

## Publications

### Ohio Senate Passes Significant Real Property Tax Reforms

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The Ohio Senate recently passed, by a 24-7 vote, Amended House Bill 126 ("HB 126") that will significantly change the administration of Ohio's real property tax system *if* it is also passed by the House and signed by the Governor. It is unusual for us to report on pending legislation, but given the significance of the changes and the fact that it is already impacting pending matters this unusual step is warranted.

Below is the summary of significant aspects of the bill. It is likely that these changes will impact each property owner, buyer, seller or tenant differently. Please contact your Vorys real property tax lawyer to discuss your specific situation.

1. ***The headline change is that HB 126 would eliminate tax increase cases filed by Boards of Education ("BOE").*** This would be first effective for tax year 2022 cases that would have otherwise been filed in March 2023—the BOE can still file tax year 2021 cases. Only property owners and, in certain instances, single-tenant occupants of property will be allowed to file original complaints to challenge real property taxes.
2. BOEs would be able to file counter-complaints *IF* the BOE first adopts a separate resolution authorizing the filing of such counter along with supporting documentation as to value if the BOE intends to file a counter for a value higher than originally assessed.
3. Eliminates the ability for the property owner and BOE to enter into a Private Pay Agreement. ***This is the section having an immediate impact even though not yet passed.*** Pending cases may be affected by the change as well as existing agreements with payment obligations for future years. There are a couple different interpretations as to how this prohibition will be implemented. If you have existing or planned settlements, please contact your Vorys lawyer to discuss.
4. Even if the BOE does file a counter, the BOE would not be able to appeal the decision of the Board of Revision ("BOR"). Their one chance is at the BOR.

5. These changes would be first effective for the complaints filed for tax year 2022 meaning that the BOE would still be able to file tax year 2021 tax increase cases.

HB 126 is now going back to the Ohio House for a possible concurrence vote. The House's next scheduled session in January 19, 2022—although there is no guarantee at this time that this matter would be considered in the first session back. If the House does not concur the bill would go to a Conference Committee before heading to the Governor. The Governor's position on the bill is unknown at this time. The current vote tally in the Senate, if it stayed the same, would be sufficient to override a veto. The tally in the House will be important to watch.

Please contact your Vorys Real Property Tax lawyer to discuss this or any other real property tax issue.