

2010 Triennial Update of Real Estate Values in Ross County

Ohio law orders that all property in each county be physically inspected and reappraised every six years. The last reappraisal in Ross County was completed in 2007.

In addition, the State also conducts a comprehensive review of each County's real estate sales data in the third year after a reappraisal to see if appraised values still reasonably reflect current market values. This is called the Triennial Update. The State-ordered Triennial Update of Ross County real estate values was completed in 2010.

The State of Ohio's Division of Tax Equalization (D.T.E.) analyzed the sale prices of properties that sold during the last three years. Only sales determined to be an "arms length transaction" can be considered. **Foreclosure sales, bank repossessions and other distress sales cannot be used in the study.** The residential sales data the State analyzed showed that the auditor's appraised value was still only about **93%** of the average sales price of homes in Ross County. The chart below illustrates the State's findings:

Year	Number Of Home Sales	Average Auditor's Appraisal	Average Sales Price	Dollar Weighted Mean
2007	553	\$109,460	\$117,308	93.31%
2008	424	\$101,540	\$109,888	92.40%
2009	348	\$109,450	\$116,487	93.96%

Since average sales prices were still somewhat above average appraised values, but within an acceptable range, the State recommended **no change** in residential property values.

The County Auditor Conducted Its Own Study

The County Auditor conducted his own study after receiving the State's recommendation to ensure its accuracy. Although the results of the County's study were similar to the State's analysis, the County Auditor was able to get the State to agree to some minor decreases, in the 2%- 4% range for most residential property, due to the limited amount of sales and the uncertainty in the current real estate market. The actual decrease will vary depending on sales data from each particular area. These relatively small decreases in value will have a limited effect on overall tax bills but will lessen the additional tax due from the new levies to be assessed this year (see below for details).

State More Than Doubles CAUV Values on Agricultural Land

CAUV is a State program in which farm owners can enroll that determines what an acre of land is worth for tax purposes based on its ability to produce a farm income. The local County Auditor has no control over CAUV tax values. This value is generally much lower than its fair market value.

Although the State of Ohio concluded that the market value of agricultural land should be increased about 10%, the State was also required to update land values in the CAUV (Current

Agricultural Use Value) program. Although it varies, land enrolled in the CAUV program more than doubled with an average increase of **106%** in value over the prior values. Overall, on the average, CAUV values are still only about half of the market value.

The County Auditor conducted a meeting in the spring of 2010 to make farm owners aware that these large increases were proposed. Notice of a public hearing at the D.T.E. in Columbus to adopt these values, which was held May 7, 2010, was also sent by the county auditor's office to affected landowners.

Prior CAUV per acre values ranged from a low of \$100 to a high of \$970. The new values range from a low of \$200 to a high of \$1900 per acre. The attached Farm Bureau analysis provides more information regarding why CAUV values increased so drastically.

Tax Levy Increases Approved By Voters In 2010

There were two new levies that were approved by voters in the May 4, 2010 election that will increase tax bills county-wide this year. For example, a new 1.00 mill operating levy for the Chillicothe & Ross County Public Library will increase the taxes due on a \$100,000 home by \$15.75 per half year's tax bill. A 3.00 mill Replacement and 0.80 mill Increase Levy for the Ross County Board of Developmental Disabilities will also increase the taxes due on a \$100,000 home by \$19.29 per half year's tax bill.

Chillicothe City School District Bond Levy Required Adjustment

When voters approve bond levies, the millage appearing on the ballot is an estimate of the average millage that will be required over the life of the bond issue to make debt payments each year. The actual tax rate can change over time. Bond millage rates are reviewed each year by the county auditor's office to make sure that school districts collect just enough money to make their annual debt payment. A county auditor is normally able to make small reductions to bond levy tax rates during the year of reappraisals and triennial updates since values have generally increased.

However, this year, as a result of residential property values dropping in the Chillicothe City School District rather than increasing, the county auditor was required to adjust the school's bond millage by raising it slightly from 4.47 mills to 4.80 mills to meet its 2011 debt payment. This is the opposite that normally occurs as values usually increase over time.

This difference in millage on a \$100,000 home, if there was no decrease in that home's value, would increase taxes by about \$5 per half year's tax. However, since home values have dropped this year, when applying this higher rate to a lower home value, the actual tax bill change for any individual homeowner should be less.

More Information Available on County Auditor's Website

Property data information is available on the County auditor's website at **www.co.ross.oh.us/auditor**.

Additional questions regarding the State's calculation of CAUV values may be addressed to Jeanette Goodman at the Ohio Department of Taxation, Division of Tax Equalization at (614) 466-7306.