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H.B. 126
134th General Assembly

Bill Analysis

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Version: As Reported by House Ways & Means

Primary Sponsor: Rep. Merrin

Michael Hinel, Attorney

SUMMARY

- Requires a school board or the legislative authority of a county, municipal corporation, or township, before filing a property tax complaint or counter-complaint, to pass a resolution approving the complaint or counter-complaint at a public meeting.
- Modifies the circumstances under which a county auditor must notify the property owner or a school board that a property tax complaint has been filed against a property.

DETAILED ANALYSIS

Local government challenges to property tax assessments

Filing of property tax complaints

The bill requires that, before a school district or other political subdivision may file a property tax complaint or counter-complaint with respect to property the political subdivision does not itself own, the school board or legislative authority must first adopt a resolution authorizing the complaint or counter-complaint. The bill also modifies the circumstances under which a county auditor must notify the property owner or a school board that a property tax complaint has been filed against a property.

Under continuing law, property tax complaints may be initiated by property owners, an owner's spouse, certain agents of the owner or spouse, a county treasurer or prosecuting attorney, the mayor of a municipal corporation, a school board, or the board or legislative authority of a county, township, or municipal corporation. 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.¹ 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.

Once a complaint has been 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. For example, if a property owner initiates a complaint to reduce the assessed value of the property, a school board may respond with a counter-complaint defending the original assessed value or alleging a different value.

Approval of complaints

Under the bill, before filing a property tax complaint or counter-complaint, a school board or legislative authority that is permitted by law to file a complaint or counter-complaint must first adopt a resolution approving the action at a public meeting. Similarly, before a complaint may be filed by a mayor, the municipal legislative authority must first adopt such a resolution. The resolution must identify the parcel number and, if available in the county auditor’s online records, the parcel’s address, and must include the name of an owner. If the board or legislative authority is initiating a complaint, the resolution must also identify the basis for that complaint (e.g., assessed value, tax classification, CAUV status). A single resolution is confined to identifying a single parcel or multiple parcels having the same owner.

Notice of hearing

Before adopting the resolution, the board or legislative authority must send written notice by certified mail to one of the property owner’s last known property tax-mailing address and, if different, to the property’s street address. Alternatively, the notice may be sent to the owner by ordinary mail if it is also sent electronically to the owner. The notice must declare the intent of the board or legislative authority to adopt the resolution and state the proposed date of adoption and, if the resolution is initiating a complaint, the basis for the complaint. The notice must be postmarked at least 14 days before the resolution is scheduled to be adopted.

The board or legislative authority may adopt one or more of these resolutions by a single vote, provided no other type of resolution addressing a different matter is adopted pursuant to that same vote (i.e., the measure could not be included in a ‘consent agenda’). A copy of the resolution must be filed with the board of revision no later than 30 days after the last day the complaint or counter-complaint against that property may be filed. (The general deadline for filing complaints is March 31; counter-complaints are generally required to be filed within 60 days thereafter.) If the resolution is not timely filed, the board of revision does not have jurisdiction, and must dismiss the complaint or counter-complaint, although the board retains jurisdiction and may not dismiss the complaint if the sole error is that the resolution or

¹ R.C. 5715.19.

notice fails to correctly identify the property's owner or the street address.² (Continuing law similarly prohibits a board of revision from dismissing a complaint that only fails to correctly identify a property's owner.)

Complaint form

The bill requires any property tax complaint form prescribed by a board of revision or the Tax Commissioner to include a box that a board, legislative authority, or mayor filing the complaint may check to certify that the board or legislative authority or, in the case of a mayor, the municipal legislative authority, has adopted a resolution authorizing the complaint and provided notice of the resolution to the property owner, when applicable under the bill's new requirements.³

Counter-complaint threshold

Under continuing law, if a complaint alleges a change in value of at least \$50,000 in fair market value (\$17,500 in taxable value), the county auditor must provide notice of that complaint to the property owner, if the owner did not initiate the complaint, and school board within 30 days after the deadline to file complaints, generally March 31. The owner or school board may respond by filing a counter-complaint within 30 days after receiving that notice defending the property's assessed value or alleging a different value. (In any event, the property's owner will eventually receive notice from the board of revision that a complaint has been filed against the property ten days or more before the scheduled hearing.⁴)

Economic units

The bill specifies that multiple complaints filed with respect to parcels that are part of the same "economic unit" must be treated as a single complaint and aggregated for purposes of calculating this \$17,500 taxable value notice threshold. An "economic unit" is property that includes multiple parcels, but that is united by an economic function such that it would normally be sold as a single property. The property need not be contiguous, nor owned by the same person, but must be managed and operated on a unitary basis.⁵

For example, if three complaints are filed against three separate properties for the same tax year that each allege a change in taxable value of \$10,000, but those properties are part of the same economic unit under the bill, the county auditor must provide the property owner, or owners, and the school board notice since the aggregate complaint amount of \$30,000 exceeds the \$17,500 taxable value notice threshold. Under current law, this notice requirement is not triggered since neither of the three complaints individually meets or exceeds that threshold.

² R.C. 5715.19(A)(6).

³ R.C. 5715.19(A)(7).

⁴ R.C. 5715.19(C).

⁵ R.C. 5715.19(B).

Effective date

The bill's requirements apply to any complaint or counter-complaint filed for tax year 2021 or any later tax year.⁶

HISTORY

Action	Date
Introduced	02-16-21
Reported, H. Ways & Means	03-24-21

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⁶ Section 3.