



www.lsc.ohio.gov

# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 485  
133<sup>rd</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Reps. Stephens and Scherer

Michael Hinel, Attorney

### SUMMARY

- Repeals the requirement for property owners enrolled in the current agricultural use value (CAUV) program to file a renewal application each year in order to remain in the program.
- Requires a property owner to notify the county auditor if the owner's land no longer qualifies for the CAUV program.
- Requires some property owners to submit documentation, in lieu of a renewal application, to demonstrate continued qualification for the CAUV program.

### DETAILED ANALYSIS

#### Current agricultural use value applications

Under continuing law, land devoted exclusively to agricultural use may be valued for property tax purposes at its current agricultural use value (CAUV) – its value if the land was sold in order to continue to be used as farmland – instead of its true, or market, value. Generally, CAUV results in farmland being assessed at a lower value than if valued according to its true value, essentially resulting in the property owner owing less in property taxes. To qualify for CAUV, current law requires property owners to file an initial application with the county auditor, and, in each subsequent year, file a renewal application in order to remain in the program. The fee for the initial and each renewal application is \$25, and county auditors are required to annually mail renewal applications to all CAUV owners.

The bill eliminates the requirement for property owners enrolled in the CAUV program to file renewal applications and the corresponding requirement for county auditors to mail

them to program participants.<sup>1</sup> Instead, if an owner's land no longer qualifies for CAUV, the bill requires the owner to affirmatively notify the county auditor.<sup>2</sup> The initial CAUV application and its accompanying \$25 fee are still required.

There are two circumstances under which a landowner will still be required to report information demonstrating continued qualification for the CAUV program. First, the owner of a plot of land of less than ten acres must document the yearly income earned from that land.<sup>3</sup> (Such small plots of land qualify for CAUV only if the land generates at least \$2,500 in annual income or is enrolled in a federal conservation program.) Currently, the renewal application requires such information to be provided for such plots.

Second, the owner of CAUV land that becomes enrolled in a federal conservation program after initially qualifying for the CAUV program must provide to the county auditor a copy of the agreement between the owner and the federal agency.<sup>4</sup> (Land enrolled in a federal conservation program continues to qualify for CAUV even if it is no longer actively used for farming.) Currently, that documentation must be provided with the first renewal application after enrollment in the federal program.

### **Application**

The new CAUV program application procedures apply to tax years beginning on or after the bill's effective date.<sup>5</sup>

---



---

## **HISTORY**

Action	Date
Introduced	01-29-20

---

H0485-I-133/ar

<sup>1</sup> R.C. 5713.30, 5713.31, 5713.351, and 5713.36.

<sup>2</sup> R.C. 5713.31(A)(2).

<sup>3</sup> R.C. 5713.31(A)(3).

<sup>4</sup> R.C. 5713.31(A)(1).

<sup>5</sup> Section 4 of the bill.