

## Minimizing Your Real Estate Taxes

Increased gas, insurance, and water bills are hurting apartment owners. In the wake of these utility hikes, property owners may be subject to yet another unexpected expense – a significant increase in property taxes. Twenty-nine counties in Ohio are reassessing their real estate. In Ohio, the local county auditor updates property tax assessments or physically reappraises all properties once every three years. While varying from county to county, the 2003 tax year begins a new three-year reappraisal cycle for many counties, including Cuyahoga County. Unless contested, the county auditor's assessment of your property value will continue for this three-year period. The 2003 reappraisal tax assessment may form the basis for future reappraisals. Given the long-term implications of assessments, taxpayers should closely review their 2003 tax bill. A successful reduction in your property tax assessment will translate into a corresponding reduction in property taxes for many years to come.

With many owners dealing with increased vacancies and above average concessions, you may be wondering

how can the county justify increasing assessments when income is going down and expenses are going up. In many cases, they can't. Now is the best time to contest your real estate taxes. The poor economy has had its effects on the apartment industry. As the economy improves the apartment industry should also improve. By reducing your assessment now you will be better able to survive the tough times and may help to control future assessments.

### FREQUENTLY ASKED QUESTIONS

**Q-1:** When can I file for a reduction in my taxes?

**A:** Generally, the boards of revision will accept complaints after January 1st, but in any event, complaints must be filed (received not mailed) with the county board of revision by the March 31, 2004 deadline. It is recommended that you have a copy of your complaint time stamped for your own records.

**Q-2:** How do I decide whether to file a complaint?

**A:** You first must determine the auditor's estimate of your property value. The assessment property tax notice provides a tentative market value. The final "assessed" value is indicated on your tax bill. If that value is not expressed as a market value, simply divide the assessed value shown on your tax bill by 35% to arrive at the

auditor's opinion of the fair market value of your property.

If you believe that the fair market value of your property as of the tax lien date, January 1, 2003, is less than the auditor's estimate, your property may be over-assessed, and it may be appropriate to file a complaint to reduce the amount of property taxes you will pay.

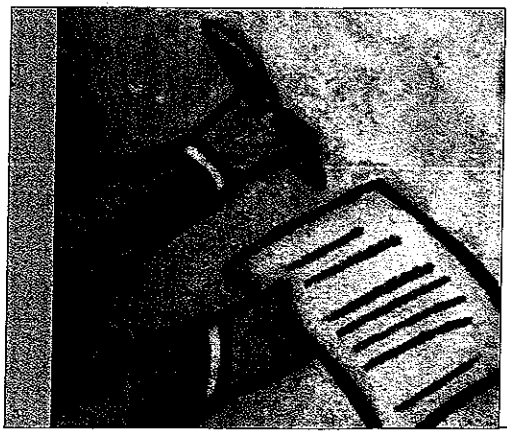
**Q-3:** What risks are associated with filing a complaint?

**A:** Before filing a complaint, it is essential to ensure that your property is in fact over-assessed as of the tax lien date. This is because the local board of education may file a counter-complaint seeking to increase the value of your property in response to your decrease complaint. If the board of education prevails at a Board of Revision ("BOR") hearing, your property value, and taxes, may be increased instead of decreased.

**Q-4:** What happens after I file a complaint?

**A:** The BOR will conduct a hearing in which you will need to submit evidence to support your request for a decrease in the property tax assessment. Typically, an attorney from the board of education will oppose you. If you do not prevail at the BOR hearing, you can appeal to the Board of Tax Appeals, located in Columbus, or the Common Pleas Court. If you do prevail, the board of education may also appeal the BOR decision.

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### Annual Meeting & Table Top Event

Thursday, November 13, 2003

Windows on the River,  
Cleveland, Ohio

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**Q-5: Do I need an attorney to file the complaint and to represent me at the BOR hearing?**

**A:** Possibly. The Ohio Supreme Court, in Sharon Village Ltd. v. Licking County Bd. of Revision, ruled that the preparation and filing of a complaint constitutes the practice of law. Accordingly, an attorney must prepare and file the complaint unless the property is legally titled in the name of the individual filing the complaint. In response to this case, the Ohio legislature passed a law allowing non-attorneys to file complaints in certain situations. However, there have been a series of cases that have for all practical instances nullified the law permitting non-attorneys to file complaints. Therefore, in order to avoid the risk of having your case dismissed and losing your right to contest your taxes for the three-year period, it is advisable to consult an attorney.

**Q-6: I have recently purchased an under assessed building. Can the auditor increase the value to the purchase price?**

**A:** The auditor can increase the property value. But, if you purchased after the county completed the reassessment the property may continue to be under assessed. However, the board of education has the right to file a complaint to increase the value. In those instances it is best to seek advice prior to engaging in any dialog with the board. ☞

*Kieran Jennings is a partner in the law firm of Siegel Siegel Johnson & Jennings Co. L.P.A.  
kjennings@siegeltax.com*

