

In Ohio, county auditors must reappraise every real estate parcel in their county once every six-years. Those property values, multiplied by local tax rates, result in the amount that property owner's pay in real estate taxes.

House Bill 126 substantially changes the process for real property tax valuation challenges in the State of Ohio. In general, it substantially curtails school districts' rights to initiate and appeal property tax valuation challenges. Governor DeWine signed the bill on April 21, 2022. It became effective on July 19, 2022. Below is a summary the law's significant changes.

- House Bill 126 significantly limits school boards' ability to initiate original complaints against property valuation. Under prior law, school boards could contest the valuation of any taxable property located within their districts. Under the new law, school boards and other political subdivisions may only file increase complaints where:
 - The property was sold in a recent arm's length sale that took place before January 1 of the tax year to which the complaint relates;
 - The sale price exceeds the auditor's valuation of the property by at least 10% *and* \$500,000.00; and
 - The board or subdivision adopts a resolution that authorizes the complaint and the board or subdivision provided notice to the property owner at least seven days before the board or subdivision adopted the resolution to authorize the filing of the complaint.
- House Bill 126 prohibits private pay settlement agreements, commonly called "direct pays or in lieu of tax" as a means of resolving school-initiated valuation appeals. Under prior law, the property owner and the school board could agree to resolve a tax valuation case with the owner paying the school board a sum of money; in exchange, the school board would dismiss its valuation complaint or any appeal relating to the property's valuation. This practice benefited the property owners and school boards who were parties to these cases and agreements, while excluding other taxing districts from enjoying increases in revenue resulting from school-initiated valuation complaints.
- The new law will also prohibits school boards and other political subdivisions from appealing county board of revision decisions to the Ohio Board of Tax Appeals.
- The law also makes a variety of other procedural changes, including removing the current requirement that county auditors notify school boards of certain owner-initiated complaints, changing the deadline by which school boards may file counter complaints in response to owner-initiated complaints, and requiring county BORs to dismiss government-filed valuation complaints that the BOR does not resolve within a year of filing.
 - New procedural requirements: Before a complaint can be filed, the district must (a) must adopt a resolution authorizing the filing of the original complaint at a public meeting, which shall include identification of the parcels, the name of at least one of the owners of the parcels, the basis for the complaint under the Revised Code, and the tax year for which the complaint will be filed, and (b) mail a written notice to at least one of the record owners of the parcel(s) identified in the resolution stating the intent of the board in adopting the resolution, the proposed date of adoption, and the basis for the complaint relative to each parcel identified in the resolution. The notice shall be sent by certified mail to the last known tax-mailing address of at least one of the record owners and, if different from that tax-mailing address, to the street address of the parcel or parcels identified in the resolution. The notice shall be postmarked at least seven calendar days before the board adopts the resolution.