SUPREME COURT OF OHIO

Johnson v. McClain

2021-Ohio-1664 (Ohio 2021) · No. 2020-0472 · Decided May 18, 2021

SUMMARY

The Supreme Court of Ohio affirmed the Board of Tax Appeals' decision upholding the tax commissioner's 2016 current agricultural use valuation table. The court held that Ohio Administrative Code 5703-25-34(E) concerns county-auditor assessments rather than the commissioner's adoption of the valuation table. It further held that William S. Johnson failed to prove that the commissioner abused his discretion by not adopting separate values for drained and undrained versions of certain soil types.

CASE DETAILS

COURT	Supreme Court of Ohio
WRITING FOR THE COURT	Per Curiam; Maureen O'Connor, Chief Justice; Maureen O'Connor; Maureen Kennedy; Pat DeWine; Sharon L. Kennedy; Patrick F. Fischer; Michael P. Donnelly; Melody J. Stewart; Jennifer Brunner
JURISDICTION	Ohio
DECIDED	May 18, 2021
DOCKET	2020-0472
DISPOSITION	affirmed
PROCEDURAL POSTURE	Johnson appealed as of right from the Board of Tax Appeals' decision affirming the Ohio Tax Commissioner's adoption of a current agricultural use valuation table.
STANDARD OF REVIEW	Questions of law are reviewed de novo. The Tax Commissioner's adoption of a current agricultural use valuation table is reviewed for abuse of discretion, meaning an unreasonable, arbitrary, or unconscionable attitude. The Commissioner's determinations are presumed valid and made in good faith and in the exercise of sound judgment absent proof to the contrary.
PRECEDENTIAL VALUE	Published state supreme court opinion; precedential under Ohio law.
PARTIES	William S. Johnson v. Jeffrey McClain, Tax Commissioner

TOPICS

property tax administrative law standard of review appellate procedure

PRACTICE AREAS

property taxation administrative law appellate procedure

QUESTIONS PRESENTED

1. Whether Ohio Adm.Code 5703-25-34(E), which addresses a county auditor's treatment of soil types not included in the Commissioner's table, applies to a challenge against the Commissioner's adoption of the table.
2. Whether the Tax Commissioner abused his discretion by failing to adopt separate per-acre values for drained and undrained versions of certain soil types.
3. Whether the differing treatment of soil types in the unit-value table, including possible consideration of artificial-drainage investments for some soils but not others, established an abuse of discretion.

HOLDINGS

1. Ohio Adm.Code 5703-25-34(E) governs a county auditor's duties when assessing CAUV property and does not provide a basis for challenging the Tax Commissioner's adoption of the unit-value table.
2. Johnson failed to prove that the Tax Commissioner abused his discretion in adopting the 2016 CAUV unit-value table without separate entries for drained and undrained Crosby, Kokomo, and Patton soils.

KEY QUOTATIONS

> *"it is not the role of this court to substitute its judgment for that of the commissioner, absent a finding of unreasonableness, arbitrariness, or unconscionability."* (¶ 20)

> *"it was not the commissioner's burden to demonstrate the reasonableness of the CAUV journal entry—it was Johnson's burden to show an arbitrary or unconscionable attitude on the part of the commissioner."* (¶ 30)

FACTUAL BACKGROUND

Johnson owned a farm in Clark County subject to the Tax Commissioner's 2016 current agricultural use valuation journal entry. The entry adopted a unit-value table assigning per-acre values to soil types based on potential agricultural income. Johnson challenged the failure to list separate values for drained and undrained versions of Crosby, Kokomo, and Patton soils, contending that the omission increased the agricultural-use value of his land and therefore his property-tax liability. Evidence before the Board of Tax Appeals indicated that yield data could include both drained and undrained soils and that artificial drainage was typical for the relevant farmland.

PROCEDURAL HISTORY

The Ohio Tax Commissioner adopted a per-acre unit-value table for current agricultural use valuation of farmland in 23 Ohio counties for tax year 2016. Johnson appealed the journal entry to the Board of Tax Appeals, arguing principally that the table improperly failed to distinguish certain drained and undrained soil types. The

Board of Tax Appeals found no abuse of discretion and affirmed the Commissioner's decision. The Supreme Court of Ohio affirmed the Board's decision.

DISPOSITION

affirmed

CASES CITED

- Adams v. Testa, 152 Ohio St.3d 207, 2017-Ohio-8853, 94 N.E.3d 539, ¶ 28
- Terraza 8, L.L.C. v. Franklin Cty. Bd. of Revision, 150 Ohio St.3d 527, 2017-Ohio-4415, 83 N.E.3d 916, ¶¶ 8-9
- State ex rel. Park Invest. Co. v. Bd. of Tax Appeals, 175 Ohio St. 410, 412, 195 N.E.2d 908 (1964)
- Rite Aid of Ohio, Inc. v. Washington Cty. Bd. of Revision, 146 Ohio St.3d 173, 2016-Ohio-371, 54 N.E.3d 1177, ¶ 34
- Johnson v. Clark Cty. Bd. of Revision, 155 Ohio St.3d 264, 2018-Ohio-4390, 120 N.E.3d 823, ¶¶ 10-12
- Renner v. Tuscarawas Cty. Bd. of Revision, 59 Ohio St.3d 142, 145, 572 N.E.2d 56 (1991)
- Kinnear Rd. Redevelopment, L.L.C. v. Testa, 151 Ohio St.3d 540, 2017-Ohio-8816, 90 N.E.3d 926, ¶ 14
- Kroger Grocery & Baking Co. v. Glander, 149 Ohio St. 120, 126, 77 N.E.2d 921 (1948)
- Fichtel & Sachs Industries, Inc. v. Wilkins, 108 Ohio St.3d 106, 2006-Ohio-246, 841 N.E.2d 284
- Ashland Cty. Commrs. v. Ohio Dept. of Taxation, 63 Ohio St.3d 648, 656, 590 N.E.2d 730 (1992)
- State ex rel. Delaware Joint Vocational School Dist. Bd. of Edn. v. Testa, 149 Ohio St.3d 634, 2017-Ohio-796, 76 N.E.3d 1190, ¶ 13
- J.M. Smucker, L.L.C. v. Levin, 113 Ohio St.3d 337, 2007-Ohio-2073, 865 N.E.2d 866, ¶ 16
- Valentine v. Conrad, 110 Ohio St.3d 42, 2006-Ohio-3561, 850 N.E.2d 683, ¶ 9
- Renacci v. Testa, 148 Ohio St.3d 470, 2016-Ohio-3394, 71 N.E.3d 962, ¶ 32
- Wheeling Steel Corp. v. Evatt, 143 Ohio St. 71, 54 N.E.2d 132 (1944), paragraph seven of the syllabus
- E. Liverpool v. Columbiana Cty. Budget Comm., 116 Ohio St.3d 1201, 2007-Ohio-5505, 876 N.E.2d 575, ¶ 9
- Johnson v. Clark Cty. Bd. of Revision, 2d Dist. Clark No. 2013 CA 32, 2014-Ohio-329