SUPREME COURT OF OHIO

AERC Saw Mill Village, Inc. v. Franklin County Board of Revision

127 Ohio St. 3d 44, 2010-Ohio-4468 (2010) · No. 2009-1765 · Decided September 28, 2010

SUMMARY

The Supreme Court of Ohio held that the carryover provision of R.C. 5715.19(D) did not permit a county auditor to retroactively replace a 2005 reappraisal value with a value stipulated for tax year 2002. The court ordered restoration of the 2005 reappraisal value for both tax years 2005 and 2006, subject to further proceedings allowing the school board to present evidence challenging those valuations. The decision reversed and remanded the Board of Tax Appeals' determinations.

CASE DETAILS

COURT	Supreme Court of Ohio
WRITING FOR THE COURT	Brown, C.J.; Pfeifer, J.; Lundberg Stratton, J.; O'Connor, J.; Cupp, J.; O'Donnell, J.; Lanzinger, J.
JURISDICTION	Ohio
DECIDED	September 28, 2010
DOCKET	2009-1765
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	AERC appealed the Board of Tax Appeals' consolidated decision affirming the Franklin County Board of Revision's approval of the auditor's carryover of a 2002 stipulated property value to tax years 2005 and 2006.
STANDARD OF REVIEW	Under R.C. 5717.04, the court reviews whether the BTA's decision is reasonable and lawful. It defers to factual determinations supported by reliable and probative evidence but reverses legal conclusions that are incorrect.
PRECEDENTIAL VALUE	published precedential opinion of the Supreme Court of Ohio
PARTIES	AERC Saw Mill Village, Inc. v. Franklin County Board of Revision, Dublin City Schools Board of Education

TOPICS

property tax · tax court procedure · statutory interpretation · appellate procedure · standard of review

PRACTICE AREAS

property taxation · administrative law · appellate practice

QUESTIONS PRESENTED

1. Whether the continuing-complaint and carryover provisions of R.C. 5715.19(D) required the auditor to retroactively replace the 2005 sexennial reappraisal value with the value stipulated for tax year 2002.
2. Whether the continuing-complaint provision gave the BOR and BTA jurisdiction to review the auditor's 2005 reappraisal and valuation change even though AERC filed no separate 2005 complaint.
3. Whether the matter should be remanded to permit the school board to present evidence challenging the 2005 and 2006 valuations.

HOLDINGS

1. When a valuation complaint remains pending under R.C. 5715.19(D), the continuing-complaint provision gives the BOR and BTA jurisdiction to review a later valuation change, including a county auditor's reappraisal, without requiring a separate complaint for the later year.
2. R.C. 5715.19(D)'s carryover provision does not require an auditor to retroactively displace a later statutory reappraisal or other newly required valuation with a value determined for an earlier tax year.
3. The $17,900,000 2005 reappraisal value must be restored for tax year 2005 and ordinarily carried forward to tax year 2006 unless a legally sufficient event or evidence supports a different valuation.
4. The case must be remanded to permit the school board to present additional evidence concerning the property's value for tax years 2005 and 2006.

KEY QUOTATIONS

> *"To be sure, the carryover does properly apply to a subsequent year in which the auditor has not performed a new valuation of the property pursuant to his statutory duties."* (¶ 22)

> *"But when the auditor performs a new valuation pursuant to a separate statutory duty for any year subsequent to the filing of a valuation complaint, that newly determined value constitutes the value for that year."* (¶ 32)

> *"the filing of a valid new complaint in the second triennium stops, for the tax year at issue and succeeding years, the automatic carryover of the value determined under a prior complaint."* (¶ 24)

FACTUAL BACKGROUND

AERC owned a 340-unit apartment complex in the Columbus/Dublin City Schools taxing district. The Franklin County auditor performed the required 2005 sexennial reappraisal and determined the property's true value to be $17,900,000. AERC later stipulated to a $20,100,000 value for tax year 2002, and the BTA directed that the stipulated value be carried forward according to law. The auditor consequently replaced the 2005 reappraisal value with the 2002 stipulated value and used it for 2006 as well.

PROCEDURAL HISTORY

The Franklin County auditor initially valued the property at $17,900,000 for the 2005 sexennial reappraisal. After the parties stipulated to a $20,100,000 value for tax year 2002, the BTA ordered that the stipulated value be carried forward according to law, and the auditor applied it retroactively to 2005 and then to 2006. The BOR upheld the valuations, and the BTA affirmed in consolidated appeals. The Supreme Court of Ohio reversed and remanded.

DISPOSITION

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reversed_and_remanded
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REMAND INSTRUCTIONS

The BTA must restore the $17,900,000 2005 reappraisal value for tax year 2005 and assign that value to tax year 2006 unless a justified change is shown. The BTA must permit the Dublin City Schools Board of Education to present additional evidence of the property's value for both years and may determine whether further hearings should occur before the BTA or the BOR.

CASES CITED

- Fogg-Akron Assoc., L.P. v. Summit Cty. Bd. of Revision, 124 Ohio St. 3d 112, 2009-Ohio-6412, 919 N.E.2d 730
- Columbus Bd. of Edn. v. Franklin Cty. Bd. of Revision, 87 Ohio St. 3d 305, 720 N.E.2d 517 (1999)
- Dayton-Montgomery Cty. Port Auth. v. Montgomery Cty. Bd. of Revision, 113 Ohio St. 3d 281, 2007-Ohio-1948, 865 N.E.2d 22, ¶ 13
- Wheeling Steel Corp. v. Evatt, 143 Ohio St. 71, 54 N.E.2d 132 (1944)
- Satullo v. Wilkins, 111 Ohio St. 3d 399, 2006-Ohio-5856, 856 N.E.2d 954, ¶ 14
- Am. Natl. Can Co. v. Tracy, 72 Ohio St. 3d 150, 152, 648 N.E.2d 483 (1995)
- Gahanna-Jefferson Local School Dist. Bd. of Edn. v. Zaino, 93 Ohio St. 3d 231, 232, 754 N.E.2d 789 (2001)
- Cincinnati School Dist. Bd. of Edn. v. Hamilton Cty. Bd. of Revision, 74 Ohio St. 3d 639, 642-643, 660 N.E.2d 1179 (1996)
- United Tel. Co. v. Limbach, 71 Ohio St. 3d 369, 372, 643 N.E.2d 1129 (1994)
- State ex rel. Cordray v. Midway Motor Sales, Inc., 122 Ohio St. 3d 234, 2009-Ohio-2610, 910 N.E.2d 432, ¶ 25
- Maxfield v. Brooks, 110 Ohio St. 566, 144 N.E.2d 725 (1924)
- Couts v. Rose, 152 Ohio St. 458, 461, 90 N.E.2d 139 (1950)
- Wolf v. Cuyahoga Cty. Bd. of Revision, 11 Ohio St. 3d 205, 208, 465 N.E.2d 50 (1984)
- Oberlin Manor, Ltd. v. Lorain Cty. Bd. of Revision, 69 Ohio St. 3d 1, 2, 629 N.E.2d 1361 (1994)
- Cleveland Mun. School Dist. Bd. of Edn. v. Cuyahoga Cty. Bd. of Revision, 105 Ohio St. 3d 404, 2005-Ohio-2285, 827 N.E.2d 306
- Cummins Property Servs., L.L.C. v. Franklin Cty. Bd. of Revision, 117 Ohio St. 3d 516, 2008-Ohio-1473, 885 N.E.2d 222, ¶ 43