



TRIENNIAL UPDATE 2024

The following questions and answers are designed to provide a better understanding of how Triennial Updates are conducted across the State of Ohio:

What is a Triennial Update program?

A Triennial Update Program involves a study and analysis of sales that have taken place in the past three years in order to determine whether a change in market value has taken place since the Revaluation. As the name indicates, this program is designed to update market values and, therefore, to update assessed values.

This program is required by law to equalize values. It is not designed to increase or decrease taxes, but to keep property values up to date with current prices paid for properties in accordance with the laws of the State of Ohio.

Is the Triennial Update required?

Yes, the Ohio Revised Code Section 5715.33 requires that the County Auditor revalue all real property every six years, and update those values in the middle of each revaluation cycle or in the third year. Guernsey County's last revaluation was effective for the tax year 2021 and the next triennial update will be completed for tax year 2024 which is payable in 2025.

How is the Triennial Update program carried out?

The Triennial Update Program utilized a number of methods in developing a final recommendation of value.

These include comprehensive appraisal studies of commercial, industrial, residential and agricultural property, sales studies of all classes of property, analysis of local and national building trends and building costs, as well as the utilization of the income approach to value whenever appropriate.

What causes changes in valuation?

A primary objective of a revaluation is to adjust and equalize property values to reflect changes in the marketplace since the last valuation. Since property values do not change uniformly, some values will go up, some stay the same and some will have gone down since the last revaluation.

Other factors, besides variations in market value, may cause a change in valuation. One such factor may be an alteration or change in the property, such as new construction not previously reported, outbuildings added or removed, interior finish added to basement or garage, new pole building constructed, etc.

A change in property use might also dictate a change in valuation; for example, a property use change from residential to commercial.

Changes in valuation may be due to the applications of agricultural use exemptions, homestead exemptions and other factors, which may be applicable to a particular parcel of property.

What is Market Value?

Ohio's Constitution, laws and courts have determined that the "measure" to be used in determining the value by which property is subject to taxation is the "estimated fair market value." Market value or true cash value is defined as the price your property would likely sell for in the market.

For this purpose, a valid sale is defined as a transaction between a willing buyer and a willing seller, neither being under any pressure, both having full knowledge of all relevant facts about the property and the uses to which it may be put.

CAUV - The crop prices, non-land production costs and capitalization rate are calculated by taking the previous seven years of numbers and eliminating the highest number and the lowest number (sometimes called an Olympic average) and then averaging the remaining five numbers. The prices, cropping patterns, costs and yield are then added and subtracted to determine the net profit per acre for each soil type. That number is then divided by the capitalization rate. This calculation is performed for each of the more than 3,500 soil types across the State of Ohio which has a slope of less than 25%.

How is Market Value Estimated?

1. Physical Characteristics - such as age and condition of the home and other structures; square feet of living area; size of property; finish in basements; number, type, size and condition of outbuildings; number of baths; and quality of workmanship and construction.
2. Recent Sales - of properties are important yardsticks used by appraisers in determining market values.

Even if a home has not been on the market for many years or has never been on the market, its new value will reflect recent sale prices of similar homes in the same area.

3. Location - is significant since properties can have the same physical characteristics, but their value can differ depending on the location. Property is worth what someone will pay for it and market conditions may be different in each neighborhood.

What is Assessed Value?

Assessed value on real estate is set at 35% of market value by the Tax Commissioner of the State of Ohio. Assessed value is the value of taxable property to which the tax rate is applied in order to compute the amount of taxes.

What causes changes in taxes?

Revaluations and Triennial Updates- Ohio law provides that taxes may increase on only the un-voted millage (the first ten mills). All voted levies which constitute most of the total tax rates are subject to the H.B. 920 credits or tax reduction factors.

New Construction- Whenever new value is added or removed from a property, taxes will increase or decrease accordingly.

Levy- Whenever voters pass new levies, taxes will increase according to the specific millage voted. This is the principal reason property taxes increase.

CAUV Values- CAUV values are readjusted every three years by the state Tax Commissioner to account for changing agricultural production costs and commodity prices. These could cause a shift or change in the reduction factors.