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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 496  
135<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 496's Bill Analysis](#)

**Version:** As Passed by the Senate

**Primary Sponsor:** Rep. Hoops

**Local Impact Statement Procedure Required:** No

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### Highlights

- The bill makes changes to property tax law and to fees, that generally appear to have limited or no fiscal effects.

### Detailed Analysis

The bill addresses multiple policy areas that are separately analyzed in the following sections.

#### Selected tax and fee changes

A bill provision requiring the distribution of property tax refunds to be based on current tax rates, rather than the rates in effect when the tax was levied, may in some cases shift funds among local taxing authorities, but such shifts generally appear unlikely to be sizable.

Another provision gives authority to county auditors to complete required documentation, on behalf of the owner, for reduction in the value of manufactured homes as a result of damage or destruction. This provision is similar to language adopted in H.B. 51 of the 134<sup>th</sup> General Assembly pertaining to real property. The provision may result in some reduction of tax revenue, but the revenue loss would likely be minimal. Manufactured home valuations are only a small part of total property, and damage or destruction to manufactured homes not reported to the auditor by the owner would likely be much smaller still.

The bill codifies changes to auditor and treasurer fees. The change codifies the distribution already specified in temporary law.

## **Limitation on purchase of tax foreclosed property**

The bill prohibits the transfer of property sold at a tax foreclosure sale unless the purchaser supplies an affidavit stating that the purchaser or certain related parties do not own tax delinquent property in the state or that such delinquency is justified or erroneous.

This requirement, that buyers generally be current in paying taxes due on other properties, could inhibit sales of tax foreclosed property, by eliminating one source of demand for such property, so could result in revenue loss. LBO surveyed a small sample of county treasurers to get an indication how frequently tax delinquent property owners buy tax foreclosed property. One survey respondent reported that 22% of parcels sold at auction after a tax foreclosure in the prior two years were to bidders with tax delinquencies on other parcels in the county. Another survey respondent offered a very rough guess that 20% of bidders on tax foreclosed property are delinquent in payment of taxes on other properties. A third office noted a lack of data on which to base a response to this question, which may be the case as well for other counties. These responses suggest the possibility of significant revenue losses. On the other hand, prohibiting sales of tax foreclosed property to persons with a record of not paying their property taxes would plausibly – in at least some cases – result instead in the sale of the properties to persons who would pay their future taxes when due, so the provision could tend to enhance future revenues.

## **Property tax complaint procedure**

The bill specifies that school districts can file a property tax countercomplaint within 30 days after the later of the deadline for filing an original complaint or the date the original complaint was actually filed. This change would generally have no fiscal effect.

## **Liens for unpaid Hamilton County lodging taxes**

The bill allows counties with populations greater than 800,000 but less than one million, currently only Hamilton County, to enforce payment of delinquent lodging taxes by placing a property tax lien on the delinquent hotel. This change may facilitate collection of such taxes by that county.