

Guest column

Zero real estate tax increase for the next three years

Zero real estate tax increase for the next three years. That was the announcement I made this past week, an unprecedented move but one that certainly was appropriate. What does it mean? Every three years, county auditors are required to adjust real estate values in their counties to reflect the current market using sales that occurred in the previous three years. In the 16 years I have been county auditor there has never been a time that the values we set three years prior remained so close to the current market that they needed no adjustment.

This is an update year for Franklin County. My staff and I have concluded that the current residential market is only about 3 percent above the level we set in 2005. By contrast in 2005, our last reappraisal, the market was 21 percent higher than the values we had set three years earlier. That was, of course, because residential sale prices in the county were going up rapidly, requiring us to increase values to comply with Ohio law.

Obviously that is not the case this year. Markets in other parts of the country are suffering much worse and would be happy with our numbers, but with only a 3 percent difference between the current sales and those of three years ago, there is no requirement to move the values up, so I won't. This decision is also consistent with the recommendation of the Ohio Department of Taxation. We anticipate non-residential values will see an increase as those markets have remained stronger than residential.

Once the county auditors values are set and used to create tax bills then only improvements to one's property (such as room additions) will increase that tax value during the next three years. Tax rates on the other hand are set by the voters. If voters approve additional levies then of course taxes will increase whether the value goes up or not.

Our real estate market analysis will be repeated in three years as we conduct the state required reappraisal for 2011. This is the next possible time there will be a general value adjustment that could affect your real estate taxes payable in 2012.

Most taxpayers have been pleased with this decision, but what about those properties that may be worth less than they were in 2005? If that is the case for you, there is a process that invites your participation. In July we will mail to all property owners in Franklin County a tentative value figure along with a schedule of informal review sessions to be held throughout the county in August and September. If you have a recent sale or an appraisal from a licensed appraiser that indicates a lower value, please bring that information to one of the sessions. If it supports a lower value then we will adjust your proposed value and you will see a tax decrease.

We simply want the taxable value to be a true reflection of the current market. Fair and equitable value is always our goal. I invite you to help us locate all available information to maintain that goal.

In closing: the current residential market in Franklin County is secure but not appreciating as it had in the past. No value increase is needed for the 2008 update, so as a result you will not receive an increase in real estate taxes for 2009, 2010 and 2011. Improvements to your property that change its market value or new voter-approved levies will impact taxes, but those decisions are in the homeowners' and voters' hands.

Joe Testa has served as Franklin County auditor since 1992. He can be reached by e-mail at joe_testa@franklincountyohio.gov.