



OHIO LEGISLATIVE SERVICE COMMISSION

Philip A. Cummins

Fiscal Note & Local Impact Statement

Bill: H.B. 118 of the 132nd G.A.

Status: As Passed by the House

Sponsor: Rep. Merrin

Local Impact Statement Procedure Required: Yes

Subject: Prohibits dismissal of a property tax complaint for failure to correctly identify the property owner

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- The prohibition in the bill on dismissal of a property tax complaint for failure to correctly identify the property owners could result in revenue gains or losses in specific jurisdictions, depending on the circumstances involved in any given complaint.

Detailed Fiscal Analysis

H.B. 118 may result in an increase or decrease in tax revenues for a unit of local government. The bill would prohibit dismissal of a property tax complaint for failure to correctly identify the property owner. On the presumption that the owner or owner's representatives would generally identify ownership correctly, a failure to make such a correct identification might be expected to be more likely on the part of another party to a dispute, such as a school board. Typically a party other than the owner would seek a higher value, and a prohibition on dismissal for misidentification of the owner would therefore tend to result in more revenue to local governments.

However, in a recent Ohio Supreme Court case, in which the statement of ownership was in error in the original filing for a lower valuation, the Court ruled that the property tax complaint could not be rejected on the basis of that failure.¹ The misidentification of the owner in the filing was not a sufficient basis for dismissal, so implying a lower value, if the complaint was successful, and loss of local revenue. Such a loss of revenue could be more than minimal for a political subdivision even if the average or overall impact statewide tended to be revenue gains.

¹ *Groveport Madison Local Schools Bd. of Edn. v. Franklin Cty. Bd. of Revision*, 137 Ohio St.3d 266, 2013-Ohio-4627.

If a property tax complaint is dismissed, the party that filed the complaint is generally enjoined from refiling the same complaint until the year of the next sexennial reappraisal in that county. Exceptions to this limitation for a property include an arms' length sale, casualty loss, substantial improvement, or sizable change in occupancy.²

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² R.C. 5715.19.