

Limitations on School District Participation in Tax Valuation Disputes Will Be Law

By David Hirt & Adrienne Kirshner

The Governor of Ohio signed amended House Bill 126 into law on April 21, 2022, greatly restricting the ability of Ohio's public school districts to challenge property tax valuations.

Once the law goes into effect on July 19, 2022, school districts will be prohibited from challenging the county auditor's property tax valuation of residential and agricultural property at the county board of revision. Except in limited circumstances, the new law also prohibits a school district from filing a county board of revision challenge to the property tax valuation of commercial property. School districts will still be permitted to file a counterclaim to a property owner's complaint to the board of revision. The new law, however, adds procedural requirements that a board of education must satisfy before it joins the process at the county level.

The new law prohibits school districts from appealing county board of revision decisions on property tax valuations to the Ohio Board of Tax Appeals. However, if a school district is permitted to be involved, and was involved, with proceedings at the board of revision, the district may still participate in a property owner's appeal to the Board of Tax Appeals.

The new law also prohibits school districts from entering into settlement agreements with property owners when the district is permitted to be involved in the dispute process.

Local school districts in Ohio receive most of their funding from property tax revenues. The new law was backed by developers and commercial property owners whose property, rather than residential property, was most often the target of school district challenges to property tax valuations.

The non-partisan Ohio Legislative Service Commission ("LSC") states that the new law will cause lower property tax values and, therefore, lower tax revenues for school districts and municipalities. The LSC also states that the new law will shift the tax burden to support public education and municipal services from owners of commercial property to owners of residential property.

If you would like more information about HB 126 and the effects it will have, please contact any of the listed Roetzel attorneys.

Doug Spiker
Practice Group Manager
Employment Services
216.696.7125 | dspiker@ralaw.com

Lewis Adkins
Practice Group Manager
Public Law, Regulatory and Finance
216.616.4842 | ladkins@ralaw.com

Susan Keating Anderson

Chair, Education Law Group
216.232.3595 | sanderson@ralaw.com

Karen Adinolfi

330.849.6773 | kadinolfi@ralaw.com

Aretta Bernard

330.849.6630 | abernard@ralaw.com

Michael Brohman

312.582.1682 | mbrohman@ralaw.com

Diana M. Feitl

216.615.4838 | dfeitl@ralaw.com

Barry Freeman

216.615.4850 | bfreeman@ralaw.com

Morris Hawk

216.615.4841 | mhawk@ralaw.com

David Hirt

216.329.0558 | dhirt@ralaw.com

Paul Jackson

330.849.6657 | pjackson@ralaw.com

Adrienne Kirshner

216.456.3850 | akirshner@ralaw.com

Justin P. Markey

330.849.6632 | jmarkey@ralaw.com

Stephanie Olivera Mittica

330.849.6671 | smittica@ralaw.com

Nancy Noall

216.820.4207 | nnoall@ralaw.com

Sherri Warner

614.723.2110 | swarner@ralaw.com