

## **Why Did My CAUV Values Increase So Much?**

Many Logan County rural landowners have been shocked when they opened their 2011 tax bills. For those with Current Agricultural Use Values (CAUV), depending on the soil types, some values increased several hundred percent over 2007 CAUV values (the previous update). As a result, many taxpayers have been asking questions.

In September of 2010, a public meeting was held by the Logan County Auditor and Larry Gearhardt, Director of Local Affairs of the Ohio Farm Bureau Federation, to inform the public of this upcoming change of values. For an excellent and detailed explanation of CAUV and why the values have changed, please see Mr. Gearhardt's memo on the topic.

### **WHO DEVELOPS THE CAUV VALUES?**

The Ohio Department of Taxation calculates CAUV rates and sends the values to the county auditors in each county. There is no local input, and no one in the county who can change these values.

As discussed in Mr. Gearhardt's memo, the State of Ohio uses several criteria in calculating CAUV land values, including yield information, cropping patterns, crop prices, non-land production costs, and the capitalization rate. CAUV rates are updated every three years, and current rates for CAUV in Logan County were updated with the 2010 revaluation. Many other Ohio counties received the adjusted CAUV rates in the past few years.

All of the documentation, and literature the CAUV value changes are based upon, is available on the Ohio Department of Taxation's Web site at [http://tax.ohio.gov/divisions/real\\_property/cauv.stm](http://tax.ohio.gov/divisions/real_property/cauv.stm).

### **DOES THE GOVERNMENT GET A BIG INCREASE IN TAX REVENUE BECAUSE OF THE CAUV CHANGES?**

The short answer is "no", there is no big increase, but there is a slight increase.

Real estate tax bills contain two components, referred to as inside millage and outside millage, or sometimes called unvoted millage and voted millage. The inside, or unvoted, millage is apportioned between all local governmental entities (county, township, city or village, school district), and cannot exceed 10 mills. This amount does increase as property values increase, but the amount of the increase going to any one governmental entity is relatively small. Since every property is different, please see the County Auditor (who has readily expressed his willingness to discuss this matter) for more specific information with regard to your property.

The overwhelming portion of your property tax bill (approximately 75%) is due to voted levies. State law passed in the 1980's essentially provided that, even if your

property values increased over time, the total amount raised by voted levies could not increase. As a result, while taxes paid on CAUV land increases, taxes paid on all residences or other buildings or non-farm property in the taxing district decreases slightly, so that the amount raised by the levy does not change.

### **CAN I APPEAL MY CAUV VALUE?**

If you choose to file a DTE Form-1, “Complaint Against The Valuation of Real Property” application because of an increase in CAUV value, your complaint must be denied at the county level. The County Auditor and County Board of Revision have no authority to adjust CAUV values. Because the State Tax Commissioner directs the county auditor to use current CAUV rates, the County Auditor can’t make any adjustment to these values. While nothing can be done locally to act on your complaint, you may file a formal appeal to the Ohio Board of Tax Appeals. For further information, on this process, please call the Ohio Board of Tax Appeals at 614-466-6700.