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S.B. 81
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Patton

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SUMMARY

- Freezes the amount of taxes owed on a home if the homeowner is 65 or older and has a total income of \$70,000 or less per year.

DETAILED ANALYSIS

Property tax freeze for certain homeowners

The bill authorizes a property tax reduction for certain homeowners, including owners of manufactured or mobile homes. To qualify, homeowners must be at least 65 years old and have a total income of \$70,000 or less per year.

The bill essentially freezes the taxes due on a qualifying homeowner's property by authorizing a tax reduction equal to the amount of taxes due for the current tax year minus the amount of property taxes due for the tax year that preceded the year in which the homeowner was first approved for the reduction. The reduction does not apply for the tax year in which the property is transferred to another owner.¹ For example, if a homeowner first qualifies for the reduction in tax year 2025, the homeowner's taxes will be frozen at 2024 levels. For tax year 2025, their reduction would equal the amount of property taxes owed for tax year 2025 minus the amount of property taxes owed for tax year 2024. If the homeowner qualifies for the homestead exemption as well as the bill's property tax freeze, then the homestead exemption applies first and reduces the amount owed and the taxes owed are frozen at that reduced amount.²

Unlike other property tax reductions, such as the homestead exemption, which generally require the state to reimburse local governments from the GRF for forgone tax revenue, the bill

¹ R.C. 323.152(C) and R.C. 4503.0612(B) and (C).

² R.C. 323.152, 323.158, 4503.06, 4503.067, 4503.069, 4503.0610, and 4503.0612.

does not authorize the state to reimburse local governments for tax reductions resulting from the property tax freeze.³

Homeowner application

To receive the reduction the homeowner must file an application with the county auditor of the county in which the property is located. With the application, the homeowner must include documentation that sufficiently proves that the homeowner meet all the requirements to receive the reduction.⁴

Application date

The tax reduction applies beginning in the tax year ending after the bill's 90-day effective date for real property and the tax year beginning after that date for manufactured or mobile homes. The difference accounts for the fact that property taxes are paid one year in arrears, while manufactured and mobile home taxes are paid in the current year.⁵

HISTORY

Action	Date
Introduced	02-04-25

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³ R.C. 323.156.

⁴ R.C. 323.153 and 4503.066.

⁵ Section 3.