



Why do we have a revaluation?

The revaluation's primary objective is adjusting and equalizing property values so they will reflect the changes that occurred in the local marketplace during the last six years. We have a revaluation because:

- 1) State Law requires the County Auditor to conduct a revaluation (a physical inspection of all land and buildings) every six years. This ensures that the physical facts listed in the County Auditor's property records are accurate and current.
- 2) The revaluation helps insure that each person pays only his or her fair share of the tax burden. Fairness and equity is the primary goal when equalizing the value of each parcel as it compares with other properties.
- 3) The revaluation detects changes in market value due to building and buying trends. Real estate sales within the County during the last three years are analyzed to uncover fluctuations in the local economy.

Normal growth and development cause changes in land values, land use and property appeal. To be fair to all property owners, these changes must be considered so all property is fairly valued. Property values do not change uniformly, some values have risen, some have stayed the same and some have dropped.

How are land and building values calculated?

Land values are established based on an analysis of vacant land sales of similar properties in the same neighborhood.

Values for agricultural land enrolled in the Current Agricultural Use Value (CAUV) program are established by using a productivity rate based on soil types. The Ohio Department of Taxation, Division of Tax Equalization, sets CAUV land values.

Building values are determined by developing pricing schedules specifically for Madison County. The information used in developing these schedules reflects current, local costs of construction, present market conditions and sales trends based on actual sales in your neighborhood.

Besides market fluctuations, what else causes change in my property's estimated market value?



In addition to normal real estate market price shifts, physical changes to the property or a change in its use (for example, from residential to commercial) may cause its value to change.

Examples of physical change include:

- Adding or removing an addition or a new structure;
- Adding interior finish to a basement, garage or attic; and/or
- Dividing one parcel of land into additional parcels.

What is *estimated market value*?

The current revaluation adjusts property values to reflect changes in the *estimated market value* of properties since the last update.



Ohio's Constitution, laws and courts have determined that the *estimated fair market value* is the gauge the County should use when valuing property. The *estimated fair market value*, or true cash value, has several parts:

- a. It is the most probable price your property would be *estimated* to sell for...
- b. In an open market (this excludes auctions, foreclosures, sales to relatives, & so on)...
- c. Between a willing buyer and a willing seller, neither being under any pressure to buy or sell...
- d. And all parties having full knowledge of all relevant facts about the property and the uses to which it may be put.

How is market value estimated?

Some of the items used to estimate market value include:

- 1) *The property's physical characteristics* -
 - a. The age, condition, type and size of the dwelling and other structures;
 - b. The amount and kind of finish in basements and attics;
 - c. The number of bathrooms, fireplaces and special features in a dwelling;
 - d. The number, type, size, and condition of outbuildings; and
 - e. The quality of workmanship and construction materials.

- 2) *Recent sales of properties* in and around the area. Even if a home has never been on the market, its estimated market value will reflect recent sale prices of similar homes in the same area; and
- 3) *Location, location, location.* Even if properties have identical physical characteristics their value can often differ depending on the property's location.

What is the difference between market value & market price?

Market price is the price at which a property actually *sold*.



Market value is an estimate of *the most likely price* at which a property *should probably sell*.

What is assessed value?

Assessed value is 35% of the estimated market value of a parcel of real property. This 35% figure is then multiplied by your local tax rate to determine your share of real estate taxes.

If my property's value goes up, will my taxes automatically increase?

No, not necessarily. Simply stated, your tax bill is based on your estimated market value and the tax rate levied by schools and other government agencies. There are a few other steps involved but if tax rates decrease, taxes could drop even though values have increased.

Why are my taxes different than a similar property's across town?

Changes in your taxes could have been due to changes in voted tax levies, your homestead exemption, income allowances, and other factors, which may be applicable to a particular parcel of property.

Schools, townships, villages, cities, and the county are taxing authorities. These groups determine the amount of operating funds they need. If funding is insufficient, they can request that a levy be placed on the ballot for a vote of the people.

As a result of these levies (which are either approved or vetoed by a vote of the people) for the operating funds required by school districts and the other taxing authorities, identical properties in different taxing districts may have quite different tax bills.

What tax reductions are available?

There are several property tax rollbacks (or reductions) that property owners can receive:

- 1) *Statewide*, every real property taxpayer receives a *10% rollback* in property taxes.
- 2) *House Bill 920* provides a reduction in all voted tax millage. Since inflation causes property values to increase, voted tax levy rates are reduced so property owners are not paying more than the amount of taxes the levy was originally voted to collect. However, school operating levies can only be reduced to a certain level, which is called the *20-mill floor*.
- 3) *Owner-Occupied homesites* are entitled to an additional *2.5% tax rollback* upon application.

4) *The Homestead Exemption* is an additional reduction in real estate taxes funded by the State of Ohio. Homeowners having a limited income and who are at least 65 years old or permanently disabled may be eligible for this program.

5) *The Current Agricultural Use Value (CAUV)* program values eligible agricultural property at its "production" value which is substantially less than its estimated market value.

Eligible properties are 10+ acres devoted to commercial agricultural use. If less than 10 acres, properties must produce an average yearly gross income from agricultural production of \$2,500. The actual reduction in value is dependent upon the soil type, slope and erosion factors.

Will I have a chance to discuss my property's estimated market valuation?



Yes, you will. During the "open book" period and throughout tax collection the Auditor's Staff is available to answer your questions.

In addition, property records are always available for inspection at the County Auditor's Office and on our web-site at: <http://madisonoh.ddti.net/auditor>

Members of our staff, who are knowledgeable and trained in revaluation work, will review and discuss the information on your property records with you.

Revaluation Highlights

What?

A revaluation adjusts and equalizes property values to reflect current changes in the local real estate market.

Why?

Ohio State Law requires a revaluation in each of Ohio's 88 counties every six years. It is called the Sexennial Revaluation.

The revaluation assures that each property owner pays only his or her fair share of property taxes.

When?

The Ohio Department of Taxation has ordered Madison County's revaluation for the 2008 tax year. New values will therefore appear on the tax bills mailed and paid in early 2009.

Who?

Your County Auditor is responsible for valuing all Madison County real property fairly and equitably. Please call or visit the Auditor's Office with your questions about the revaluation process. We are now open 24 hours a day 7 days a week on the Internet at: <http://madisonoh.ddti.net/auditor>

MADISON COUNTY 2008 REVALUATION



**Jim Williamson, CPA
Madison County Auditor**

Dear Property Owner:

The revaluation of all real estate in Madison County is well underway. Ohio Law requires a revaluation every six years.

During the revaluation, every piece of real property in Madison County is physically inspected, recent property sales are analyzed and local construction costs are incorporated to keep our appraised property values current with changes in the local real estate market.

Once the State reviews and approves the new values, the County Auditor's Office will open all property records up for your review.

Please visit our office in the Madison County Courthouse, contact us by phone, mail or email, or visit our web-site with questions about Madison County's 2008 revaluation.

Sincerely,

Jim Williamson, CPA
Madison County Auditor

1 N. Main Street, P.O. Box 47
London, OH 43140-0047
Office: 740-852-9717, Fax: 614-852-5752
Email: auditor@co.madison.oh.us
Web-site: <http://madisonoh.ddti.net/auditor>