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# OHIO LEGISLATIVE SERVICE COMMISSION

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and Drafting

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H.B. 263  
135<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Reps. Isaacsohn and Hall

Eliza Bauler-O'Grady, Attorney

### SUMMARY

- Freezes the amount of taxes owed on homes owned by qualifying longtime homeowners, with the state reimbursing local taxing units for the cost of the resulting tax reduction from the GRF.

### DETAILED ANALYSIS

#### Property tax freeze for certain homeowners

The bill authorizes a property tax reduction for certain homeowners, including owners of manufactured or mobile homes. To qualify, homeowners must meet the following requirements: (1) the homeowner must be at least 70 years old, (2) the homeowner must have continuously lived in their homestead or manufactured or mobile home for at least ten years, (3) the homeowner's total income must be less than or equal to \$70,000 per year, and (4) the county auditor's appraised value of the homeowner's home must be less than \$1 million. The \$70,000 income threshold increases each year based on the annual increase to the Gross Domestic Product (GDP) deflator, which is a broad measurement of inflation. This is the same inflation index used to adjust the income threshold and amount of the homestead exemption.

The bill essentially freezes the taxes due on a qualifying homeowner's property by authorizing a tax reduction equal to the amount of taxes due for the current tax year minus the amount of property taxes due for the tax year that preceded the year in which the homeowner was first approved for the reduction.<sup>1</sup> For example, if a homeowner first qualifies for the reduction in tax year 2024, the homeowner's taxes will be frozen at their 2023 levels. For tax year 2024, their reduction would equal the amount of property taxes owed for tax year 2024 minus the amount of property taxes owed for tax year 2023. If the homeowner qualifies for the

<sup>1</sup> R.C. 323.152(C) and R.C. 4503.0612(B) and (C).

homestead exemption as well as the bill's property tax freeze, then the homestead exemption applies first and reduces the amount owed and the taxes owed are frozen at that reduced amount.<sup>2</sup>

The bill requires the state to reimburse local taxing units for tax reductions resulting from the property tax freeze in the same manner and to the same extent as the state reimburses them for the homestead exemption.<sup>3</sup>

### **Homeowner application**

To receive the reduction the homeowner must file an application with the county auditor of the county in which the property is located. With their application, the homeowner must include documentation that sufficiently proves that they meet all the requirements to receive the reduction.<sup>4</sup>

### **Application date**

The tax reduction would apply beginning in the tax year ending after the bill's 90-day effective date for real property and the tax year beginning after that date for manufactured or mobile homes. (The difference accounts for the fact that property taxes are paid one year in arrears, while manufactured and mobile home taxes are paid in the current year.)<sup>5</sup>

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## **HISTORY**

Action	Date
Introduced	09-12-23

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ANHB0263IN-135/ar

<sup>2</sup> R.C. 323.152, 323.158, 4503.06, 4503.067, 4503.069, 4503.0610, and 4503.0612.

<sup>3</sup> R.C. 4503.068; R.C. 323.156, not in the bill.

<sup>4</sup> R.C. 323.153 and 4503.066.

<sup>5</sup> Section 3.