



Challenging the Appraised Value of Your Property for Real Estate Taxation

by Gene R. Abercrombie

In light of the declining values of real estate, property owners need to pay particular attention to the real estate tax values of their properties. Taxpayers who believe that the Auditor for the county in which the property is situated has set the tax value too high have a statutory right to challenge such valuation. In some instances, the tax values significantly deviate from the true fair market value. Each County Auditor is required to periodically update the values of all parcels in the county. Last summer and early fall, the revaluation notices for tax year 2009 were mailed to taxpayers. Although many County Auditors reduced the tax values of many residential properties, it is our understanding that some County Auditors held the values for commercial properties steady in the 2009 revaluation process. This means that many commercial properties are overvalued for tax purposes.

A property owner wishing to challenge his or her tax valuation must file a complaint with the board of revision. The board of revision is the governmental body which is tasked with hearing challenges to property values and is comprised of one representative each of the County Commissioner's office, the County Auditor's office and the

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county treasurer's office. A Board of Revision Complaint relating to tax year 2009 must be filed between January 1, 2010, and March 31, 2010. The value to be determined by the Board of Revision is the actual, fair market value of the property as of January 1, 2009, because taxes are paid in arrears in Ohio. Although individuals are entitled to file Complaints with the Board of Revision for properties which they own individually, any property owner who owns a property through an entity (such as a limited liability company, partnership or corporation) must have the Complaint completed, signed and filed by an attorney, as it is considered to be the practice of law.

If the value claimed by the property owner is \$50,000 less than the value set by the County Auditor, the school district for the area in which the property is located automatically receives notice of the filing and it has the ability to appear at the hearing arguing that the value as set is accurate (or arguing for a higher value). Hearings usually occur in the summer months with decisions typically being rendered within 30 to 60 days after the hearing. Evidence of value must be presented at the hearing, and simply arguing the value is too high will not yield the desired result. Typically, our office utilizes either an appraisal done specifically for purposes of the Board of Revision filing or testimony of a real estate broker as to the value of the property. The Board of Revision hearing itself is a very simple and straightforward process. If, however, the property owner does not obtain the result he or she desires, there is an opportunity to appeal the decision either to the Common Pleas Court in the county which the property is located, or to the Ohio Board of Tax Appeals in Columbus. Such an appeal is a much more complicated and costly process and only advisable where the appraised value by the County Auditor significantly deviates from the actual fair market value of the property.

In challenging economic times like we are facing now, property owners need to trim every expense they can. Ohio law gives property owners the ability to help control, in part, the tax bill on their properties through the board of revision process. All property owners should examine their properties to determine if a Board of Revision filing related to tax year 2009 is prudent.



Mr. Abercrombie, a member in the Business Section, concentrates his practice on real estate law. For questions regarding challenging appraised property values, please contact Mr. Abercrombie at our Toledo office (419-247-1619).

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