

# Facts and Fiction

*A conversation with County Auditor George Kaitza*



## Fiction

If property values increase by 35%, taxes will increase by 35%.

## Fact

**A 35% increase in property values DOES NOT EQUAL a 35% increase in property taxes.**

The tax reduction factor offsets the increase in property values by lowering the tax rate for voted levies.

A 35% increase in home values for homes located in the Olentangy Local School District will result in approximately a 4% increase in property taxes.

## Fact

For school districts at the 20 mill floor, the tax reduction factor will not be able to offset the increase in property taxes. Delaware County has three school districts at the 20 mill floor, Big Walnut Local Schools, Buckeye Valley Local Schools, and Delaware City Schools. A 35% increase in property values will result in tax increases that are greater than 4%.



## Fiction

Delaware County needs more property taxes to balance its General Fund budget.

## Fact

Delaware County receives only 1.7% of all of the property taxes collected. This chart shows the percentage of property taxes received by the various jurisdictions in Delaware County. The County Commissioners have reduced the property tax rate collected for the General Fund from 1.8 mills to 1.3 mills.

### WHERE PROPERTY TAXES GO

<b>County General Fund</b>	<b>1.7%</b>
<b>Schools &amp; Career Center</b>	<b>74.6%</b>
<b>Levy Agencies</b>	<b>10.4%</b>
<b>Townships &amp; Corporations</b>	<b>9.6%</b>
<b>TIF Districts</b>	<b>3.7%</b>
<b>Total</b>	<b>100.0%</b>

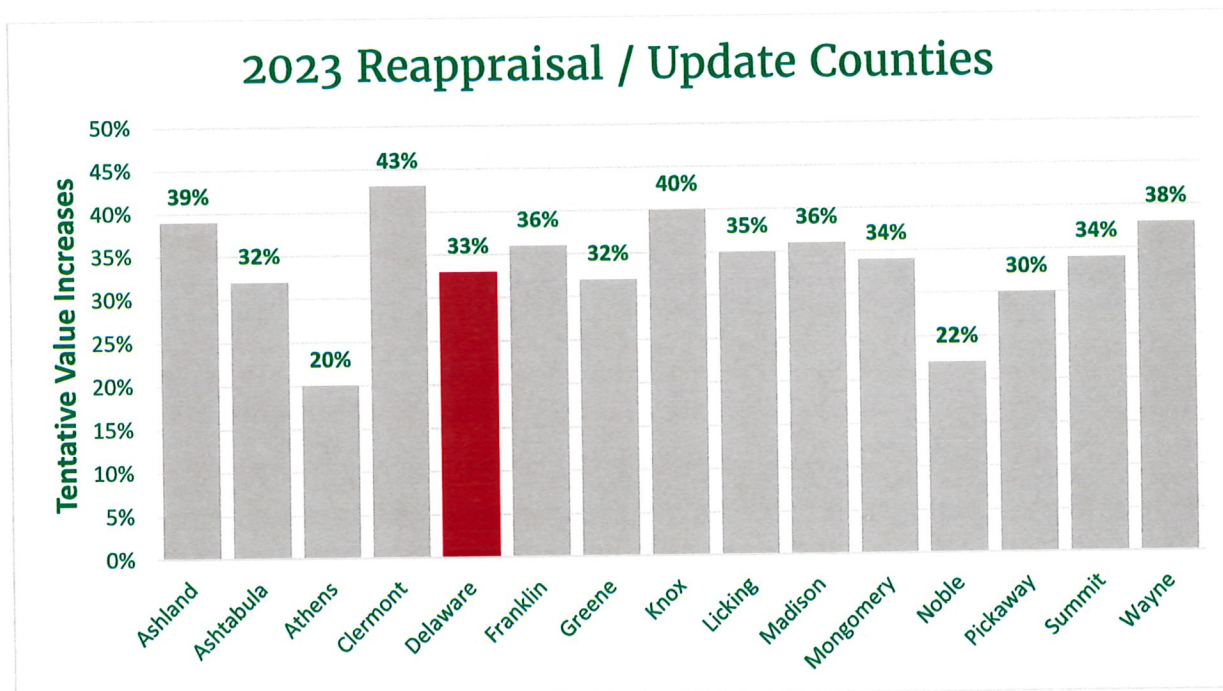


## Fiction

The percentage increase in property values for Delaware County is much higher than the percentage increase in property values for other counties.

## Fact

The table below shows the percentage increases for various counties that are in the 2023 reappraisal or triennial update cycle.



## Fact

Delaware County is expected to experience increases in the range of 33% to 35% in property values. Most of the surrounding counties are expected to also have increases that are over 30%. Franklin County and Madison County will experience an increase of 36% while Knox County is expected to have an increase of 40%. Clermont County is expected to have the highest increase in the state with an increase of 43%.



## Fiction

The County Auditor can decide when and how to appraise properties in Delaware County.

## Fact

As County Auditor, I receive an order from the Tax Commissioners of Ohio ordering me as the County Auditor to conduct a reappraisal or a triennial update. The legal requirements for conducting a reappraisal are spelled out in the Ohio Revised Code and the Ohio Administrative Code.



## Fiction

The County Auditor increases property values for the purpose of collecting more property taxes.

## Fact

By law, as County Auditor, I am required to reappraise all properties in Delaware County based primarily on the sale prices of properties during calendar year 2022, often referred to as “sales closest to the tax lien date.” The sale prices paid for properties in Delaware County have been affected by a limited supply of residential properties on the market, low interest rates, and the shift to a remote working environment as a result of the pandemic. These factors have driven home prices in Delaware County and other counties to unprecedented levels.

As County Auditor, I do not collect property taxes. My legal responsibility is to establish property values based on the recent sale prices paid for properties in Delaware County and to conduct a reappraisal of all properties in accordance with the reappraisal standards established by the Ohio Department of Taxation. In addition, the tentative property values must be reviewed and must be approved by the Ohio Department of Taxation.

Property taxes are determined by the voters of Delaware County, not by the County Auditor. Following each reappraisal cycle, the Tax Reduction Factor, which is administered by the Ohio Department of Taxation, lowers the effective tax rate for voted levies to offset the increase in property values. However, if a property is located within a school district that is at the 20 mill floor, the tax reduction factor cannot lower the school district levies below that 20 mill floor. Delaware County has three school districts that are at the 20 mill floor.



## How the Tax Reduction Factor Works

- Under the current law that applies to voted property tax levies, the voted property tax levy should generate the same amount of property tax revenue after the reappraisal as the amount of property tax revenue before the reappraisal was conducted, no more and no less.
- The tax reduction factor reduces the voted tax rate to offset the increase in the property value after a reappraisal has been conducted.
- Example: Current home value @ \$100,000; voted property tax rate @ 10 mills; property tax on the home is \$350 before the reappraisal.
- After a reappraisal, the home value increases to \$150,000. At a property tax rate of 10 mills and without the application of the tax reduction factor, the property tax on the home would increase to \$525.
- However, after a reappraisal, the tax reduction factor reduces the voted tax rate to 6.666 mills.
- After the reappraisal, the property tax on the home with the new value of \$150,000 is still \$350 because the property tax rate has been reduced from 10 mills to 6.666 mills by the tax reduction factor.



## What to Expect with the 2023 Reappraisal

- Tyler Technologies, a company that specializes in mass appraisals, was hired to conduct the 2023 reappraisal for Delaware County.
- After the reappraisal has been completed, the tentative property values are then submitted to the Ohio Department of Taxation for review and approval. We expect to receive our approved tentative property values in August.
- Once the property values have been approved, all property owners will receive a letter from the County Auditor's office that shows the current value of their property and the proposed tentative value for their property based on the 2023 reappraisal. All property owners will receive the letter in early September.
- During the month of October, the County Auditor's office will conduct informal hearings with property owners. The property owners will be able to discuss the value of their property with our staff appraisers and with the appraisers from Tyler Technologies.
- The County Auditor's office will conduct "in person" informal hearings at various locations throughout the county. The County Auditor's office will also conduct virtual informal hearings with property owners.
- Property owners will have the opportunity to submit information related to the value of their property which will be considered by our appraisers to determine whether an adjustment should be made to the proposed tentative value of the property.
- The County Auditor's office will have a web portal available for property owners to use for submitting written information or other documentation related to the value of their property.
- Final values for the properties will be established in November and property owners will be notified regarding the outcome of the informal hearing.
- If a property owner is not satisfied with the outcome of the informal hearing, the property owner will have the opportunity to file a Property Valuation Complaint with the Delaware County Board of Revision.

