



LEADINGAGE OHIO OHIO PROPERTY TAX LEGISLATIVE UPDATE

Friday, November 7, 2025

Presented by:

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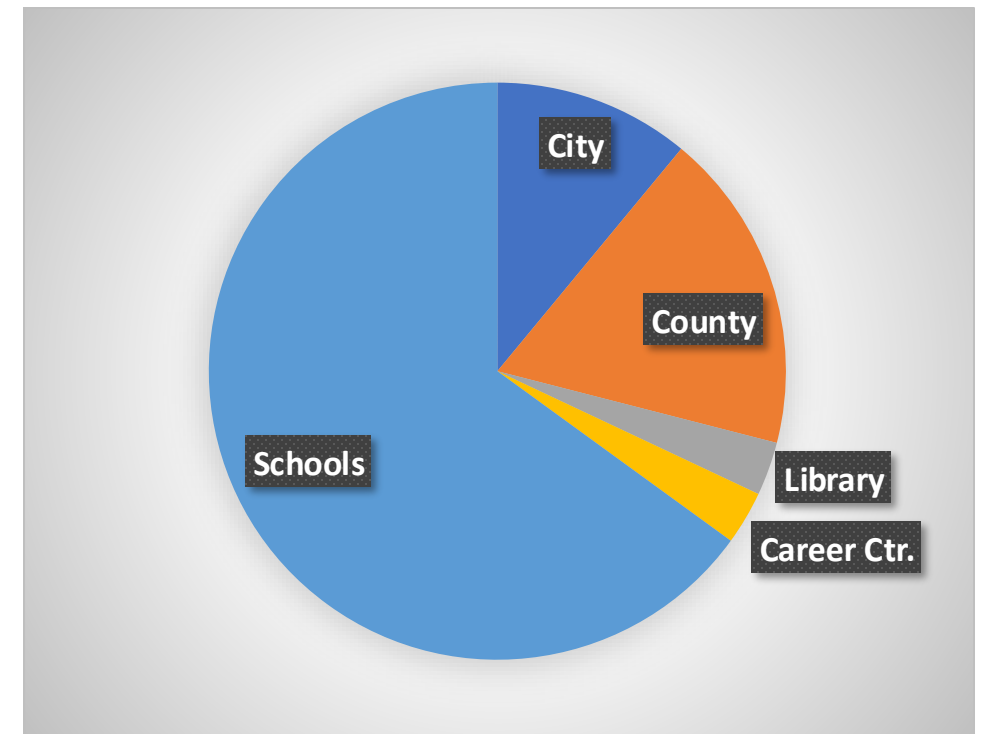
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The Importance of Property Taxes

- Ad Valorem Tax: based on value
- Allocation of Property Tax Revenue
 - ✓ Local Schools
 - ✓ Counties
 - ✓ Cities
 - ✓ Libraries
 - ✓ Public Hospitals/Parks
 - ✓ Others



MUNICIPALITY	% TO SCHOOLS	% TO CITY	% TO COUNTY	% TO TRI-C	% TO METRO- PARKS	% TO COUNTY LIBRARY	% TO PORT AUTHORITY
BAY VILLAGE	56.74	19.24	13.09	4.74	3.11	2.99	0.09
BEACHWOOD	64.93	2.78	17.6	6.37	4.18	4.02	0.12
BEDFORD	50.39	26.71	12.48	4.52	2.96	2.85	0.08
BENTLEVILLE	64.29	9.38	14.35	5.19	3.41	3.28	0.1
BEREA	49.31	18.17	15.65	5.66	3.72	3.57	0.1
BRATENAHL	57.27	14.15	13.99	5.06	3.32	0	0.09
BROOKPARK	55.44	8	17.59	6.37	4.18	4.02	0.12
BROOKLYN	64.22	7.83	13.45	4.87	3.19	3.07	0.09

WHO GETS THE BIGGEST SLICE OF YOUR PROPERTY TAX PIE?

SCHOOLS TAKE THE BIGGEST SLICE

In some communities, like Aurora and Brunswick, schools take about three-fourths of the total. In others, like Ashtabula Township, the share drops closer to 43%.

The median is 57%, which is what you'll find in places like Boston Heights, Chardon, Seven Hills and Bay Village, and that share is climbing.

In 1999 the state covered 47% of the cost of education, by 2027 that share is projected to drop to 32%.

WHERE THE REST GOES

Except for a few outliers, cities generally collect less than 20% of your taxes, relying on municipal income tax and sales tax to fund their budgets.

Parks tend to be very small slices, Cleveland Metroparks take about 3.5%

Libraries add another layer to the property tax picture, about 3% going to County libraries except in cities that have their own libraries like Lakewood and Westlake where property tax goes to the local library.

HOW TAX LEVIES WORK:

- 1. Pre 1976
 - 20 mil for schools
 - 10 mil for others
 - Go to voters to go above
- 2. Post 1976
 - outside millage subject to reduction factors limiting revenue to the amount generated in the first year of a levy
- 3. Proposals today
 - Limit increases in inside millage to inflation
 - A. 2005-2008 personal property phase out in Ohio
 - Broaden the basis and lower the rate
 - B. Michigan sales tax replacement of property tax (failed)
 - Florida-looking at it now
 - C. Issues between school districts
 - What is the appropriate level of funding?
 - D. Special treatment of veterans, disabled, elderly taxpayers

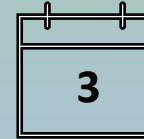
ROLE OF COUNTY AUDITOR/FISCAL OFFICER



INITIALLY SETS
VALUE



FULL REAPPRAISAL
EVERY SIX YEARS



UPDATE EVERY THREE
YEARS

TAX YEAR 2025 REAPPRAISAL AND UPDATE COUNTIES

INFORMAL REVIEW COUNTIES

- CLARK
- FAIRFIELD
- MEDINA
- UNION
- HOCKING

REAPPRAISAL COUNTIES

- CARROLL
- CHAMPAIGN
- CLARK
- FAIRFIELD
- LOGAN
- MARION
- MEDINA
- MIAMI
- ROSS
- UNION
- WYANDOT

UPDATE COUNTIES

- Adams
- Columbiana
- Hancock
- Holmes
- Hocking
- Lawrence
- Meigs
- Monroe
- Paulding
- Scioto
- Tuscarawas
- Washington

DATA USED BY COUNTY TO SET VALUES

Mass Appraisal Methodologies

Sale Information

Cost Information – Permits

Income Approach

Past History



Formula –Federally subsidized residential rental housing

1. Clark, Franklin, & Hamilton Counties are waiting for the Tax Commissioner to determine the cap rate under the statute



Healthcare REIT-assisted living facilities

1. Use of apartment data to avoid capturing business value component



Exemptions

- 1.Non-profits
- 2.Specific uses

COUNTY NOTIFICATION OF VALUE

INFORMAL
LETTER PRIOR TO
CERTIFICATION

WEBSITES

TAX BILLS

Reappraisal/Update
Year

THE TAX BILL:

- Tax bills are issued 2x/year
- Bills are retroactive (tax year 2024/payable in 2025)
- Tax bill indicates fair market and taxable values (35% of FMV)
- Tax bill indicates semi-annual and annual tax obligations



Cuyahoga County Treasurer
2079 East 9th Street Cleveland, OH 44115
For Assistance, Call 216.443.7420 or
Ohio Relay Service 711 (Hearing Impaired)

Real Estate Taxes For Second Half of 2022

Parcel Number	Property Owner
[REDACTED]	[REDACTED]

Parcel Address	Property Description
[REDACTED] CLEVELAND, OH 44110	VOL 374 PG 50 S/L PCL A FF 450.12 D 1064.07 11.9520 AC OL 15 ASSOCIATED PARCELS [REDACTED] THRU [REDACTED] AND [REDACTED] THRU [REDACTED] 2014 SR

Market Value	35% Taxable Value	Homestead Exempt	Property Class
LAND 537,800 BUILDING 1,612,200 TOTAL 2,150,000	LAND 188,230 BUILDING 564,270 TOTAL 752,500		MANUFACTURING AND ASSEMBLY LIGHT

Taxing District	Tax Rate	Reduction Factor	Effective Tax Rate
Cleveland	128.23	.222212	99.735703

Tax Calculations	
REAL ESTATE TAXES	96,493.08
LESS TAX REDUCTION	-21,441.96
SUBTOTAL	75,051.12
NET REAL ESTATE TAX	75,051.12
SPECIAL ASSESSMENTS	62,235.48
TOTAL CURRENT TAX	137,286.60
LESS PAYMENTS	37,525.56
TOTAL DUE	99,761.04
Current Due	99,761.04

Second Half Due Date: 07/13/2023

If taxes are not paid by the date indicated above, a 10% penalty shall be applied without further notice.



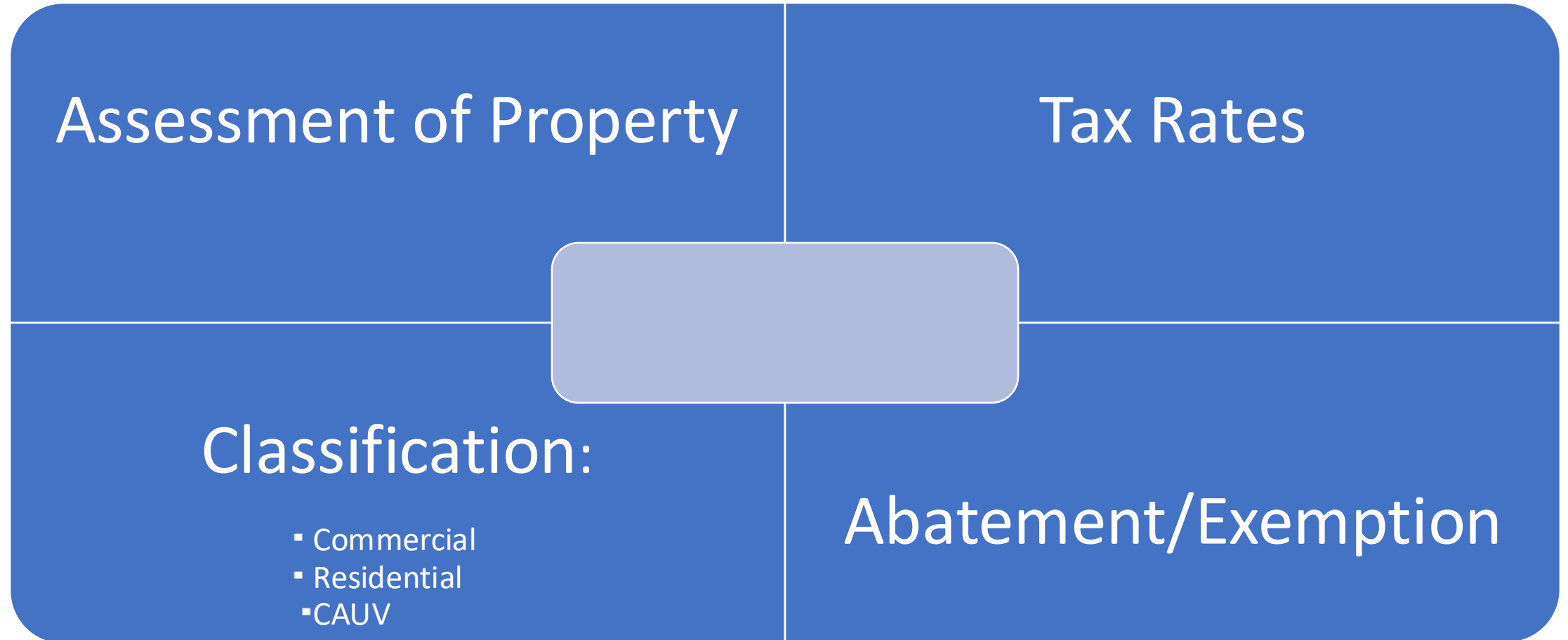
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Current Taxes Due For Year 2022

Amount Due	Parcel Number
99,761.04	[REDACTED]
Write Amount Paid Here	

MAKE CHECKS PAYABLE TO:
CUYAHOGA COUNTY TREASURER
P.O. BOX 94547
CLEVELAND, OH 44101-4547

FOUR FACTORS AFFECTING TAX OBLIGATION





How do I know if my property is fairly assessed?

- Recent transfer
- Recent appraisal
- Recent construction costs
- Obtain new appraisal
 - Income approach
 - Sales comparison approach
 - Cost approach

The Tax Complaint

- ✓ Must use prescribed form
(DTE Form 1)
- ✓ Must be filed by March 31st
- ✓ Triennium Rule (Exceptions)

The Complaint Form: Simple On Its Face, But Full of Traps

- UPL Issues
 - *Sharon Village* (1997): “The preparation and filing of a complaint with a BOR constitutes the **practice of law.**”-R.C. 5715.19 **remedy for dismissal.**
 - In response, the G.A. amended R.C. 5715.19(A) to authorize certain non-lawyers to file complaints on behalf of property owners.
 - Amongst the non-lawyers: an officer, a salaried employee, partner, or member of a corporation or LLC
 - School districts can also file – See HB 126 and HB 96 changes.
- Standing Requirements
 - Can a tenant file?
 - Authority-written
- Risk of Filing Complaint: The Counter-Complaint!

THE BOARD OF REVISION

Each county has a board of revision

BOR comprised of treasurer, auditor and commissioner, or designated reps

In counties where there is a fiscal officer, BOR comprised of fiscal officer, commissioner and clerk of courts or designated reps

Challenges to valuation or classification of real property are commenced at the BOR

PROCEEDINGS BEFORE BOR

No formal discovery

Rules of evidence are inapplicable

Informal proceedings

Decision as to value only

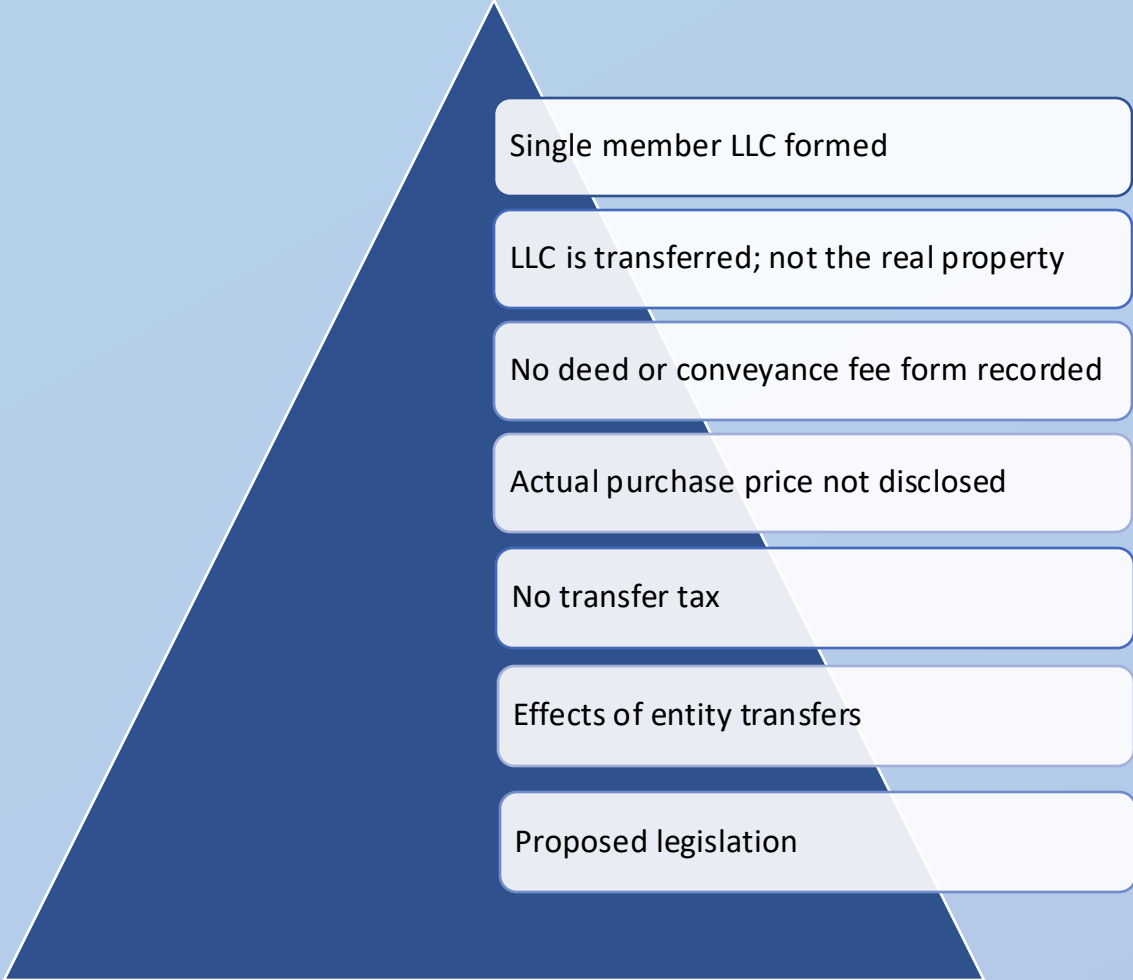
Be aware of R.C. 5715.19(G)

Check local rules

Unencumbered Fee Simple Interest v. Leased Fee

- *Manlaw*: “A sale is a sale” – sale price used to establish value, no exceptions
- Transactions involving sale/leasebacks, portfolios and net leased properties are adversely affected
- 2012: R.C. 5717.03 amended:
 1. Auditor may consider sale price; not shall
 2. Auditor must determine the fee simple estate, as if unencumbered
- 2017: *Terraza 8*: “A recent, arm’s length sale price no longer conclusively determines value”
- Importantly, we can now bring in appraisal evidence to rebut a sale price being used to establish value

ENTITY TRANSFERS



Single member LLC formed

LLC is transferred; not the real property

No deed or conveyance fee form recorded

Actual purchase price not disclosed

No transfer tax

Effects of entity transfers

Proposed legislation

H.B. 126

- Passed in April 2022
- Effective July 21, 2022
- Enacted significant changes to the tax complaint process in Ohio



H.B. 126: CRITICAL CHANGES

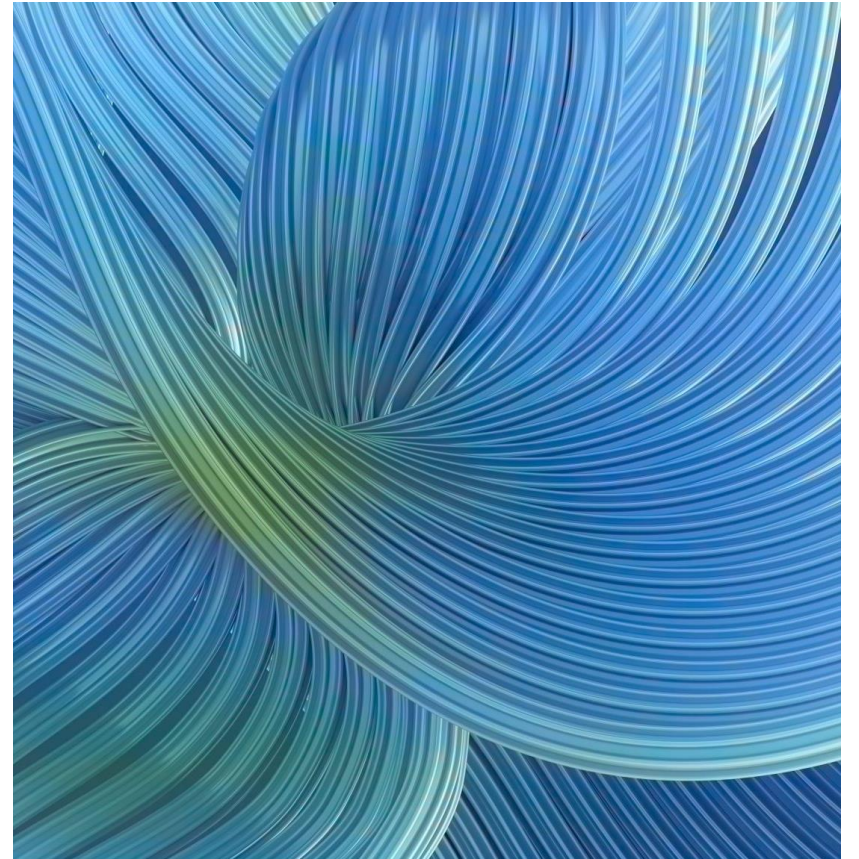
Initiating Complaints – School District Restrictions

- Complaints limited to properties sold
- Sale price must exceed county value by \$554,000 (adjusted annually) and 10%
- Sale must take place **before** January 1st tax lien date
- BOR not required to notify school districts of taxpayer complaints
- School districts must pass resolution and notify taxpayer prior to filing complaint

Appeals from BOR Decisions

- School districts precluded from filing an appeal to BTA

No Direct Pay Settlement Agreements



H.B. 126: LET THE LITIGATION BEGIN!!

- Retroactive Application of H.B. 126
 - TY2021 Pending Complaints v. TY2022 Complaints
- School Districts utilizing third-party complaints to circumvent “waiting period”
- School District appeals to Court of Common Pleas (R.C. 2506.01)
- Declaratory Judgment claiming H.B. 126 is “unconstitutional”



HOUSE BILL 96

1. 2 YEAR (24 MONTH)
LIMITATION ON SALES

2. RESTRICTIONS ON 3RD
PARTY COMPLAINTS/APPEALS

3. FOCUS ON DEEDED
TRANSFER OF PROPERTY



QUESTIONS?