



MEMORANDUM

DATE: November 10, 2009

TO: Clients

FROM: Jackie L. Hager

RE: Farm Values in Ohio

If you own farm land in Ohio, you will likely be seeing some drastic increases in your real estate taxes over the next few years. Historically, farm land has been appraised at its current agricultural use value ("CAUV") instead of its fair market value like all other real property. In 2005, CAUV values hit a record low with an average of \$123 per acre, which resulted in local governments losing significant tax dollars. The Ohio Department of Tax Equalization ("DTE") determined that the use of unadjusted 1984 crop yield data was responsible for low CAUV values.

The DTE decided to bring the crop yield data up to a more realistic level, starting in 2006, by gradually updating the annual yields. In 2006 and 2007, those gradual increases seemed fairly reasonable, however, the average 2008 CAUV values nearly doubled. For 2009, the average CAUV value increase from the 2008 value will be approximately 160%. The 2009 CAUV values will not be available to property owners until late November or early December of 2009, when those values are certified by DTE.

Each county auditor must appraise each parcel located within its county every six years and update that appraised value every third year in between, and therefore, property owners in counties which have a reappraisal or update in 2009 will notice possibly the largest increase ever in their CAUV value, and thus in their real estate taxes. Those counties in which 2009 is a reappraisal or update year are:

Allen, Belmont, Brown, Coshocton, Crawford, Cuyahoga, Erie, Fayette, Guernsey, Highland, Huron, Jefferson, Lake, Lorain, Lucas, Morgan, Muskingum, Ottawa, Portage, Sandusky, Stark, Vinton, Warren, and Williams.

The good news is that the Ohio Agricultural Advisory Committee is exploring alternatives to the CAUV formula to produce reasonable and appropriate adjustments to the annual crop yield. Any new CAUV formula will obviously take time to be adopted and implemented. In the meantime, if you believe your farm land does not warrant the increase in CAUV value being assessed, due to below average soil, crop yields, etc., you may seek a reduction by filing a Complaint Against the Valuation of Real Property ("Complaint") with

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your local county Board of Revision. The deadline for filing a Complaint against your 2009 valuation is March 31, 2010.

Please feel free to contact Jackie Hager at 614-628-0814 or jlh@cpmlaw.com to discuss whether filing a Complaint would be worthwhile.