



County Auditors' Association of Ohio

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Joint Committee on Property Tax Review and Reform Wednesday, January 24, 2024

Testimony before the Joint Committee on Property Tax Review and Reform on behalf of the County Auditors' Association of Ohio will be provided by the following county auditors and administrators:

- I. Union County Auditor Andrea Weaver**
 - A. Appraisal Process and Standards
 - B. Determining Value
 - C. Valid, Recent Sale
 - D. True value v. taxable value/35%

- II. Franklin County Auditor Michael Stinziano**
 - A. Large County Experience in Reappraising Property
 - B. Revenue Impact of Valuation Changes
 - C. Taxpayer Impact of Valuation Changes

- III. Cuyahoga County Board of Revision Administrator Ronald J.H. O'Leary**
 - A. Board of Revision Process

- IV. Athens County Auditor Jill Davidson**
 - A. Public Utility Property
 - B. Current Agriculture Use Value Program
 - C. Ohio Forest Tax Law
 - D. Real Property Exempted from Taxation



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I. Union County Auditor Andrea Weaver

Co-Chairs Roemer and Blessing and members of the Joint Committee on Property Tax Review and Reform, thank you for the opportunity to testify today on behalf of the County Auditors' Association of Ohio, which strives to promote and protect the interests of Ohio taxpayers. My name is Andrea Weaver and I have served as Union County's Auditor since 2011.

A. Appraisal Process and Standards

Ohio law requires county auditors to reappraise every property in the county once every six years and to complete a triennial update in the third year of the reappraisal cycle. A reappraisal involves a visual inspection of the property. This includes assessing the condition of the property and gathering data regarding changes that may have occurred since the last reappraisal. A triennial update is an update of value based solely on sales. Similar to a reappraisal, it is based on sales prior to the update, but it does not involve reassessing the condition or characteristics of the property. Regular reappraisals are an important part of administering any property tax system as they ensure that taxpayers are being charged based on what their property is actually worth.

There are differences in the appraisal standards based on the type of appraisal being conducted:

1. **Fee Appraisal:** A fee appraisal is an evaluation of a single parcel that gathers many details and includes both interior and exterior inspections. This type of appraisal time-adjusts possible comparables, and often takes into consideration properties both inside and outside the immediate neighborhood with adjustments made for location. This type of appraisal is most used for financing purposes and costs hundreds of dollars for a residential property and thousands of dollars for a commercial property.
2. **Mass Appraisal:** A mass appraisal is an evaluation of many properties used for ad valorem taxation which is the modeling technique used to value large amounts of property in order to generate tax revenue for government-provided services. This type of appraisal seeks uniformity by gathering property characteristics data, (i.e. total living area, construction quality, age and condition, design or style, features such as # of baths/fixtures, finished basement, other structures, # of acres, location, etc.) and evaluates market trends in order to represent the market value of a specific type of property in a specified area.
 - i. Most Counties contract with an outside mass appraisal company. These third-party companies represent multiple counties across the State and provide expertise and experience in the mass appraisal process. Several counties have chosen to move this process in house and use certified mass appraisers to assess property.



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B. Determining Value

County auditors use the appraised value of a property determined through the mass appraisal process and compare it to the actual sales of properties in the area to determine accuracy. IAAO (International Association of Assessing Officers) mandates a sales ratio of between 92-95%. This means that the taxable value would be within 92-95% of the sales price. The Ohio Department of Taxation will allow a sales ratio of 90% to 94% based on its calculation of the market within a given taxing district. The accuracy of values established by county auditors depends primarily on the completeness and accuracy of property characteristics and market data.

C. Valid, Recent Sale

Ohio law mandates that property is taxed at its market value. The best indicator of market value is a valid, recent sale. Valid means a sale that has been exposed to the market; not compromised by special financing or as a result of a sheriff's sale/foreclosure/auction, etc. The sale has both a willing buyer and willing seller. Per Ohio law, "recent" is 24 months from the tax lien date. And the closer the sale date is to the tax lien date, the better.

D. True Value vs taxable value/35%

In Ohio, the true value of a property is its market value – what it would generate on the open market with no barriers for either the buyer or seller.

The taxable value or assessed value is 35% of the parcel's true/market value. This is simply the value on which taxes are calculated. Many states have assessed values that are different than the property's full market value. This has varied over the years but for decades has been set at 35%

Given the size, cost and time restraints to valuing millions of parcels of property across the State, mass appraisal is the only realistic approach. This is, and has been, the approach used across the United States and around the world in establishing values for taxation purposes.



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II. Franklin County Auditor Michael Stinziano

Chair Blessing, Chair Roemer, and members of the committee I am Auditor Michael Stinziano of Franklin County serving in this position since 2019. I thank you for the opportunity to provide testimony regarding the reappraisal process and the impact of value changes on revenue and taxpayers.

Today I will provide an overview of the reappraisal experience from a large county perspective and review how property value change impacts taxing authority revenue and taxpayers.¹ I appreciate this committee beginning with laying the foundation on our current system and hope to work with committee members and the legislature in general towards reform.

A. Large County Experience in Conducting a Mass Reappraisal

All county auditors are tasked with largely the same duties, but the different makeup in our counties including overall parcel count, amount of residential vs commercial vs agricultural land, and decisions of local governments regarding abatements and exemptions can mean fundamental differences in how we do our job.

In Franklin County and in other large counties in the state we begin the work of the mass reappraisal almost immediately following completion of the previous triennial update. This begins with the data collection of reviewing and evaluating each of the more than 450,000 parcels in the county. We use a combination of aerial photography, lidar-using flown lasers to map building footprints, drive by photography, and direct inspection to update and adjust the features of all the land and improvements. This work takes close to two years to complete.

At the same time as this project, we are continuing our sales review. We use this sales data to assign values to different property characteristics and locations that are all part of the work of our computer assisted mass appraisal or CAMA system. For all parcels, we explore a market, cost, and income approach to valuation. Our mission is to assign an auditor's value as of the tax lien date, in this case January 1, 2023, which reflects between 90% and 94% of the full market value aligning with guidance from the Department of Taxation.

One of the most complicated and time-consuming portions of this work is handling the many abatements, exemptions, and TIFs that apply to Franklin County parcels. About 40,000 of our parcels need special handling due to one or more of these tax incentives.²

¹ For a deeper dive into these topics please see appended to this testimony slides from a presentation to the Winter Conference of the County Commissioners Association of Ohio.

² Learn more about different types of incentives, where they are in the county and revenue impacts here: <https://franklin-county-tax-incentives-fca.hub.arcgis.com/>



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Every time we adjust the value we have to determine on a case-by-case basis what portion of value change is taxable and what portion should be assigned to an abatement, exemption, or TIF based on the relevant law, the local ordinance creating the incentive, and the characteristic and change of the property.

This phase of the work is completed in the spring of the reappraisal year, and we then submit our tentative abstract to DTE for review and approval.

We share all of the tentative values with the public in August of the reappraisal year both online and by mail to each property owner. Last year we also included a projection of what the new tax bill would be after the reappraisal – not accounting for any levies that may be approved later in the year. In September we conduct property value reviews, a chance for property owners to provide information to support a different value or alert us to any errors. We conducted 10,000 reviews on 20,000 parcels in 2023 in person, virtually, and through document submission. This owner participation is a critical part of the process because despite our best efforts to accurately set values we do not do interior inspections, and no one knows their home better than the homeowner.

In October, we finalize values with information from the reviews before submitting our final abstract to DTE in November. Final values went up on our website in November 2023 and letters explaining the result of the property value reviews were sent in December. Final tax rates are not set until all overlapping counties provide their final values to the state so effective rates can be calculated. This year the tax bills were put online by our county treasurer near the end of December and mailed out the following week. The first half property tax bills are due in Franklin County on January 31st.

B. Property value increases only modestly impact local government revenue except when the 20-mill floor is involved.

Levies, excluding inside millage, have an adjusted effective rate for reappraisal changes. The rate is adjusted based on the value of the subdivision, not the individual property. One effective rate for each levy is established for the entire subdivision.

Franklin County in 2023 illustrates this point. For all class 1 property, meaning residential and agricultural property that is equalized together the total final value change was 39.2%. The total tax increase collected on all class 1 property due just to the reappraisal was 6.1%. Even with new levies including substantial school levies for Columbus City Schools and Dublin City Schools, the new levies added only an additional 5.9%.



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This often-major gap between the value change and the tax change continues on a political subdivision level. You will find a table of all these examples appended to this testimony.³ Whitehall City Schools saw a total value property change of 39.24% but a total revenue change of only 7.92%. Dublin City Schools saw more tax increase change but that was largely driven by passage of a major levy, 7.9 mills plus additional bonds, for Dublin City Schools a 26.97% value change meant a 22.25% revenue increase with that new levy. Without the levy the impact would have been 10%. For cities and townships, the overall tax rates are less but the inside millage makes up a greater portion. For Perry Township for example a value change of 39.69% meant a tax change of 7.53%. For the City of Hilliard, the only property tax they collect is inside millage of 1.6 mills, so a 27.75% value change caused a 27.75% property tax revenue increase but that total increase was roughly \$50 per property (\$611,798.28 spread over more than 12,000 parcels).

I will allow colleagues impacted by the 20-mill floor far more than Franklin County delve into the details of the experience. In general, the benefit of equalization in limiting windfall revenue growth for a political subdivision mostly disappears when the floor is reached. This means that the percentage growth in value will closely track with the percentage growth in revenue for those schools. Since schools make up the bulk of property taxes collected, this can result in a 20% or 30% value increase meaning tax increases of between 15% and 25% or more.

While the major value increases are understandably startling to property owners, what we know is that outside of the 20-mill floor they simply do not translate to windfall profits or major revenue increases for most political subdivisions. This keeps local governments more accountable to voters since voters need to approve any significant increase in property tax revenue.

C. Despite equalization, individual property owners can still experience significant changes in their tax bill as values change unevenly.

The experience of individual taxpayers can be very different than the averages because property values do not change at the same rate in each part of a political subdivision. Rates are set based on the political subdivision, but values are set on a parcel level.

Tax rates fall when values increase, but if an individual property increases by more than the average of properties that pay into the same levies they do, their tax bill will still increase. This is how property taxes are supposed to function-everyone should pay on the actual value of their property, but when some properties increase by 10% and others by 80% or more the shift in the tax burden is significant. Understandably, those

³ See Tables 1-3



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who see little tax change or even a decrease in their taxes are less likely to express concern to their elected representatives.

We analyzed how this reality played out for owner occupied property across Franklin County and within each city, village, and township with the stark property value changes we saw between TY22 and TY23. For owner occupied property in Franklin County, the average tax increase based on the reappraisal alone was \$306, a meaningful but largely manageable change over the year with a \$25 per month impact.

An individual homeowner can see a tax change very different than the average. Due to the reappraisal alone, 12% or 33,216 homes experienced an increase of at least \$1000 in their tax bill, another 27% or 77,328 homes saw a change of between \$500 and \$1000, and 35% or 99,698 homes saw an increase of up to \$500. But 26% of owner-occupied homes 72,785 saw a decrease in their taxes despite an increase in their property value. The range of experiences of individual homeowners show the difference between what happens in aggregate due to equalization and how different property value changes result in very different property tax experiences.⁴

For those who receive the homestead exemption, this reduction in rates sadly means a decrease in the cash value of the homestead exemption. Even with the inflationary increase from \$25,000 to \$26,200 for TY23, the amount of the credit has gone down for every recipient in Franklin County and in most if not all of the 41 counties on a reappraisal or a triennial update. The amount of the change varies by taxing district but is an average of \$89 less than the benefit received in TY22.

In 20-mill floor jurisdictions, you will see higher average changes and fewer homes experiencing any decrease or a lesser change. This occurs because the impact of the 20-mill floor is to have a greater portion of the tax bill increase directly as value increases. There is still variation in the experience of property owners with those seeing the largest increases in value seeing the largest increases in taxes.

It is the range in individual experience that is driving much of the stress and housing because of property value changes. My office has received thousands of calls in the last few weeks from those with questions, fears, and panic about how they will be able to stay in their homes. We regret the limited recourse we are able to offer them as Ohio law simply does not have any mechanism to protect those who due to the market become house rich and cash poor.

In conclusion, as central Ohio's population continues to grow, we have no reason to expect property values will decrease so the work of this committee is incredibly important. As the committee lays the foundation I thank you for the opportunity to provide information on

⁴ See Table 4



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conducting a reappraisal as well as review the relationship between value changes and revenue and individual owner tax liability. I am happy to join with my colleagues in answering questions today and in the future as we find solutions for this critical issue for all Ohioans.



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III. Cuyahoga County Board of Revision Administrator Ronald J.H. O'Leary

Good morning, my name is Ronald J.H. O'Leary, and I am the Administrator for the Cuyahoga County Board of Revision. I will share an explanation of the Board of Revision's processes. I will focus mostly on valuation complaints, but I can answer any questions that you may have about the other complaints and appeals that the Board of Revision decides.

A. Board of Revision

A Board of Revision is a three-person, quasi-judicial board established in each county. Unless a county charter defines membership differently, the Board of Revision's members are representatives from the offices of the County Auditor, County Treasurer, and Board of County Commissioners.

The Board of Revision hears several complaints and appeals, which include:

1. Complaints against the valuation of real property
2. Complaints against the value of manufactured or mobile homes that are taxed like real property
3. Complaints against the assessment of real property other than market value (mostly Current Agricultural Use Value "CAUV")
4. Appeals from denial of homestead or owner-occupancy credit
5. Applications for remission of penalty
6. Expedited tax foreclosures
7. Appeals for failure to register residential rental properties
8. Corrected clerical errors in the tax duplicate

As I said a moment ago, I am focusing my discussion on valuation complaints—more formally known as a "Complaint Against the Valuation of Real Property"—which challenge the property value as set by the County Auditor. A valuation complaint cannot challenge the property tax rates or the amount of property tax due.

When deciding a valuation complaint, the Board of Revision must determine the property's fair market value on the tax-lien date (January 1 of the tax year). Fair market value is the value that a property should sell for in an arm's-length sale on the open market between a willing buyer and a willing seller where the buyer and seller both have full knowledge and facts concerning the property. When determining the fair market value, the Board of Revision can lower the property's value, increase it, or retain the value as determined by the Auditor.



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A property owner or a commercial tenant (if the tenant is responsible for paying the taxes) can file a valuation complaint. Under certain circumstances, a political subdivision like a Board of Education or other non-owner can file a valuation complaint.

A party can file a valuation complaint with the Board of Revision each year from January 1 through March 31. If March 31 falls on a weekend, the deadline is the next business day. Unless certain exceptions apply, a person can file only one valuation complaint for a property in the three-year period between the Auditor's reappraisal and the assessment update year.

The party seeking the change in value has the burden of proof before the Board of Revision and should submit any evidence that supports that party's opinion about the value of the property. The evidence can be testimony, documents, or both. Documents frequently include:

1. Documents showing a recent, arm's-length sale like a recorded deed, closing statement (HUD-1), purchase contract, or conveyance-fee statement (DTE 100).
2. Recent appraisal report for the property. The appraiser should testify in case the Board of Revision has questions about the appraisal report.
3. Certified estimates from a contractor for repairs needed at the property. Major structural issues may affect the value of the property, but regular maintenance (new roof, new driveway) is typically factored into the existing current value based on the property's age and condition.
4. Dated interior/exterior photos of the property and comparable properties showing the property conditions.
5. New construction costs certified by a builder that include both hard and soft costs.

A party does not have to attend the hearing at the Board of Revision. But it is in the party's interest to attend if possible. The hearing is the party's opportunity to testify about the reasons why the Board of Revision should change the property's value. Many times, the Board of Revision's members have questions regarding the property and submitted evidence that only the person who filed the complaint can answer. If the party does not testify at the hearing, then the Board of Revision will make its decision based on other evidence submitted.

A Board of Revision must issue a decision within 180 days from the end of the annual filing period (typically March 31). If there is a countercomplaint, then the Board of Revision must issue a decision within 180 days from the date of filing the countercomplaint. If the Board of Revision does not issue its decision during the 180-day period, then the taxpayer has a valid continuing complaint through the year when there



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is a final decision by the Board of Revision, the Board of Tax Appeals, or the court system (up to the Ohio Supreme Court.)

The Board of Revision must dismiss an original complaint filed by a political subdivision like a Board of Education if the Board of Revision does not render a decision within one year from the date the complaint was filed.

Except for certain political subdivisions like a Board of Education, a party who disagrees with the Board of Revision's decision regarding a valuation complaint can appeal the decision to either the Board of Tax Appeals or the Court of Common Pleas. (Each complaint or appeal type that the Board of Revision decides is appealable, but different complaint/appeal types are appealable to different courts or agencies.) The appeal must be filed within 30 days of the date on the Board of Revision's decision notice. The party who appeals the Board of Revision's decision bears the burden of proof on appeal.

When a Board of Revision decreases a property's value, the change in value is retroactive to the tax-lien date for the tax year of the valuation complaint. If the taxpayer paid the property tax on the original, higher value, then the taxpayer is entitled to a refund of the overpayment. The County Treasurer can either apply the overpayment as a credit on the next tax bill or issue a refund check.

Conversely, if a Board of Revision increases the value of a property, the change in value is retroactive to the tax-lien date for the tax year of the valuation complaint. The taxpayer likely paid the property tax on the original, lower value. In that case, the property owner will owe an additional tax related to the increase in value.



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V. Athens County Auditor Jill Davidson

Thank you to the members of the committee for inviting us today. I am Jill Davidson and I have served as auditor in Athens County for more than 20 years. I will share an explanation of several topics that were requested by the committee.

A. Public Utility Property – Tangible Personal Property

Property taxes imposed on the tangible personal property of public utilities is notably the sole category remaining subject to taxation in Ohio following legislative amendments in 2005.

According to the most recent Annual Report, the assessed valuation of public utility personal property in Ohio reached approximately \$27.0 billion. Taxes charged amounted to approximately \$2.2 billion. The vast majority of this is from the electric utilities(55%) and the pipeline industry (33%)

Listing Percentages and True Value Determination (R.C. 5727.111, 5727.11)

Determining true value involves a nuanced calculation, factoring in capitalized cost less composite annual allowances, contingent on the property's age and expected life.

The assessed values vary based on the type of public utility.

- a. Natural Gas Company – 25% for all taxable property
- b. Pipeline, waterworks, heating companies – 88%
- c. Energy Company – 24% for production property; 85% for all other property
- d. Water Transportation Company – 25% for all property
- e. Electric Company - 85% for Transmission and Distribution; 24% for all other property

Exemptions, Credits, and Reporting (R.C. 319.302, 5727.01, R.C. 323.12)

Numerous exemptions exist, encompassing municipally owned utilities, certified pollution control facilities, licensed motor vehicles, and more. Allowances are available for construction and interest. Reporting obligations dictate annual reports due by March 1, with possible extensions, and tax payments align with real property tax due dates.

Following local administrative deductions, the tax is calculated locally, billed by the county treasurer, and distributed by the county auditor to counties, municipalities, townships, school districts, and special districts based on taxable values and total millage levied. The gross (full rate) tax rates apply.

In Ohio, public utility property is assessed based on the determined true value, using prescribed methods and assessment percentages. The process involves considerations for useful life, alternative valuation methods, and final determinations. Once true value



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is established, taxable value is calculated by multiplying it by the appropriate assessment percentage for each utility and property type.

Appeals play a crucial role in the assessment process. Public utilities can appeal assessments within a 60-day period by filing a petition for reassessment, specifying objections. The appeals process includes a 45-day window for proposing changes in apportionment. Payments during appeals depend on objections, with interest on unpaid taxes. The appeals process involves notifications, hearings, and final determinations by the Tax Appeals Division, which can be further appealed to the Board of Tax Appeals.

Post-appeal procedures include notifications to county auditors, determining overpayments or underpayments, and potential refunds or credits. Miscellaneous provisions include a statute of limitations for assessing omitted property and guidance on identifying public utilities.

Managing Public Utility appeals that lead to refunds can pose challenges for local governments. To illustrate, when a utility files an appeal, it pertains to the value from the preceding year. However, the resolution of the appeal is a time-consuming process, often spanning multiple years, during which substantial refund amounts accumulate. As a result, handling the complexities of these appeals becomes a demanding task for local authorities.

There have been situations where there would be sufficient funds, but due to the services supported by the collection, negotiations were necessary for a repayment plan. This was crucial to ensure that the local government could effectively function while addressing the repayment obligations.

B. Current Agricultural Use Program

CAUV stands for Current Agricultural Use Value. This was created as a constitutional amendment more than 50 years ago. It's a method used to calculate the value of agricultural land for tax purposes (in essence it is an income approach to valuing agricultural property). This helps ensure that farmers are taxed based on the land's use for agriculture rather than its potential market value.

The CAUV is calculated using a formula that considers various factors related to agricultural production.⁵

The yield of major crops, a seven-year Olympic average of the price of those crops, the costs associated with crop production and the capitalization rate calculated by a five-

⁵ See CAUV Formula Factors



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year averaging method, combining the Farm Credit Service interest rate and the 25-year average of the “total rate of return on farm equity” published by the USDA.

In summary, CAUV is a method designed to support the agricultural community by providing a fair and reasonable valuation of their land for tax purposes.

While the CAUV system is intended to benefit farmers by providing a fair and reasonable valuation for tax purposes, there are arguments and concerns about how this type of valuation may have potential drawbacks for the overall tax base. Here are some points to consider:

1. **Potential Revenue Loss:** The CAUV system, while designed to support farmers, the result is a reduction in property tax revenue for local governments, predominantly from inside millage. This reduction in revenue can directly impact funding for essential public services, such as education, infrastructure maintenance, and public safety.
2. **Shifted Tax Burden to Residential Properties:** Lower property tax assessments for agricultural land also results in a disproportionate burden on residential properties. As agricultural land pays lower taxes, residential, commercial, and industrial properties may bear an increased share of the property tax burden to compensate for the diminished revenue from agricultural land. This shift can create disparities in tax contributions, particularly impacting homeowners.
3. **Impact on Local Services:** Reduced property tax revenue may limit the ability of local governments to provide necessary services. Schools, public safety agencies, and infrastructure projects could face funding challenges, affecting the quality and accessibility of services for residents in the community.
4. **Market Value vs. Use-Value Discrepancy:** Critics argue that the CAUV system may not accurately reflect the true market value of agricultural land. By focusing on the current agricultural use, the system may overlook the potential development value of the land. This discrepancy may contribute to a shift in the overall tax burden toward residential properties, especially in areas experiencing urban expansion.

In addition to these concerns, it's crucial to note that when a property no longer qualifies for the CAUV program, there may be a recoupment of tax savings previously granted under the program. This recoupment aims to recover the difference between the reduced CAUV valuation and the higher market value that would have been assessed during the prior three-year period of CAUV qualification. The potential shift in



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the tax burden to residential properties, coupled with recoupment provisions, adds complexity to the financial impact on homeowners and the local tax base.

In Athens County, over 120,000 acres, constituting almost 30% of the total acreage, are currently enrolled in the CAUV program. Even if a parcel meets only the minimum requirement, additional acres can qualify for CAUV as residual acreage, irrespective of whether the property is actively used for a qualifying purpose. To grasp the magnitude of the tax dollars redirected to other property owners, consider that for the current tax year, the estimated tax savings for these CAUV qualifying parcels is nearly \$3.5 million. Notably, in terms of market value, these CAUV-enrolled parcels enjoy a substantial tax benefit, amounting to nearly 70%.

C. Ohio Forest Tax Law

The Ohio Forest Tax Law (OFTL) program is designed to encourage responsible forest management while providing a 50% reduction in property taxes for eligible forested acreage.

To receive the benefit of the 50% reduction in property taxes, landowners must commit to managing their forest for the commercial production of timber and other forest products, following specific rules. The minimum qualifications require that the forestland be at least 10 acres (excluding buildings) and not less than 120 feet wide. The property boundaries must be permanently marked every 100 feet. Landowners must apply for the program with the Ohio Department of Forestry. There is a one-time fee of \$75 due after certification. Compliance costs are the responsibility of the landowner and are paid to the Ohio Division of Forestry. Additionally, landowners must develop and follow an approved Forest Management Plan approved by a State Forester. Then they must self-certify every five years, with random examinations by a State Forester.

Just like CAUV and other tax exemptions, forestry is a significant benefit to those in the program. However, other property owners or sectors may indirectly bear a larger share of the property tax responsibility to compensate for the reduced contributions from enrolled forested properties.

D. Real Property Exempted from Taxation

In Ohio, real property tax is a key source of revenue for local governments, schools, and other public services. Real property that becomes exempt from taxation can impact the tax base by reducing the overall taxable value of real estate in each jurisdiction. When a property is exempt, it means that it is not subject to property taxes. The impact of real property exemptions on the tax base for real property tax is influenced by provisions in the Ohio Constitution and the Revised Code.



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Exemptions can apply to various types of real property, including:

1. **Government-Owned Property:** Real property owned by federal, state, or local governments falls under categories such as "United States of America," "State of Ohio," "County," "Townships," "Municipalities," and "Boards of Education." These properties are exempt from real property taxation.
2. **Recreational Use by Governments:** Real property owned by governments and used for recreational purposes, rather than governmental purposes, is categorized under "Conservancy Districts and Park Districts."
3. **Privately-Owned Educational Facilities:** Privately-owned educational facilities, such as schools, colleges, and academies, are exempt, and their values are reported in the category of "Schools, Colleges, and Academies."
4. **Institutions with Tax Exempt Status:** Real property owned by institutions with tax-exempt status is included in categories like "Charitable Institutions" and "Churches."
5. **Cemeteries:** Property used as cemeteries and fixtures used in cemeteries are specifically categorized under "Cemeteries and Monuments."
6. **Tax Abatements:** Municipal, township, and county governments have the authority to grant exemptions as incentives for economic development and urban renewal. Exempt real property in these cases falls under the heading of "Tax Abatements."
7. **Miscellaneous Category:** County auditors may report exempt values for property not fitting into the above categories in a generalized miscellaneous category.

When these exemptions are granted, the taxable base for real property tax is reduced because the exempt properties are not included in the calculation of property taxes. This reduction in the tax base means that the remaining properties may experience a higher tax rate to compensate for the lost revenue.

Ohio has experienced a significant surge in opportunities for tax abatements and an expanded scope for tax exemptions, leading to a notable increase in exempt real property compared to taxable value. Since 2002, the exempt assessed real property value in the state has soared by over 120%, while taxable assessed real property has seen a more modest increase of less than 63% (Source: ODT, PE1 Reports).

In Athens County, boasting nearly 4300 exempt parcels, the region has one of the highest exempt tax bases, with over 30% of the tax base being exempt. In the TY 22 Report, Athens



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County is second only to Franklin County. This is primarily attributed to tax-exempt parcels linked to entities such as Ohio University, Hocking College, and the Wayne National Forest. The growing trend of real property qualifying for exemptions and the creation of more tax abatements contribute to a shifting burden, with an increasing share of the tax falling on residential homeowners.

Local government services come with associated costs, and a larger tax base translates to a lighter burden on each property owner. However, the continuous expansion and augmentation of various exemptions mean that fewer individuals are contributing to the same services, resulting in a higher cost for each of them.

Thank you for this opportunity to provide information. We appreciate being at the table with you in the effort to conduct a significant, comprehensive review of the overall system. We look forward to continuing to be a part of the conversation.