SUPREME COURT OF OHIO

Adams v. Testa

152 Ohio St. 3d 207, 2017-Ohio-8853 (2017) · No. 2016-0256 · Decided December 7, 2017

SUMMARY

The Supreme Court of Ohio held that a tax commissioner’s journal entry incorporating current agricultural-use values is a final determination appealable to the Board of Tax Appeals under R.C. 5717.02. The court further held that the journal entry is not a rule requiring promulgation under R.C. Chapter 119, vacated the Board’s dismissal, and remanded the matter for further proceedings.

CASE DETAILS

COURT	Supreme Court of Ohio
WRITING FOR THE COURT	Justice DeWine; Chief Justice O'Connor; Justice O'Donnell; Justice Kennedy; Justice French; Justice O'Neill; Justice Fischer
JURISDICTION	Ohio
DECIDED	December 7, 2017
DOCKET	2016-0256
DISPOSITION	vacated
PROCEDURAL POSTURE	Landowners appealed the Ohio Board of Tax Appeals' dismissal of their challenge to the tax commissioner's current-agricultural-use-value journal entry. The Supreme Court of Ohio reviewed whether the Board had jurisdiction under R.C. 5717.02 and whether the journal entry was a rule subject to R.C. Chapter 119.
STANDARD OF REVIEW	The court reviewed the statutory jurisdictional issue and the legal characterization of the journal entry de novo, applying the plain language of the governing statutes.
PRECEDENTIAL VALUE	published and precedential opinion of the Supreme Court of Ohio
PARTIES	Adams et al., landowners v. Testa, Tax Commissioner

TOPICS

property tax · tax court procedure · administrative law · appellate procedure · real estate

PRACTICE AREAS

property taxation | administrative law | appellate procedure | real property valuation

QUESTIONS PRESENTED

1. Whether the tax commissioner's CAUV journal entry constituted a final determination appealable to the Board of Tax Appeals under R.C. 5717.02.
2. Whether the landowners, as taxpayers whose land was subject to the CAUV journal entry, had standing to appeal it.
3. Whether the CAUV journal entry was a rule that had to be promulgated under R.C. Chapter 119.
4. Whether the landowners' appeal to the Supreme Court of Ohio was timely.

HOLDINGS

1. The tax commissioner's journal entry incorporating current agricultural-use values is a final determination subject to appeal to the Board of Tax Appeals under R.C. 5717.02.
2. The landowners had standing under R.C. 5717.02 to appeal the CAUV journal entry because they were taxpayers whose land was subject to the entry.
3. The CAUV journal entry was not a rule subject to the rulemaking requirements of R.C. Chapter 119.
4. The landowners' appeal was timely because the Board's earlier orders were not final appealable orders until the February 1, 2016 order dismissed the entire appeal.

KEY QUOTATIONS

> *"The determination of CAUVs is final when, pursuant to rule, the tax commissioner adopts the journal entry. Thus, the CAUV journal entry is a final determination subject to review under R.C. 5717.02."* (¶ 32)

> *"Instead, the CAUVs incorporated by the journal entry result from the application of already promulgated rules—Ohio Adm.Code 5703-25-30 through 5703-25-36."* (¶ 41)

FACTUAL BACKGROUND

Each year, the Ohio Tax Commissioner establishes current agricultural-use values for farmland, including per-acre values for cropland and woodland. In 2015, the commissioner issued a journal entry using a $1,000-per-acre woodland-clearing cost for certain counties and retaining a $500-per-acre cost for others. The landowners claimed that the clearing costs were substantially higher and that the resulting values overvalued their woodland.

PROCEDURAL HISTORY

The landowners appealed the tax commissioner's 2015 CAUV journal entry to the Board of Tax Appeals, challenging the woodland-clearing cost used to calculate agricultural-use values. The Board issued several orders, ultimately dismissing the appeal for lack of jurisdiction on February 1, 2016. The landowners timely appealed to the Supreme Court of Ohio, which vacated the Board's decision and remanded.

DISPOSITION

vacated

REMAND INSTRUCTIONS

The Board of Tax Appeals must reinstate and proceed with the landowners' appeal under R.C. 5717.02. The court did not direct the Board to treat the CAUV journal entry as a rule subject to R.C. Chapter 119.

CASES CITED

- Makowski v. Limbach, 62 Ohio St. 3d 412, 583 N.E.2d 1302 (1992)
- Cooke v. Kinney, 65 Ohio St. 2d 7, 417 N.E.2d 106 (1981)
- Michelin Tire Corp. v. Kosydar, 38 Ohio St. 2d 254, 313 N.E.2d 394 (1974)
- Ohio Nurses Assn., Inc. v. State Bd. of Nursing Edn. & Nurse Registration, 44 Ohio St. 3d 73, 540 N.E.2d 1354 (1989)
- Progressive Plastics, Inc. v. Testa, 133 Ohio St. 3d 490, 2012-Ohio-4759, 979 N.E.2d 280
- State ex rel. Saunders v. Indus. Comm., 101 Ohio St. 3d 125, 2004-Ohio-339, 802 N.E.2d 650
- Fairfield Cty. Bd. of Commrs. v. Nally, 143 Ohio St. 3d 93, 2015-Ohio-991, 34 N.E.3d 873
- Adams v. Testa, 2017-Ohio-8854
