



HOUSE OF REPRESENTATIVES
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HOUSE DISTRICT 93

House Bill 485
Joint Sponsor Testimony
February 11, 2020

Chairman Merrin, Vice Chair LaRe, Ranking Member Rogers and members of the committee, thank you for giving us the opportunity to provide spoken testimony for House Bill 485 today.

As you may know, HB 485 proposes to eliminate the requirement that owners of farmland enrolled in the CAUV program with over 10 acres must file a renewal application each year in order to remain in the program.

This is an important program that normally sets a substantially lower tax bill for working farmers, helping them out with their property taxes. The administration of this program, however, is cumbersome, expensive and redundant for farmers and their local governments.

The Current Agricultural Use Value program is designed to permit agricultural land values to be set below true market values, at its current use value. In other words, this program allows commercial agricultural farmland to be valued based on its value in agriculture, rather than the full market value, which can result in significant savings for farmers.

A renewal application must be filed every year before the first Monday in March to continue in the CAUV program. So, thousands of farmers will receive their annual CAUV application by certified mail, right around this time of year, sent from their county auditors.

Along with the application process, county auditors are also required, each year, to inspect the farmland on CAUV, to ensure continuing compliance with commercial farming.

First, requiring these farmers to complete the renewal application every year AND requiring the county auditor's office to check the farm land each year results in unnecessary redundancy and difficulties for working farmers across Ohio. Under HB 485, the county auditor's office will still be required to check the farmland annually, as in current law, but these farmers will no longer be tasked with the renewal of the CAUV application.

Second, under current law, failure to file the renewal application results in detrimental effects to the farmers. Not only does failing to file the application result in converting the CAUV land to a

non-agricultural use which can cause significant financial loss, but land that no longer qualifies for CAUV is also assessed a recoupment charge upon removal from the program. According to current law, if the farmer does not return the application, for whatever reason, then they lose the CAUV credit for their property and their taxes most likely will go up.

House Bill 485, should it be enacted, will eliminate the annual CAUV application process for farmers with over 10 acres of land.

In closing, we want to reiterate that House Bill 485 will in no way impact the CAUV formula, it is purely meant to streamline the administration of the CAUV. We would now like to thank Chairman Merrin and members of the House Ways and Means Committee for the opportunity to provide sponsor testimony on HB 485. We will be happy to answer any questions at this time.