



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** [S.B. 52 of the 130th G.A.](#)

**Date:** April 12, 2013

**Status:** As Introduced

**Sponsor:** Sen. Coley, II

**Local Impact Statement Procedure Required:** Yes

**Contents:** Permits property tax complaints to be initiated only by the property owner or the owner's representative

### State Fiscal Highlights

- Eliminating the right of persons other than the property owners to initiate appeals of real property valuations might reduce the Board of Tax Appeals' case backlog, if fewer cases are filed with boards of revision and then appealed to that agency.

### Local Fiscal Highlights

- By eliminating the right of persons other than the property owner or the owner's spouse or representative to appeal property valuations, the bill might result in lower real property tax revenues to school districts and other units of local government.
- Any tax revenue losses resulting from lower property valuations would be mitigated by the operation of tax reduction factors.

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## Detailed Fiscal Analysis

S.B. 52 would permit real property tax complaints to be initiated only by the property owner or that person's spouse or representative. This would eliminate the right of school districts and other taxing districts to file complaints regarding determinations of property values on the tax list to the county boards of revision.

This change could be expected to result in school districts and perhaps others being unable to initiate appeals of valuations of commercial and other property as too low. They might be prevented from filing such appeals in cases where they would do so under current law. This might result in lower tax revenues to units of local government. The tendency for tax revenues to be lower would be mitigated by the operation of tax reduction factors, which for carryover property adjust effective tax rates to raise the same amount of revenue within a taxing district when property values rise or fall, for certain levies.<sup>1</sup>

The magnitude of the potential revenue loss depends on decisions that school district or other local government officials would have made, under current law, to challenge valuations. LSC staff do not know of any reliable way to predict these decisions, so do not have an estimate of the reduction in tax revenues that could be expected to result if S.B. 52 becomes law.

The impact of S.B. 52 would be predominantly on units of local government, as reduced tax revenues. Appeals would initially be filed with boards of revision. Decisions of boards of revision could be further appealed to the court system or to the state's Board of Tax Appeals, which could experience reduced case backlogs if fewer appeals are filed.

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<sup>1</sup> Carryover property is real property taxed in the same class of property in both the current and preceding years. Some levies are not subject to this adjustment, including unvoted taxes within 1% of taxable value (inside millage), and levies to raise fixed sums of money (bond and emergency levies). Also, tax reduction factors cannot cause a school district's effective current expense millage rate to fall below 20 mills (2% of taxable value), or a joint vocational school district's effective current expense millage rate to fall below 2 mills.