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H.B. 124
136th General Assembly

Bill Analysis

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Version: As Reported by Senate Local Government

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

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SUMMARY

- Requires the Department of Taxation (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

Abstract deadline

The bill allows TAX to begin reviewing county auditors' valuations sooner than under current law. Under the bill, the deadline for county auditors to submit a property tax abstract to the county board of revision (BOR) is moved up, from the second Monday of June to the second Monday of May. This shortened deadline allows for an earlier certification of the abstract to TAX, since that certification occurs immediately after BOR reviews the abstract.³

Sales data

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 2026 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.⁴

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.⁵

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.

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

³ R.C. 5715.16.

⁴ R.C. 5715.012; Section 3.

⁵ R.C. 5715.251; R.C. 5717.04, not in the bill.

Under the bill, BTA must issue a decision on an appeal filed by either TAX or an auditor by the end of the tax year in which the appeal is filed. Current law does not impose a deadline for adjudicating an auditor's appeal of a TAX order. Under the bill, while the appeal is pending, property values will be determined using the auditor's sample.⁶

HISTORY

Action	Date
Introduced	02-24-25
Reported, H. Local Gov't	05-28-25
Passed House (93-0)	06-04-25
Reported, S. Local Gov't	11-10-25

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⁶ R.C. 5715.251 and 5715.26.