



# Roadmap to OHIO PROPERTY TAXES

## **General Assessment Overview**

Real estate assessments are established and maintained at the county level. All real estate is assessed at 35% of the fair market value with an assessment date of January 1 each year. Personal property is exempt.

Ohio reappraisals are performed on a county-wide basis every six years with an update at the three-year interim. Reappraisals are often completed by independent mass appraisal firms. Updates are typically a statistical review predicated on sales-ratio studies, resulting in a factor being applied to assessments as necessary.

Ohio has one of the most complex property tax systems in the country. One consideration is what occurs after a property is sold. In Ohio, sales are considered primary evidence of market value. Coupled with the fact that the school board may petition the courts to increase the auditor's value to reflect the market value as indicated by the purchase amount, buyers are often left wondering where the final value may end up.

For instance, if the county auditor is aware of a recent property transfer but elects not to pick up the purchase price or perhaps, only 80 to 90% of the sale, the school board has the right to seek

the full purchase amount. Based on previous case law, the school board's petition would likely be successful.

Case law also supports the idea that a sale is relevant for 24 months before and after the purchase date for assessment purposes. For example, the sell price of property that sells in May of 2020 can be used to set the value of the tax year 2022 assessment.

Adding to the nuance, property must be valued fee simple, as if unencumbered. Owners of recently acquired property that is encumbered by long-term leases may benefit from having a property appraised fee simple.

## **Assessment Notices**

By law, auditors are required to notify property owners when the taxable value of a property changes.

**Assessment notices are typically mailed in August or September.** However, it should be noted that these notices are considered to be courtesy notices. The first installment tax bill issued in January in the year after the assessment date acts as the official assessment notice for all parcels, whether or not a change in assessment has been made.

## Property Tax Appeals

**Appeals must be filed by March 31 to the County Board of Revision.** The Boards are quasi-judicial and require the presence of an attorney on behalf of the taxpayer. The Boards are able to increase or decrease valuations based upon the evidence presented.

Board of Revision decisions may be appealed to the **Ohio Board of Tax Appeals (BTA) or the Common Pleas Court** within 30 days of the decision letter.

Appeals advanced from the BTA or Court of Common Pleas are filed at the **Court of Appeals** in the county where the property is located and must be submitted within 30 days of the BTA decision.

From the Court of Appeals, a taxpayer may elect to file a complaint with the **Ohio Supreme Court**.

It is worth noting that throughout Ohio, Boards of Education are extremely aggressive in preserving and increasing their tax base; they will file at the Board of Revision seeking increases in assessments and, sometimes, pursue an appeal all the way to the Ohio Supreme Court.

The Ohio Supreme Court has ruled that well-documented appraisals at a value that differs from the purchase price may, in some cases, also be considered. However, the burden of proof rests with the appellant to prove the sale cannot be considered reflective of market value. In most cases when a property is sold, the assessed value and taxes will be adjusted based on the sale price.

**State statutes forbid filing a second appeal on the same property within the same triennial assessment period.**

Exceptions to this rule include a recent sale, either physical or economic significant changes to the property, or a substantial decline in occupancy.

## Tax Bills

Property taxes are calculated as follows: assigned actual value by county auditor's office, multiplied by the assessment ratio as prescribed by law, multiplied by the local mill levy as set by the various taxing districts, equals taxes.

$$\left[ \text{Actual Value} \times \text{Assessment Ratio} \times \text{Mill Levy} \right] = \text{Taxes}$$

Real estate taxes are paid in arrears. Tax bills issued in January and June of the current year pertain to the prior assessment year.

Owners may choose to pay in two installments. **Due dates vary by county but typically, first installments are due January through March, and second installments are due June through August.**

## Ohio Tax Calendar

### Real Estate

Assessment Date	Jan 1
Tax Bills Issued	Feb
Appeal Deadline	Mar 31
Tax Bills Due	Jan - Mar (1st Installment) Jun - Aug (2nd Installment)

### Personal Property

Exempt
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