



## Proponent Testimony on HB 124

Presented by Christopher Galloway, Lake County Auditor, on behalf of the CAAO

Date: October 22, 2025

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Good morning, Chair O'Brien, Vice-Chair Gavarone, Ranking Member Smith, and esteemed Committee Members,

My name is Christopher Galloway, and I proudly serve as the Lake County Auditor and as Second Vice President of the County Auditors' Association of Ohio. I am here today to provide proponent testimony in support of House Bill 124 on behalf of the County Auditors Association of Ohio (CAAO).

As you are aware, county auditors are required to perform a Sexennial Revaluation of real property every six years with an update at three years in between.

At the core of any revaluation or triennial update is the determination of which real estate sales reflect current market activity in a county. Presently, the Division of Tax Equalization (DTE), within the Department of Taxation, evaluates whether the values set by County Auditors appropriately reflect market conditions—based on its own selection of what it deems “valid” sales. If a County Auditor disagrees and the issue cannot be resolved through negotiation, the Auditor may appeal to the Board of Tax Appeals (BTA).

**HB 124 seeks to clarify that County Auditors are in the best position to determine which sales are valid within their counties.** This change recognizes the local knowledge auditors and their staff have while still preserving DTE's critical oversight role to ensure statewide appraisal standards and consistency.

Let me give you a few examples of why this local knowledge is essential:

- In smaller counties, staff often know the personal details of transactions that wouldn't be evident to someone outside the community. For example, a sale between John Smith and Jane Doe may seem valid on paper—but locally an auditor in a small county may know they are siblings, making it a non-arm's-length transaction.
- It's common for personal property—like furniture, boats, or farm equipment—to be included in the sale of real estate but not accurately reported on conveyance forms. This leads to inflated sale prices and, consequently, inflated property valuations.
- Some rural counties not only lack zoning, but also lack a building permit system, many homes undergo significant remodeling prior to sale without the Auditor's Office being aware. A house built in 1964 may be completely renovated to modern standards, but if that sale is used without adjusting for the remodel, it

distorts the sales ratio and inflates values for properties that haven't been updated.

**HB 124 allows for these kinds of inaccuracies to be corrected—either by invalidating misleading sales or by adjusting the sales ratio reports to reflect true property attributes.** This creates a fairer and more accurate valuation process for all taxpayers.

It is the position of the CAAO that under HB 124, DTE maintains its oversight authority and retains the ability to appeal to the BTA if it believes a County Auditor has not adhered to appraisal standards. This balance ensures both accountability and fairness in the valuation process.

The CAAO believes this is an important reform to help ensure more accurate values – which directly impact the property taxes of our residents. HB 124 is a piece of the overall property tax reform mosaic you will be considering in legislation this Fall.

Thank you for your time and consideration.

I respectfully urge your support for HB 124 and welcome any questions you may have.