

House Bill 126, effective July 21 2022 (the “Act”), substantially limits the ability of political subdivisions, including school districts, municipalities, townships and counties, to file original complaints and counter-complaints challenging real property tax valuations, institutes new procedural requirements and eliminates the ability to appeal Board of Revision decisions.

Under continuing law, the legislative authority of an affected county, township and school district or the mayor of a municipality may file a property tax valuation complaint or counter-complaint with the applicable county Board of Revision. However, the Act makes these substantial changes to prior law:

- **Restrictions on Timing of Complaints and Threshold Amount** – The legislative authority of a county, township or school district or the mayor of a municipality may not file an original complaint against the county auditor’s assessed valuation of a property unless: (a) the property was sold in an arms-length transaction during a year prior to the tax year being challenged, and (b) the sale price exceeded the auditor’s determined fair market value of the property for the challenged tax year by both: (i) 10% and (ii) a set threshold amount (being \$500,000 for tax year 2022, but adjusted thereafter annually by the Tax Commissioner for inflation, but not for deflation).
- **Requirement for Authorizing Resolution** – Before filing an original complaint with a Board of Revision, the legislative authority of a school district, municipality, township or county must adopt a resolution at a public meeting authorizing the complaint. The resolution must identify (a) the affected property by permanent parcel number(s) and also by street address, if available from the online county records, (b) the name of at least one owner of the parcel(s), (c) the basis for the complaint (e.g., valuation, tax classification, etc.), and (d) the tax year for which the complaint will be filed. The resolution may not include more than one parcel, unless the group of parcels has the same owner(s) of record. However, more than one resolution authorizing tax valuation complaints may be voted on by a single vote of the legislative authority (i.e., through consent agendas), provided the vote is separate from resolutions dealing with other matters.
- **Advance Notice of Resolution to Property Owners** – At least seven calendar days prior to the legislative authority’s adoption of the resolution authorizing the tax valuation complaint, the legislative authority must send notice to at least one owner of the parcel(s) by certified mail, stating the intent to adopt the resolution, the proposed date of adoption and the basis of the complaint relative to each parcel. In limited cases specified in statute, regular mail and email notice may be used.
- **County Auditors No Longer Required to Provide Notice of Filed Complaints to School Districts** – County auditors are no longer required to give affected school districts notice of complaints filed with its Board of Revision. Under prior law, the county auditors were required to give school districts notice of filed complaints that assert a change of at least \$17,500 in taxable value after the last day on which the complaints could be filed for each tax year.
- **Limitations on Filing Counter-Complaints by School Boards** – School districts may not file a counter-complaint challenging an asserted change in property value unless the original complaint seeks a change of at least \$17,500 of taxable value, and such counter-complaint must be filed within 30 days of the filing of the original complaint.
- **Automatic Dismissal of Complaints After One Year** – If the original complaint was filed by a legislative authority or other third party complainant and the Board of Revision has not rendered a decision on the complaint within one year of the complaint’s filing, the Board of Revision automatically loses jurisdiction over the complaint and must dismiss the complaint.
- **Private Payment Agreements Prohibited** – The legislative authority may not enter into a “private payment agreement” with persons authorized to file a complaint or counter-complaint under which the legislative authority accepts payments in exchange for refraining from filing, dismissing or settling a complaint or counter-complaint that it intends to file or has filed, as applicable. However, settlement agreements, whereby an agreed-upon valuation for the property that is the subject of the claim is approved by the county auditor and reflected on the tax list, is still permitted under the law, provided there are no payments made to the political subdivision.
- **Elimination of Appeal** – The legislative authority or the mayor of a municipality no longer has the right to appeal a Board of Revision decision on a complaint or counter-complaint (unless the political subdivision owns the property).

The Act’s provisions apply to complaints and counter-complaints filed for tax year 2022 and thereafter.

Due to the complexity of the requirements for property tax valuation challenges imposed by the Act, it is recommended that school districts, municipalities, counties and townships consult with legal counsel regarding the Act’s effects on current and future property tax valuation disputes.

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