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# OHIO LEGISLATIVE SERVICE COMMISSION

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Office

**H.B. 608**  
**136<sup>th</sup> General Assembly**

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Reps. D. Thomas and Glassburn

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### SUMMARY

- Authorizes county treasurers to enter into agreements allowing property owners to pay property taxes quarterly or monthly, instead of biannually.
- Requires county auditors to notify a property's owner of changes to the property's value at least 30 days before issuing tax bills, in both reappraisal and update years and in any other year the valuation changes.
- Requires tax bills to be prepared and mailed or delivered not less than 30 days before the day on which the taxes are due, rather than 20 days.
- Authorizes taxing authorities to reduce, terminate, or waive an existing property, income, or sales and use tax, contingent upon electors approving a new tax levy or the renewal, increase, or extension of an existing tax.
- Allows county auditors to disburse excess funds in the real estate assessment fund to owner-occupied properties in the county instead of to taxing authorities.
- Increases the maximum number of years the residential development land property tax exemption may apply, from eight to ten years.

### DETAILED ANALYSIS

#### Property tax payment extension

Under continuing law, real property taxes and manufactured home taxes are billed and payable twice per year – generally in January or February and in June or July. The bill authorizes county treasurers to enter into agreements under which property tax or manufactured home tax payments may instead be made in four equal installments due by the 20th day of every third month or in 12 equal installments due by the 20th day of each month. An owner of real property

or a manufactured home on which there are no delinquent taxes owed may apply to the county treasurer for the extension.

After entering into an agreement, if the property owner does not make an installment payment when due, the contract becomes void. In that instance, unpaid taxes must be remitted within 30 days after the notice of the voided contract is sent to the applicant or by the date second half taxes are due. After that date, remaining unpaid taxes become delinquent. County treasurers are required to include information about the extension with tax bills and on the treasurer's website. Once a contract is entered into, the installment payments will continue to apply until the property no longer qualifies for them.

The installment payments may be allowed for tax years ending after the bill's effective date or, in the case of homes that are subject to the manufactured home tax, tax years commencing after that date. The difference in application is due to the fact that manufactured home taxes are payable on a current-year basis, whereas property taxes are payable in arrears.<sup>1</sup>

The mechanics of this process are similar to those that apply under continuing law for delinquent property tax contracts, which owners may enter into with a county treasurer to gradually pay off tax delinquencies.<sup>2</sup>

## **Notification of valuation changes**

At least 30 days before issuing tax bills, continuing law requires county auditors to notify a property owner, by mail or in person, of changes made to the true or taxable value of that property. The bill specifically requires that this notification happen in both the county's sexennial reappraisal and triennial update years, and in any other year a change is made to a property's value, e.g., if a new improvement is made, a tax exemption applies or ends, or the property is damaged. The notification must also provide information on how to contact the auditor for questions, how to contest assessments informally and by formal complaint, and qualifications for tax reductions.<sup>3</sup>

## **Tax bill due date**

Current law requires tax bills to be prepared and mailed or delivered not less than 20 days before the day on which the taxes are due. The bill extends this requirement an additional ten days, to 30 days, and requires that the payment date be extended in the event tax bills are delayed so as to preserve the 30-day requirement.<sup>4</sup>

## **Contingent property tax reduction**

The bill authorizes local taxing authorities to reduce, terminate, or waive the right to renew an existing property, municipal income, school district income, or sales and use tax levied

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<sup>1</sup> R.C. 323.123; Section 3(A).

<sup>2</sup> R.C. 323.31, not in the bill.

<sup>3</sup> R.C. 5713.01(C).

<sup>4</sup> R.C. 323.12, 323.13, and 4503.06.

by the authority, either for a specified period of years or the remaining duration of the tax, if electors approve a new tax levy or the renewal, increase, or extension of an existing tax.

In the resolution or ordinance authorizing the new levy or renewal, increase, or extension, the taxing authority must state the current rate of the existing tax to be reduced, the rate to which it will be reduced, and the first tax period in which the reduction will apply. The resolution must also state when the reduction will end or that it will cease if electors approve a reduction in the rate of the new, renewed, increased, or extended tax. County board of elections must modify the election notices and ballot language to include the same information.

A taxing authority may also propose to reduce, terminate, or waive the right to renew an existing tax levied by another taxing authority, if that authority approves the proposal by resolution or ordinance.<sup>5</sup>

## **Real estate assessment fund refunds**

Under continuing law, a portion of property taxes collected by a county treasurer are credited to the county's real estate assessment (REA) fund to defray the expenses of the county auditor's property tax assessing duties. Current law requires a county auditor, following the completion of an assessment of real property or manufactured homes, to disburse funds in the REA fund in excess of \$5,000 to taxing authorities whose property taxes contributed to the REA fund, apportioned ratably. The bill allows the county auditor to instead disburse the excess REA funds in equal amounts to all owner-occupied properties in the county, payable to the owner of each property.<sup>6</sup>

## **Residential development land exemption**

Continuing law authorizes a partial property tax exemption for unimproved land that has been subdivided for residential development. The value exempted is the value in excess of the property's most recent arms-length sale price, apportioned according to the relative value of each subdivided parcel. The exemption applies beginning with the tax year in which the subdivided parcel first appears on the tax list and, under current law, may be claimed for up to eight years, or until either the land is sold to another person or construction begins on a residential building. The bill extends this maximum period to ten years. This change applies to both exemption applications approved after the bill's 90-day effective date and to any current exemptions, without the owner having to file another exemption application.<sup>7</sup>

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<sup>5</sup> R.C. 5705.171.

<sup>6</sup> R.C. 325.31.

<sup>7</sup> R.C. 5709.56; Section 3(B).

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## HISTORY

Action	Date
Introduced	11-19-25

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