



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 126
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 126's Bill Analysis](#)

Version: As Passed by the Senate

Primary Sponsor: Rep. Merrin

Local Impact Statement Procedure Required: No

Philip A. Cummins, Senior Economist

Highlights

- Allowing a person or political subdivision to file an initial property tax complaint only with respect to property that the person or subdivision owns may lead to a reduction in property tax revenue to some political subdivisions.
- A school district could file a counter-complaint only if the school board first adopts an authorizing resolution, and in some circumstances includes in the resolution evidence for a higher property valuation, which also could reduce such counter-complaints, and thus tax revenue.
- School districts would be prohibited from appealing decisions of boards of revision.
- These provisions may reduce the workload and costs for county boards of revision and the state Board of Tax Appeals (BTA). BTA operations are funded by the state GRF.

Detailed Analysis

The bill would allow a person or political subdivision to file an initial property tax complaint only with respect to property that the person or subdivision owns. This limitation will tend to result in lower taxable values and tax revenues. The magnitude of this revenue loss appears indeterminate, dependent on future nonowner valuation challenges and their resolution that could occur under current law but be precluded by the bill. The effect on tax revenue of these lower valuations with the bill would be partly offset by smaller tax reduction factors, resulting in higher effective tax rates. Inside millage, the revenues raised by the first ten mills of taxation, would not be subject to this adjustment, so tax revenues from inside millage would decline. The tax rates on levies to raise fixed amounts of money, such as bond levies, would be adjusted higher than under current law to offset the effect of the lower values with the bill. These adjustments will tend to shift tax payment obligations to taxpayers other than those whose taxes

could go up as a result of initial complaints by school districts and other nonowners under current law.

The bill would allow a school district to file a counter-complaint only if the school board first adopts a resolution authorizing the counter-complaint and, if the district is advocating for a higher value than that determined by the county auditor, including its evidence for the higher value in that resolution. These provisions would tend to increase costs of school boards for such filings.

A property owner and a school district would be prohibited by the bill from entering into a settlement agreement whereby the owner would pay the school district to refrain from filing a counter-complaint, to dismiss a counter-complaint already filed, or to resolve a claim. However, an exception to this restriction specifies that the bill does not prohibit a settlement agreement whereby parties agree upon a new valuation of a property that is approved by the county auditor and is reflected on the tax list.

A school district would be prohibited from appealing the decision of a board of revision to the Board of Tax Appeals (BTA) or to a court. This limitation would tend to reduce costs of the BTA and courts. BTA expenditures are funded by the state GRF.

The bill's changes would go into effect for complaints filed for tax year 2022 and thereafter.