county's triennial update.²

The bill

Under current law, TAX selects the property sales data from each county that will be included in its sales ratio studies. The bill requires, instead, that TAX use a sample of property sales provided by each county auditor, beginning with the 2025 tax year. As under current law, all sales included in a sample must be open market, arm's length sales that occurred in the previous three years.³

Appeals

Under continuing law, if a county auditor disagrees with a correction order from TAX, the auditor may appeal it to BTA within 30 days. BTA may confirm TAX's order, reverse it, or modify the corrections, depending upon whether BTA determines that TAX's corrections are reasonable and lawful. The party that does not prevail before BTA may appeal its decision to the court of appeals of the auditor's county or to the Ohio Supreme Court.⁴

The bill additionally allows TAX to file an appeal with BTA challenging the property sales included or excluded from an auditor's sample of property sales. BTA may confirm the sample or order modifications, if it determines that the sample is unreasonable or unlawful.⁵

² R.C. 5715.26; R.C. 5715.24 and 5715.25, not in the bill.

³ R.C. 5715.012; Section 3(B).

⁴ R.C. 5715.251; R.C. 5717.04, not in the bill.

⁵ R.C. 5715.251 and 5715.26.

HISTORY

Action	Date
Introduced	02-24-25
