

PROPERTY VALUES AND THE BOARD OF REVISION

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Auditor Establishes Value

The county auditor is responsible for establishing the value of each and every real estate parcel in the county, including homes, apartment buildings, commercial property, industrial sites, and vacant lots.

The appraised value is an estimate of the fair market value. Taxes are calculated by multiplying your tax rate by the assessed value, which is sometimes called the taxable value. The assessed value is 35% of the appraised value.

New buildings are valued at cost. The auditor conducts a reappraisal of each parcel of real estate every six years. During these sexennial reappraisals, auditor's employees work with an approved appraisal contractor in conducting a mass appraisal. During a mass appraisal, homes are visually observed but usually the appraiser does not enter your home.

Three years after the reappraisal, the auditor conducts a triennial update. The triennial update is based upon actual sales in each neighborhood over the previous three years.

In both the reappraisal and the triennial update, the auditor estimates what your property would be worth on January 1st of that year. The January 1st date is called the *tax lien date*. Taxes are paid in the year after the tax lien date. For example, the auditor updates the property values in a process that takes place in the year 2009. The tax lien date for the updated value is January 1, 2009. Taxes based on the updated value are paid in 2010.

Appeal to the Board of Revision

If you believe that the auditor made a mistake or valued your property too high, you can appeal to your local county Board of Revision. To begin an appeal, you must file a Complaint Against the Valuation of Real Property on the proper form. The form is called DTE Form 1. **You can obtain DTE Form 1 from the local Board of Revision office (in Lorain County, J Grant Keys Administration Building, 2nd floor, 226 Middle Avenue, Elyria, Ohio 44035) or online at <http://www.loraincounty.com/auditor/forms/DTE-1-with-instructions.pdf>.**

If you file a complaint, it is important to read the instructions and complete each section of the DTE 1 form. You must accurately list the owner of the property, the address, and parcel numbers. It must be signed and notarized.

The complaint can be filed after January 1st but must be filed before March 31st of the applicable year. You can only complain about the value of a parcel once during each three-year period between reappraisals and updates unless a specific exception applies. The

exceptions are: if the property was sold in an arm's length transaction; if there was a substantial improvement to the property; if the property lost value due to a casualty (damage from a sudden event such as a fire or tornado); or an occupancy change (on commercial property) of at least 15% that had a substantial economic impact on the property.

There is no filing fee.

Avoid Common Mistakes

- ✓ **File on or before March 31st**
- ✓ **List each parcel number in question**
- ✓ **Provide an accurate property address**
- ✓ **Provide an accurate mailing address**
- ✓ **Sign the complaint form**
- ✓ **Have the form notarized**

Who can file and present the complaint?

If individuals own the property, the individual(s) should be listed as the owner. Individual owners may represent themselves before the Board of Revision but may choose to use the services of an attorney. Persons other than an owner who are not licensed attorneys, such as accountants, realtors, appraisers, bankers, and friends or relatives under power of attorney are **not** permitted to file complaints or present cases before the Board of Revision, although they may be called as witnesses if they have knowledge about the value of the property.

If a trust, a corporation, or a limited liability company owns the property, an attorney is needed if you want to present evidence and make legal arguments before the Board of Revision. There are limited exceptions in which a trustee, a member of a limited liability company, or a corporate officer may prepare and file a complaint and state an opinion of value at the hearing. However, those entities may need an attorney to fully present their case at the Board of Revision.

The Hearing at the Board of Revision

After the complaint is filed, the Clerk of the Board of Revision will schedule a hearing date. The Clerk will send a notice in the mail to the address you provided on the complaint form (DTE1).

If you are asking to reduce the appraised value by \$50,000 or more, your local school board will be notified. The local school board can object to your complaint by filing a counter-complaint. When the school board does object, the property owner and the

school board will have a chance to be heard at the Board of Revision.

Most residential cases are scheduled for fifteen minutes but the Board of Revision tries to allow for additional time if the case is complex or if there are issues that require additional time to present.

The Board of Revision is created by Ohio law and is comprised of the County Treasurer, the County Auditor, and the President of the Board of County Commissioners. In most hearings, the elected officials who comprise the Board of Revision appoint one of their employees to represent them at the hearing. The Treasurer or the Treasurer's representative usually chairs the hearings.

Two members of the Board are required for a quorum. Testimony is heard upon oath or affirmation. The meetings are recorded.

The Board of Revision employs a full-time Clerk and assistant clerk to receive the complaints, keep records, schedule hearings, and answer questions from property owners. **The Clerk's office is open from 8:00 a.m. until 4:30 p.m. and is closed on weekends and holidays. The Board of Revision is located on the 2nd floor, J Grant Keys Administration Building, 226 Middle Avenue, Elyria, Ohio 44035. Tel. 440-329-5269.**

The Board of Revision employees cannot give legal advice and cannot express an opinion on the merits of your case. Property owners should avoid discussing the facts of their case with the Board of Revision outside of the scheduled hearing.

A qualified appraiser employed by the county auditor usually attends the hearings in order to provide information about valuation methods or to help clarify the facts.

Evidence and Burden of Proof

At the hearing, the property owner or complainant has the burden of proof to justify a change in value. By law, the auditor's value is presumed to be correct. So, **the complaining parties must provide evidence of their opinion of value.**

A recent *arms length* sale of the property in question is the best evidence of value. Recent is generally considered to be in the last three years.

In cases where there is not a recent sale, the Ohio Administrative Code (§5703-25-07) provides for three methods of calculating value: 1) *the market data approach*, which compares recent sales of comparable properties; 2) *the income approach*, which capitalizes the net income attributable to the property; and 3) *the cost approach*, which calculates cost of the buildings and adjusts for depreciation, and adds to the value of the land. Professional appraisers are capable of applying the three methods and producing a written appraisal report.

Sales under compulsion or duress do not provide a reliable indication of value. Ohio law forbids the use of a forced auction such as a sheriff's sale to determine value: "*the price for which such real property would sell at auction or forced sale shall not be taken as the criterion of its price.*" (ORC§5713.04). Similarly, transactions between friends, family, or business associates may not be considered "arms length" transactions that indicate value.

Recent *sales* of similar property in your neighborhood can be considered in determining value. However, the auditor's appraised value of a similar property is not evidence of value of the property in question.

Documents such as a sales agreement; a recent appraisal, photographs, and estimates or expenses for needed repairs can be presented to support the complainant's opinion of value.

Examples of evidence

- ✓ Present a recent appraisal of your property
- ✓ Use photos to show property conditions
- ✓ Bring your purchase agreement if the property was sold in the last 3 years
- ✓ Provide invoices or written estimates if you claim repairs are needed
- ✓ Use recent sales of similar properties
- ✓ Don't use sheriff's sales
- ✓ Don't use auditor's values of your neighbor's property.

The Decision

The Board of Revision will send you its decision in the mail, usually within a few weeks of the hearing.

If you disagree with the Board's decision, you can appeal to the Court of Common Pleas or to the Board of Tax Appeals in Columbus. There are strict time limits for filing appeals. If you choose to appeal, you should do so without delay and follow the procedures described in ORC §5717.01. You may wish to have an attorney prepare your appeal.

Board of Revision

**Mark R. Stewart, Secretary
Daniel J. Talarek, Chairman
J. Grant Keys Administration Building
226 Middle Avenue
Elyria, Ohio 44035
Tel. 440-329-5269**

INSTRUCTIONS FOR COMPLETING FORM

FILING DEADLINE: A COMPLAINT FOR THE CURRENT TAX YEAR MUST BE RECEIVED BY THE COUNTY AUDITOR ON OR BEFORE MARCH 31 OF THE FOLLOWING TAX YEAR. A COUNTER-COMPLAINT MUST BE FILED WITHIN 30 DAYS AFTER RECEIPT OF NOTICE FROM THE AUDITOR THAT AN ORIGINAL COMPLAINT HAS BEEN FILED.

WHO MAY FILE: Any person owning taxable real property in the county, the board of county commissioners, the county prosecutor, the county treasurer, the board of township trustees of any township with territory in the county, the board of education of any school district with territory in the county, or the mayor or legislative authority of any municipal corporation with territory in the county may file a valuation complaint.

TENDER PAY: If the owner of a property files a complaint against the valuation of that property, then, while such complaint is pending, the owner is entitled to tender to the county treasurer an amount of taxes based on the valuation claimed for such property in the complaint. NOTE: If the amount tendered is less than the amount finally determined, interest will be charged on the difference. In addition, if the amount finally determined equals or exceeds the amount originally billed, a penalty will be charged on the difference between the amount tendered and the final amount.

MULTIPLE PARCELS: Only parcels that (1) are in the same taxing district and (2) have identical ownership **may** be included in one complaint. Otherwise, separate complaints **must** be used. However, for ease of administration, parcels that (1) are in the same taxing district, (2) have identical ownership, and (3) form **a single economic unit should be included in one complaint**. The increase or decrease in valuation may be separately stated for each parcel or listed as an aggregate sum for the economic unit. If more than three parcels are included in one complaint, use additional sheets of paper.

GENERAL INSTRUCTIONS: Valuation complaints must relate to the **total value** of both land and buildings. The Board of Revision may increase or decrease the total value of any parcel included in a complaint. The Board will notify all parties not less than ten days prior to the hearing of the time and place the complaint will be heard. The complainant should submit any documents supporting the claimed valuation to the Board prior to the hearing. The Board may also require the complainant and/or owner to provide the Board additional information with the complaint and may request additional information at the hearing, including purchase and lease agreements, closing statements, appraisal reports, construction costs, rent rolls, and detailed income and expense statements for the property.

Section 5715.19(G) provides that "a complainant shall provide to the Board of Revision all information or evidence within his knowledge or possession that affects the real property" in question. Evidence or information that is not presented to the Board cannot later be presented on any appeal, unless good cause is shown for the failure to present such evidence or information to the Board.

INSTRUCTIONS FOR QUESTION 10. If property was sold in the last three years, attach the purchase agreement, escrow statement, closing statement, or other evidence if available. If the buyer and seller were or are related or had any common business interests, attach an explanation. If any other items of value were included with the sale of the real estate, attach a description of those items. Show the value of those items and explain how the values were determined.

NOTICE: R. C. 5715.19, as amended by H. B. 694, effective March 30, 1999, added some additional persons who may file a valuation complaint. Those additional persons are (1) the owner's spouse, (2) an appraiser who holds a designation from a professional assessment organization retained by the owner, (3) a licensed public accountant, a licensed general or residential real estate appraiser, or a licensed real estate broker retained by the owner, (4) an officer, salaried employee, partner, or a member of an owner, if the owner is a firm, company, association, partnership, limited liability company, or corporation, and (5) a trustee, if the owner is a trust. Since that statute has been declared to be unconstitutional by an Ohio court of appeals, the Board of Tax Appeals and many county Boards of Revision have been dismissing complaints filed by those individuals, if they are not attorneys at law. Please be advised that if you choose a nonattorney to prepare and file your complaint, it will be subject to dismissal and may not be heard on its merits.

COMPLAINT AGAINST THE VALUATION OF REAL PROPERTY

ANSWER ALL QUESTIONS AND TYPE OR PRINT ALL INFORMATION

READ INSTRUCTIONS ON BACK BEFORE COMPLETING FORM

ATTACH ADDITIONAL PAGES IF NECESSARY

TAX YEAR _____

COUNTY _____

ORIGINAL COMPLAINT

COUNTER-COMPLAINT

DATE RECEIVED

NOTICES WILL BE SENT ONLY TO THOSE NAMED BELOW

Name Street Address, City, State, Zip Code

1) Owner of property

2) Complainant if not owner

3) Complainant's agent

4) Telephone number of contact person ()

5) Complainant's relationship to property if not owner

If more than one parcel is included, see "Multiple Parcels" on back.

6) Parcel number from tax bill Address of property

7) Principal use of property:

8) The increase or decrease in taxable value sought. Counter-complaints supporting auditor's value may have zero in Column D.

Parcel Number	Complainant's Opinion of Value		Column C Current Taxable Value (From Tax Bill)	Column D Change in Taxable Value (+ or -) (Col. B minus Col. C)
	Column A True Value (Fair Market Value)	Column B Taxable Value (35% of Column A)		

9) The requested change in value is justified for the following reasons:

10) Was property sold within the last 3 years? Yes No Unknown . If yes, show date of sale _____ and sale price \$ _____; and attach information explained in "Instructions for Question 10" on back.

11) If property was not sold but was listed for sale in the last 3 years, attach a copy of listing agreement or other available evidence.

12) If any improvements were completed in the last 3 years, show date _____ and total cost \$ _____.

13) Do you intend to present the testimony or report of a professional appraiser? Yes No Unknown .

14) If you have filed a prior complaint on this parcel since the last reappraisal or update of property values in the county, the reason for the valuation change requested must be one of those below. Please check all that apply and explain on attached sheet. See R.C. 5715.19(A)(2) for a complete explanation.

- The property was sold in an arm's length transaction;
- The property lost value due to a casualty;
- A substantial improvement was added to the property;
- Occupancy change of at least 15% had a substantial economic impact on the property.

I declare under penalties of perjury that this complaint (including any attachments) has been examined by me and to the best of my knowledge and belief is true, correct and complete.

Date _____ Complainant or Agent _____ Title (If Agent) _____

Signature

Sworn to and signed in my presence, this _____ day of _____ year _____

Notary Public