

# MINIMIZING YOUR REAL ESTATE TAXES

By KIERAN JENNINGS

Commercial property owners are being hard hit by increased gas, water and sewer bills. In the wake of these utility hikes, property owners may be subject to yet another unexpected expense - significant increases in property taxes. In Cuyahoga County, for example, proposed commercial property tax assessments for the 2000 tax year, (payable in 2001), have increased an average of approximately 26%, according to *Craigs Cleveland Business*. Some property owners, however, have seen their 2000 tax year property assessments increase by up to 200%. Taxpayers can still contest their 2000 property tax assessments by filing a Complaint Against the Valuation of Real Property with the county board of revision by the March 31, 2001 deadline.

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 2000 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. Most counties generally update the assessed property tax values by increasing them by a specified percentage during the subsequent three year update period. Thus, the 2000 reappraisal tax assessment may effect your property tax burden for up to six years. Given the long term implications of an excessive 2000 tax year assessment, taxpayers should closely review their 2000 tax year prop-

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erty assessment. A successful reduction in your property tax assessment will translate into a corresponding reduction in property taxes for many years to come.

**FREQUENTLY ASKED QUESTIONS**

**Q 1:** 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 2000 year tax bill. Since 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, 2000, is less than the auditor's

estimate, your property may be over-assessed. As a result, it may be appropriate to file a complaint to reduce the amount of property taxes you will pay.

**Q 2:** 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 3:** 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, you will be opposed by

an attorney from the board of education. 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.

**Q 4:** 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 which allowed non-attorney's to file complaints in certain situations. Since then, however, a recent court of appeals case has ruled that this law is uncon-

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stitutional. Therefore, in order to avoid the risk of having your case dismissed and losing your right to contest your taxes for a three year period, it is advisable to consult an attorney.

*Editor's note: Kieran Jennings is a partner in the law firm of Fred Siegel Co. L.P.A.. With offices in Cleveland and Columbus, Fred Siegel Co. L.P.A. serves Ohio and eastern Pennsylvania and has concentrated in the real estate tax field for over 40 years. The attorneys at Fred Siegel are available to answer your questions regarding this article or your property taxes. There is no fee for this consultation. The attorneys at Fred Siegel Co. L.P.A. can be reached at (216-763-1004).*

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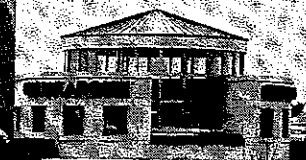
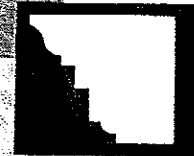
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