



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 343 of the 132nd G.A.

**Status:** As Passed by the House

**Sponsor:** Rep. Merrin

**Local Impact Statement Procedure Required:** No

**Subject:** Requires a local government contesting a property's value or classification to pass an authorizing resolution and provide advance notice to property owners

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### State & Local Fiscal Highlights

- No direct fiscal effect on the state.
- The bill's requirement that a local government contesting the value or classification of a parcel or parcels pass an authorizing resolution and notify the property owner or owners will add to direct costs, but by an amount that appears unlikely to be large.

### Detailed Fiscal Analysis

H.B. 343 requires a county, township, school district, or municipal corporation that contests the value or classification of a parcel or parcels not owned by that local government to pass an authorizing resolution. Property classifications include residential or agricultural real property, which are eligible for the 10% rollback, and other types.<sup>1</sup> At least seven business days before adoption of the resolution, the local government must notify the property owner or owners. The bill allows a board of revision to consider the complaint if the only requirement not satisfied is that the written notice or resolution fails to accurately identify the owner or owners of the parcel or parcels.

Local governments would incur direct costs to send out the required notices and may incur added costs to pass resolutions. Such added administrative costs appear unlikely to be large. For schools, board members are paid a flat rate per meeting, so longer meetings to pass resolutions would not add to the cost of their pay.<sup>2</sup> Costs might be incurred for any hourly paid employees required to be present at such meetings, but some school employees in attendance presumably would be salaried not hourly.

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<sup>1</sup> In addition to the 10% rollback, taxes on owner-occupied residences may be reduced 2.5%, and taxes on qualifying residential property may be reduced for the homestead exemption. The state reimburses local governments for these reductions.

<sup>2</sup> R.C. 3313.12(B).

The bill could result in indirect fiscal effects. If, for example, the bill resulted in fewer property tax complaints being filed, both revenues from successful complaints and the legal costs to file these complaints might be reduced.

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