

IT'S YOUR MONEY

A SPECIAL EDITION NEWSLETTER FROM YOUR COUNTY AUDITOR

2012 REAPPRAISAL NOW IN PUBLIC REVIEW PHASE

Crawford County has just completed the State-ordered reappraisal for all real estate in the county and **the NEW ESTIMATED MARKET VALUES that are used for calculating property taxes** were mailed to property owners on October 24, 2012. Any changes in property values will be reflected on the tax bills received by property owners in January of 2013.

BACKGROUND INFORMATION

State law requires County Auditors in Ohio to establish an ESTIMATED MARKET VALUE of all real property in their counties every six years. This process is known as a reappraisal. The last reappraisal was completed in 2006. Since property values do not change uniformly, the purpose of the 2012 reappraisal is to equitably adjust and equalize property values to reflect the physical changes to the property that have occurred since 2006. Each reappraisal aids in maintaining uniform and fair assessments.

Over the last two years, the Crawford County Auditor's Office, in conjunction with the County's mass appraisal firm, Appraisal Research Corporation from Findlay, Ohio, has been physically inspecting all land and buildings within the County as required by Ohio law.

WHAT IS MARKET VALUE?

Ohio's constitution, laws and courts have determined that the "measure" to be used in determining the value by which property is to taxed in the State of Ohio is the ESTIMATED FAIR MARKET VALUE.

Market value is defined as: "the most probable price, which a property should bring in a competitive and open market, under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus."

It is important for property owners to recognize that the State of Ohio has a very clear definition of market value and this definition does not include sales that were a result of an auction, a FORECLOSURE action, a Sheriff sale, or other sales that were not carried out on an "arms-length" basis. The property must have been exposed for a reasonable period of time on the open market.

Another important fact that property owners need to understand is that if a sale involves a financial institution...on either side of the transaction...the laws of the State of Ohio do not allow the county to consider that sale as part of the process of establishing an estimation of the market values in the county.

HOW IS MARKET VALUE ESTIMATED?

Before this question can be answered, property owners need to better understand the process that each County Auditor in the State of Ohio is mandated to use to determine the ESTIMATED MARKET VALUE.

The process that is required to be used to determine the ESTIMATED MARKET VALUE of any property in the State of Ohio is known as MASS APPRAISAL.

Mass appraisal is defined in part as: "the systematic appraisal of groups of properties as of a given date using standardized procedures and statistical testing".

Mass Appraising should not be confused with a FEE APPRAISAL. Fee appraisals are often prepared as part of a lending requirement and typically involve an appraiser that actually enters the home or business.

Fee appraisal is defined in part as: "the valuation of a particular property as of a given date."

WHAT ARE THE MASS APPRAISAL STEPS USED TO DETERMINE THE ESTIMATED MARKET VALUE?

1. An Inventory is taken

A reappraisal begins with an inventory process of the individual property records that are maintained for each parcel in the county. The property record card lists the property's characteristics and the latest sales information.

One of the first steps taken with the 2012 reappraisal was sending property owners a property card factsheet on their property. Each property owner was asked to review the property record factsheet to ensure that the county's appraisal records accurately reflect the characteristics that are unique to their home and property.

Property owners were specifically asked to verify the property characteristics that impact the value of their home. Some examples of the property characteristics that have an impact on the value of any property are:

1. Size and quality of the construction of the home
2. Fireplaces
3. Central air conditioning
4. Finished attics or basements
5. Number of bathrooms
6. Extra living units
7. New construction/remodeling

More than 70% of all property owners returned their property record factsheet.

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2012 REAPPRAISAL IN PUBLIC REVIEW PHASE, CONTINUED

2. A Physical Inspection of the outside of the property is completed.

Through the use of technology such as street level photographs, aerial and oblique imagery, the county inspected each parcel assessing the following: the condition of the property, the year built, a review of other property characteristics identified through the property card inventory phase, and the quality of the construction.

Overall Results vs. Individual Results

Each parcel has its own unique situation. Just because values overall are down, does not mean an individual parcel can't go up.

Reasons an individual parcel may have gone up:

- ❑ Grade Change (Quality of Construction)
- ❑ Condition Change
- ❑ New Neighborhood, and therefore new land rate
- ❑ Sales may have indicated an increase in the neighborhood/market sector

3. A statistical analysis and sale ratio studies is completed for the entire county.

Based on the market, the county makes adjustments of building and land rates as well as depreciation rates. Sales ratio studies are completed and reviewed to determine where property values are in relation to the sales that have occurred within the county between 2009-2011. The revaluation process also incorporated a new analytical tool known as time adjusted sales analysis (TASP), to analyze the arms-length sales in the County.

Mass Appraisal vs. Fee Appraisal Sales

- ❑ In a state mandated reappraisal, the state mandates that only valid sales be used to determine market values.
- ❑ Valid Sales constitute an arm's length transaction, between a willing buyer and seller.
- ❑ Foreclosure and bank sales are NOT valid sales and are not used in the revaluation per the State of Ohio.
- ❑ In order to make a determination of value based upon sales, at least 10 sales, preferably 25 is what constitutes a good sample. Otherwise, there is no basis from which to make valuation adjustments other than cost.

2012 REAPPRAISAL IN PUBLIC REVIEW PHASE, CONTINUED

WHAT ARE MY RIGHTS AS A PROPERTY OWNER IF I DISAGREE WITH THE ESTIMATED MARKET VALUE OF MY PROPERTY?

During the “Public Review Phase” of the 2012 reappraisal, each property owner is encouraged to review their new **ESTIMATED MARKET VALUE THAT WILL BE USED FOR TAX CALCULATION PURPOSES**, on an “informal” basis.

The “Public Review Phase”, constitutes a period of time after the Tentative Abstract of Property Values are approved by the State Tax Department, where property owners can learn more about the revaluation process, and ask questions about their new **ESTIMATED MARKET VALUE THAT WILL BE USED FOR TAX CALCULATION PURPOSES**.

It is very important for each property owner to take advantage of this review process. Property owners are encouraged to use one of the several options available to them, to discuss their NEW ESTIMATED MARKET VALUE with an appraisal specialist. Property owners can:

- Call the reappraisal hot-line at 419-563-1850 (voice mail available)
- Come to the appraisal office and meet with an appraisal specialist (8a.m.-5p.m. – M-F)
- E-mail your questions to: appraisal2012@crowford-co.org.

All e-mail and phone messages will be responded to within one business day.

After the “Public Review Phase” is over, the **NEW ESTIMATED MARKET VALUES** will become final on November 14, 2012. Property owners who continue to disagree with their **NEW ESTIMATED MARKET VALUES**, that are used to calculate property taxes, may file a “formal” complaint. These formal complaints, will be considered by the Board of Revision. By law, any “formal” complaints must be filed in the County Auditor’s Office between January 1, 2013 and March 31, 2013.

ARE MY TAXES BASED ON THE ESTIMATED MARKET VALUE OF MY PROPERTY?

No. Taxes are based on the assessed value of a parcel of real property. Assessed value is **35% of the ESTIMATED MARKET VALUE** of the property. Tax rates are then multiplied by the assessed valuation to determine an individual property’s tax liability.

WILL MY TAXES INCREASE OR DECREASE IF MY PROPERTY VALUE INCREASES OR DECREASES?

Not necessarily. When values change due to a reappraisal or a triennial update, **SOME tax levies** may be reduced or increased in accordance with Ohio law. Changes in taxes can also be a result of new levies being authorized by voters or whether property owners have taken advantage of certain tax credits and rollbacks allowed by law.

CAN THE APPRAISAL SPECIALIST OR THE COUNTY AUDITOR’S OFFICE TELL ME WHAT MY TAXES WILL BE IN 2013 BASED ON THE NEW ESTIMATED MARKET VALUE?

No. Taxes are based on the levies that voters authorize. As such, the County Auditor cannot estimate tax liabilities until after the November election, and until tax reduction factors are received from the State Tax Department in mid-December.

2012 REAPPRAISAL IN PUBLIC REVIEW PHASE, CONTINUED

2012 REAPPRAISAL QUICK FACTS

- The **ESTIMATED FAIR MARKET VALUE, THAT WILL BE USED FOR TAX CALCULATION PURPOSES**, of all property (excluding public utility because public utility is valued by the State of Ohio) within the County, including new improvements, totals \$2,403,169,993.
- The taxable value of all property within the County is \$654,201,000.

The aggregate change in property values , by property classification, for the 2012 reappraisal are:

1. Residential decreased property values by 8.35%;
2. Agricultural property values increased by 23.96%;
3. Commercial property values decreased by 11.03%;
4. Industrial property values decreased by 4.28%.

- The overall net effect of the 2012 reappraisal of ALL PROPERTY in the County is an aggregate decrease of 2.94%
- After the 2012 reappraisal, the average appraised value of a single family/residential home decreased from \$64,914 to \$57,220.
- Total agricultural acres in the County are 226,356.
- 99% of the agricultural land in the County is enrolled in the Current Agricultural Use Value Program which values land based on the soil type and productivity of the soil. This statistic is important because more than 70% of the land in the County is considered agricultural and will be valued for tax purposes based on the soil type and productivity rather than by estimating the fair market value.
- 51% of the County's 2011 residential property sales were between \$50,000 and \$100,000. 28% of the County's 2011 residential property sales were below \$50,000 and 21% were above \$100,000.

Bucyrus City Property Sales 2009-2011	167
Galion City Property Sales 2009-2011	130
Crestline Village Property Sales 2009-2011	50
Other Villages and Rural Property Sales 2009-2011	170
TOTAL SALES USED FOR 2012 REAPPRAISAL	517

For comments/suggestions about this newsletter contact:

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