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Jane A. Wright, Chief Deputy Auditor

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Dear Homeowner,

Thank you for taking the time to come today. We, the auditor's office and the appraisal team, look forward to meeting with you concerning your property value. Please read this letter carefully so that you understand the valuation process. The auditor's office will print you a copy of your property card. Please review the square feet, # rooms, # bedroom, # bath, etc. for accuracy. You will have the opportunity to meet with an appraiser to discuss your value and information about your property. Please understand that the entire valuation process has been established by the state legislature. Thus, we follow the Ohio Revised Code in setting values, changing values, establishing tax rates and charging taxes.

Overview of the Valuation Process:

- The State of Ohio schedules each county to perform a mass reappraisal every six years. The adjusted values must be approved by the State Dept of Taxation. Allen County's reappraisal is scheduled for tax year 2009, payable in calendar year 2010.
- The State of Ohio schedules each county to perform a triennial update every three years. This third year in between is an update where property values are adjusted. Our last scheduled update was for tax year 2006, payable in 2007.
- For the reappraisal and update years, sales ratio reports for our county are used both by the State of Ohio and Allen County to establish a "fair market value" for all properties.
- One common misunderstanding is that the Auditor changes values if the economy changes. This is not true. Values are only changed every 3 years or as of a result of a BOR decision and/or new construction or destruction of property.
- Property values are reduced or increased by the valid sales that take place between two buyers on the open market (used for comparable sales).
- Sheriff sales (i.e., foreclosure sales) and bank sales are not considered valid sales.
- The Auditor, by law, must set a "fair market value" using comparable sales to set the value of a parcel. Comparable means the sales must be similar in size, age, design, location, etc.
- Today's informal hearing is the first step in the appeals process. Once you meet with an appraiser, your property will be reviewed again and any necessary changes will be made.
- In the next few weeks, you will receive a letter with an adjusted value or no change.
- The next appeals process will begin in January 2010. You will have the opportunity to appeal your property value with the local Board of Revision (BOR). The members of the BOR board are the Auditor, Treasurer, and President of the Commissioners.
- A homeowner has the right to appeal the BOR decision with the State Board of Tax Appeals or in the Common Pleas Court.
- The Auditor, appraisers, BOR and/or the State cannot reduce the value of your home because the media states the housing market has declined. Neither can they increase the value of your home when the housing market is growing.
- We are only reviewing values today. We do not know your tax liability at this time.

Explanation of Real Estate Taxes:

- Real Estate taxes are based on value AND levies passed by the voters.
- If your value increases 10%, this does not mean that your taxes will increase 10%. LIKEWISE, if your value decreases 10% this does not mean that your taxes will decrease 10%.
- Voters pass two forms of levies: Fixed Rate Levy and Fixed Sum Levy.
- The tax rate is expressed in mills > 1 mill = \$1.00 per \$1,000 of taxable value.
- Inside millage (non-voted) cannot exceed 10 mills as it is applied to any individual property.
- The average tax rate is well over 50 mills, therefore most rates have been approved by voters.
- Visit our website to view your tax rates. www.allencountyohio.com/tre
- **Fixed Rate Levy** = Voter is voting on number of mills that will be charged against value. This establishes the Tax Rate. Examples: Police, Fire, Permanent Improvement, and Current Expense Levies. As the valuations change, the Department of Taxation changes the rates (effective rate). This ensures that the taxing entity will never receive more money than the first year the levy was collected. As valuations increase, the effective rate decreases. Likewise, as valuations decrease, the effective rate will increase.
- **Fixed Sum Levy** = Voter is voting on a set amount of money that will be collected each year, no matter what the valuation. Example: Emergencies & Bond Levies for Schools. Regardless if property values decrease or increase, the voted amount will be collected each year. The amount to be collected is allocated out among all the property owners in that district based upon the valuation of the homes.

Programs to Reduce Your Real Estate Taxes:

- 10% Reduction = all properties classified as residential automatically receive a 10% tax credit.
- 2 ½% Reduction = you must reside in the home that you own to receive a 2 ½% tax credit.
- Homestead Reduction = homeowner must be 65 years of age or older, or be fully & totally disabled (signed documentation from attending physician necessary to qualify), and reside in the home to receive tax credit.
- CAUV = the land must be used for commercial agricultural use. The State of Ohio increased the charges for soil types. I urge everyone with agriculture land to attend our CAUV workshop on September 21, 2009 @ 7:30pm at the OSU-Lima campus in the Martha W. Farmer Theatre for the Performing Art for further explanation of the new rates.
- Property Damage = Report damage to, or demolition of a structure to the Auditor's Office.
- To determine if you could be eligible for a reduction in your real estate taxes, please contact the Allen County Auditor's office at (419) 223-8520 x8794.

What You Can do to Help Us Establish Proper Value for Your Property:

- Bring additional proof such as: an appraisal, pictures, contractor estimates, home inspector's reports, etc. Or, anything that you feel will assist the appraiser in making a decision.
- Bank appraisals and realtor market analysis can be considered, but are not true appraisals.
- Bring well-labeled pictures of your home (interior and/or exterior) to show the disrepair of your home.
- Verify that we have the correct information: number of rooms, bathrooms, square feet, etc.
- Bring us the addresses of the sales that you have used to compare with your home.
- Review your valuations on our website at www.allencountyohio.com/auditor

Remember we are here to assist you. We also are homeowners and pay taxes. The process of the valuations and calculations of property taxes were established by the legislatures to help fund schools, the county, your township, and other services that we as voters deem necessary. Please feel free to contact our office if you still have any remaining questions about the valuation process.