



## GLOSSARY OF TERMS

**ABATED PROPERTY** – A tool used by local governments to exempt real estate from property taxes in order to encourage economic development within the community. State statutes define the types of abatement.

**APPRAISED VALUE** - County Auditor's determination of a property's potential selling price on the open market. Also known as Market or True Value.

**ASSESSED VALUE** – Used for tax calculations, assessed value is equal to 35% of appraised value.

**BOND ISSUE** – A ballot issue that is used to fund construction projects, capital improvements, etc. Taxes are levied in an amount needed to repay the bonds over a set period of time.

**CAUV (CURRENT AGRICULTURAL USAGE VALUATION)** – Program allows tracts of 10 acres or more that are being used for commercial agriculture to be valued at a lower rate for tax purposes. Tracts smaller than 10 acres qualify if the owner can prove at least \$2,500 in average gross income from the previous years. CAUV land is assigned a value according to soil type instead of standard real estate factors, such as recent sale prices of similar properties.

**EFFECTIVE TAX RATE** – Effective rates and reduction factors ensure that agencies don't receive financial "windfall" as property values increase within a taxing district.

**EMERGENCY LEVY** – An operating levy for no more than five years that generates funds to meet emergency requirements or avoid a deficit.

**EXEMPT PROPERTY** – Property used for governmental, charitable, educational, religious, abated, and other non-profit purposes as determined by the Ohio Department of Taxation. They are excluded from real property taxation but can be taxed for special assessments.

**HOMESTEAD REDUCTION** – Property tax reduction given to senior citizens (age 65 and older) or permanently disabled homeowners.

**INSIDE MILLAGE** – Up to 10 mills may be levied without a vote of the people in each taxing district. Inside millage is split among municipalities, the county, townships and schools in each taxing district.

**MARKET VALUE** – Dollar amount a property would sell for, between a willing seller and a willing buyer. Also known as Appraised or True Value.

**MILL** – A mill is equal to one dollar for each \$1,000 of assessed valuation. For example, one mill levied on a home assessed at \$35,000 (\$100,000 market or appraised value) would generate \$35.00 in revenue.

**OPERATING LEVY** – A ballot issue that raises money to pay for day-to-day operations. Operating levies may be for a fixed term of years or may be continuing.

**OWNER-OCCUPANCY TAX REDUCTION** – A 2½% credit on levies passed before September 2013 on a homestead that is occupied by the homeowner as their principal place of residence.

**PROPERTY TAX** – A tax on the real property owned by residents and businesses which include the structures on it, but not the contents.

**REDUCTION FACTOR** – Guards against financial “windfall” for taxing agencies as property values increase. Reduction factor is set by the State of Ohio each year and is used to determine effective tax rates.

**RENEWAL LEVY** – A ballot issue that represents a continuation of a previously approved levy that is set to expire. Renewal levies continue to be affected by reduction factors applied to the original levy.

**REPLACEMENT LEVY** – A ballot issue that would take the place of a previously approved levy. The failure of the electorate to approve a replacement levy for a continuing levy does not terminate the existing continuing levy.

**ROLLBACK** – A property tax reduction on qualifying levies given on residential (up to 3 family) parcels. Schools and other agencies are reimbursed by the state for all rollback amounts.

**SPECIAL ASSESSMENTS** – Charges provided to the Auditor by Resolution from subdivisions. Examples are street lighting, grass cutting, 10-911, etc. The County Auditor and Treasurer act as billing and collecting agents only.

**TAX INCREMENT FINANCING (TIF)** – Ohio law allows a local government (county, municipality or township) to designate the new value added to a parcel or group of parcels to be exempt from real property taxation. This does not, however, change the taxpayer’s obligation nor does it change the total valuation on the taxpayer’s property. A taxpayer located within a TIF district continues to make payments in an amount equal to the real property tax liability but TIF payments are then directed to the local government to fund certain infrastructure needs within the community. Local governments with TIF properties usually enter into agreements with the local school district(s) to offset the school’s loss in tax revenue resulting from the exemption.

**TAXING DISTRICT** – A unique set of political subdivisions including county, municipality, school district, township boundaries, library, vocational school and special districts such as fire.