

# Will Ohio homeowners get property tax relief? Why lawmakers can't agree on a fix

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When home values skyrocketed in 2023, many Ohioans got hit with property tax bills they couldn't afford.

State lawmakers received phone calls from constituents who feared being priced out of their homes. The Ohio House and Senate formed a committee to study the system and debate potential policy changes. Late last year, the House voted to double the homestead exemption for older homeowners and those with disabilities.

But that bill never made it to Gov. Mike DeWine's desk – nor did any plan to provide relief to taxpayers.

Now, lawmakers may use the upcoming state budget to tackle the state's property tax woes. But a solution is far from guaranteed: While Republicans and Democrats agree on the problem, there are competing ideas about how best to fix it.

Experts say that ship may already have sailed.

"The Legislature's reacting to a situation that literally has not occurred in 50 years," said Mike Sobul, a retired research administrator for the Ohio Department of Taxation. "It's such a rare thing; it probably won't occur again. The horses are out of the barn when it comes to the valuation increases."

## **How Ohio lawmakers want to provide property tax relief**

Under Ohio's property tax system, county auditors reappraise real estate parcels every six years and update their values every three. The average reappraisal increase was 34.7% in 2023, according to researcher Howard Fleeter, an unprecedented jump that rattled Ohio homeowners.

Property tax hikes can't solely be attributed to higher home values.

Ohio has had a backstop in place since 1976 – known as House Bill 920 – to ensure rising home values don't automatically lead to tax increases. But

homeowners don't benefit as much if they live in a school district at the 20-mill floor, which guarantees a certain amount of revenue for schools. That's because tax reduction factors in House Bill 920 stop at the 20-mill floor.

The practical effect: If home values increase, property owners in those school districts don't get as much of a break. About two-thirds of Ohio's 611 school districts are at the 20-mill floor.

"This problem really stems from housing," Sen. Bill Blessing, R-Colerain Township, said. "If we didn't have massive inflation, a lot of these investors coming in there and bidding up properties, driving up real estate values, if we had been building the way that we should have been over the past 15 years – which admittedly is a market failure – we wouldn't be in this predicament."

The majority of Ohio's 88 counties went through reappraisals or updates in 2023 and 2024, including Franklin, Hamilton and Cuyahoga. Eleven counties are due for reappraisal this year, while another 12 will get an update, according to the [Ohio Department of Taxation](#).

Ohio may be through the worst of the valuation increases – the statewide average dropped to 30.2% last year – but the issue is still top of mind for legislators and voters. Within the first two months of the legislative session, lawmakers proposed a [property tax freeze](#) for older homeowners, changes to the 20-mill floor and a tax credit for homeowners whose property taxes exceed 5% of their income.

And the ideas don't stop there.

Several bills would expand the [homestead exemption](#). [Senate Bill 42](#) allows municipalities to create residential zones where qualifying homeowners could apply for a partial property tax exemption. [House Bill 28](#) seeks to get rid of replacement levies, which extend a levy at its original mill rate while taking updated property values into account.

"We want to make sure that our citizens, when they go to the ballot, know what they're voting for," Rep. Adam Mathews, R-Lebanon, said. "Replacement levies for many people sound the same as a renewal. We want transparency in taxation."

## **'We got clobbered'**

As lawmakers continue to debate a fix, experts have a message: Don't overcorrect and disrupt the system.

"There are plenty of people for whom this is a real issue, and we need to deal with that," said Zach Schiller, research director for Policy Matters Ohio. "But we shouldn't mistake that for the notion that we need broad caps on all property taxes or relief to anyone who happens to own a home."

Schiller and some lawmakers believe the best path forward is a circuit breaker, which provides state assistance to homeowners and renters who spend an outsized share of their income on property taxes. Backers say this not only helps seniors struggling to keep their homes, but younger, lower-income people who can't afford high tax bills.

Blessing believes expanding the homestead exemption is "low-hanging fruit" that could easily pass. Beyond that, it's complicated: Lawmakers don't agree on whether the state or local governments should bear more responsibility.

Some Republicans also want to cut income taxes, which would mean less money available to tackle problems like property taxes.

"I hope voters will understand it's not the schools doing this to them," said Scott DiMauro, president of the Ohio Education Association. "It's legislators who care more about tax cuts for the rich than making sure kids are educated."

Ohioans aren't waiting on the Legislature to take action. A group dubbed Citizens for Property Tax Reform started advocating for relief and wants to see property taxes return to pre-pandemic levels.

Advocates are also pushing for a full exemption for seniors and a temporary exemption for homeowners experiencing economic hardship.

The group is currently exploring whether to put a constitutional amendment on the ballot.

"In Lakewood, as in many cities across Ohio, we got clobbered with property tax hikes," said Beth Blackmarr, a member of the organization. "It seemed like on an individual basis, we were all but helpless to do anything about it."