



Cuyahoga County Board of Revision

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**Ohio House of Representatives, Ways and Means Committee
H.B. 232: Testimony by Ron O'Leary, Cuyahoga County Board of Revision
June 11, 2025**

Chairman Roemer, Vice Chairman Thomas, Ranking Member Troy, and Members of the Ohio House Ways and Means Committee:

Thank you for the opportunity to discuss this legislation. My name is Ron O'Leary, and I am the Administrator of the Cuyahoga County Board of Revision. One of my office's main responsibilities is to hear valuation complaints regarding real property. Our legal obligation is to evaluate evidence presented to us and use our best professional judgment to determine a property's true market value.

There are several provisions in H.B. 232 and previous legislation—notably H.B. 126 (134th General Assembly 2021-2022)—that interfere with the board of revision's ability to determine market value. My comments are directed at those issues.

1. H.B. 232 limits evidence that can be introduced regarding a transfer: The “LLC loophole” occurs when an LLC owns a property. Rather than a buyer purchasing the property, the buyer purchases the LLC. This effectively hides the sale of the property. The most frequent way that an auditor becomes aware of the property's masked sale is when a mortgage is filed with the recorder.

Lines 157 to 160 limit the evidence that a legislative authority can introduce to the board of revision. Under H.B. 232, the legislative authority can only introduce conveyance fee statements as evidence of a sale. The most readily available evidence of a recent LLC-loophole sale—the filed mortgage—will not be admissible. This will open the LLC loophole to an unprecedented level. Ohio law already hinders a board of revision from obtaining the necessary data to value commercial properties accurately (see #2 below). The current language of H.B. 232 makes this worse, effectively shifting the burden to the residential taxpayer at an alarming rate. (See attached charts.)

2. A board of revision lacks authority to enforce a discovery order: R.C. 5715.10 authorizes a board of revision to summon and examine witnesses for hearings. Unfortunately, this section has two flaws. First, the enforcement provision is under R.C. 5711.37—a non-existent code. Second, this section is limited to summoning witnesses to testify. The section does not authorize a board of revision to issue discovery orders for documents and other non-testimonial evidence. The inability to issue and enforce discovery orders prevents a board of revision from obtaining evidence it needs to determine a property's value.
3. Legislative authority precluded from appealing a decision by a board of revision: Lines 476-480 prohibit legislative authorities like a school board from appealing an adverse

decision by a board of revision. Prohibiting appeals from a board of revision removes a critical part of the process of determining true market value.

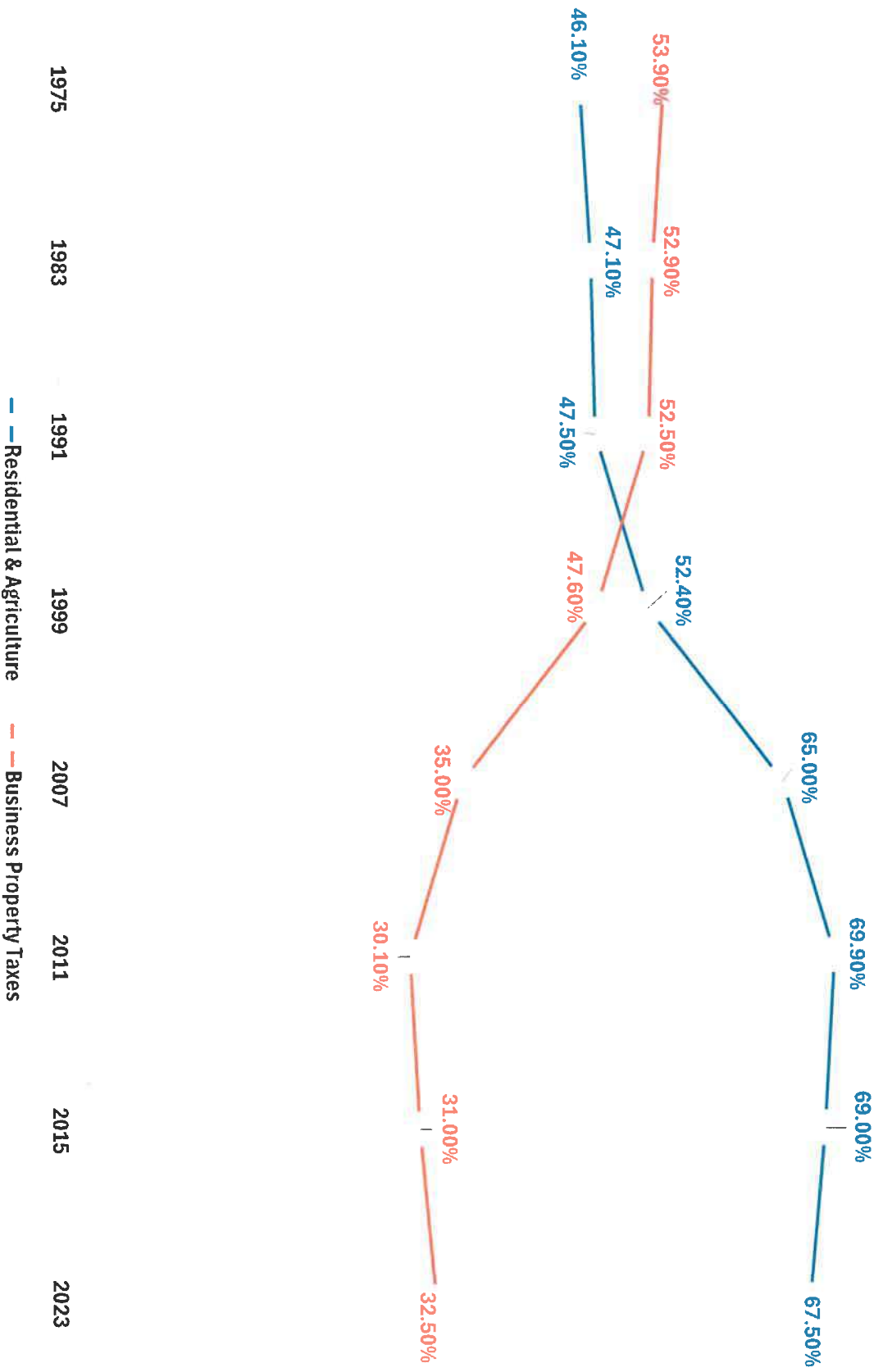
4. Penalty: Lines 441-458 authorize a board of revision to impose costs and reasonable attorney fees for improperly filed complaints. My office opposes this section. School boards are unlikely to file complaints that the board of revision will dismiss under R.C. 5715.19(A)(6) to (8), so there are not likely to be many of these cases. The penalty therefore seems unnecessary. We also lack the ability to enforce an order imposing costs and attorney fees. The current draft authorizes the prosecutor to take action to enforce this order. My preferred recommendation is to remove this penalty. My alternative recommendation is that—if there is a penalty—then this is created as a separate cause of action to be filed in a court of competent jurisdiction.
5. Tax-bill transparency: HB 126 and parts of this bill preclude a legislative authority—typically a school board—from filing valuation complaints and appealing adverse decisions by a board of revision. The rationale for these limits seems to be that new owners are frustrated with the increase in property tax when a school board files a complaint seeking to increase the property's value to the sale price. But the prohibition on school boards filing valuation complaints removed a vital part of the process of determining market value of real property. For example, pre-HB 126, a school board could file a valuation complaint on a sale where the initial value was \$200,000 and the property sold for \$375,000. Under HB 126, the school board is prohibited from filing a valuation complaint, so the property value remains \$200,000 even though the recent sale demonstrates that the true market value is \$375,000. This essentially gives an unwarranted tax break to the purchaser at the expense of long-term property owners who bear the extra tax burden. This is particularly true with commercial properties.

Rather than prohibiting school boards from filing valuation complaints and appealing adverse decisions—regulations that interfere with the process of determining market value—the better solution to surprise tax increases is to require sellers to notify buyers that the tax may increase due to the sale. At a minimum, the purchaser will have full knowledge that the tax bill is likely to increase. The full disclosure about the potential increase in the tax might also impact the negotiation about the sale price.

6. Referral to another county board of revision for a conflict of interest: There are times when a board of revision may have a conflict that affects multiple members of the board. There is no procedure in the Revised Code to address this issue. I am requesting an amendment to the Revised Code that would permit a county board of revision to transfer a matter to another county to avoid the conflict of interest.

In conclusion, I raise these issues as a request to give boards of revision throughout Ohio the tools to do our job to value real property. Please let me know if I can answer questions.

OHIO PROPERTY TAXES BY TYPE 1975 - 2023



OHIO PROPERTY VALUES BY TYPE 1975-2023

