



## GLOSSARY OF TERMS

**AGRICULTURAL VALUE** - See CAUV

**APPRAISED VALUE** - County Auditor's determination of property's potential selling price on the open market.

**ASSESSED VALUE** - Used for tax calculations, assessed value is equal to 35% of appraised value.

**BOND ISSUE** - A ballot issue that is used to fund construction projects, capital improvements, etc. Taxes are levied in an amount needed to repay the bonds over a set period of time.

**COMMUNITY DISTRICT CHARGES** - Charges levied against properties to finance a specific community purpose in a limited area.

**CAUV** - Current Agricultural Use Value - Program allows tracts of 10 acres or more that are being used for commercial agriculture to be valued at a lower rate for tax purposes. Tracts smaller than 10 acres qualify if the owner can prove at least \$2,500 in average gross income from the previous years. CAUV land is assigned a value according to soil type instead of standard real estate factors, such as recent sale prices of similar properties.

**EFFECTIVE RATE** - Effective rate and reduction factor ensure that agencies don't receive financial "windfall" as property values increase within a taxing district.

**EMERGENCY LEVY** - An operating levy for no more than five years that generates funds to meet emergency requirements or avoid a deficit.

**MARKET VALUE** - Dollar amount a property would sell for from a willing seller to a willing buyer. Also known as true value.

**HOMESTEAD REDUCTION** - Property tax reduction given to senior citizens (age 65 and older) or permanently disabled homeowners.

**INSIDE MILLAGE** - Up to 10 mills may be levied without a vote of the people in each taxing district. Inside millage is split among municipalities, the county, townships and schools in each taxing district.

**MILL** - A mill is equal to one dollar for each \$1,000 of assessed valuation. For example, one mill levied on a home assessed at \$35,000 (\$100,000 market or appraised value) would generate \$35.00 in revenue.

**OPERATING LEVY** - A ballot issue that raises money to pay for day-to-day operations. Operating levies may be for a fixed term of years or may be continuing.



**REDUCTION FACTOR** - Guards against financial "windfall" for taxing agencies as property values increase. Reduction factor is set by the State of Ohio each year, and is used to determine effective rate.

**RENEWAL LEVY** - A ballot issue that represents a continuation of a previously approved levy that is set to expire. Renewal levies continue to be affected by reduction factors applied to the original levy.

**REPLACEMENT LEVY** - A ballot issue that would take the place of a previously approved levy. The failure of the electorate to approve a replacement levy for a continuing levy does not terminate the existing continuing levy.

**ROLLBACK** - A 10% property tax reduction given on residential (up to 3 family) parcels. Schools and other agencies are reimbursed by the state for all rollback amounts.

**SPECIAL ASSESSMENTS** - Charges are based directly on costs of specific services, such as street light rental. The County Auditor and Treasurer act as billing and collection agents only.

**SUPPLEMENTAL ROLLBACK** - An additional 2.5% property tax reduction given on a homeowner's primary residence. Each property owner is eligible to receive the supplemental rollback on only one home in Ohio.

**TAXING DISTRICT** - Is comprised of a unique set of political subdivisions determined by county, municipality, school district, township boundaries, library, and vocational school district. For example, the City of Columbus has multiple taxing districts, including City of Columbus/Columbus Schools; City of Columbus/Canal Winchester Schools, etc.