

September 14, 2022

On September 13th, the Preble County Auditor, Lavon Wright came to the Village of College Corner meeting at the request of Village Council. The purpose of this meeting was to educate regarding all levies that the village has, how those levies are calculated, and how much these levies cost a homeowner. There were many scenarios presented on the packet that she brought. In addition, this meeting was informational regarding an upcoming 5 mill replacement levy the Village is planning to run. 5 mills = the current 3.8 with an increase of 1.2 mill to total 5 mills. The meeting was well attended and there were many questions.

Some of the questions were on subject and some strayed from the original topic. While it is the desire of the Auditor's Office to be transparent, informational, and educating, sometimes there may be confusion or misunderstanding.

One of the areas of confusion seem to be the letters that were recently sent out for the Revaluation versus the letters that were sent out 2 years ago regarding Triennial update. At this time, Preble County is in the process of a State mandated County-wide Revaluation. This happens (per ORC) every 6 years, and will be for taxes payable in 2024. We are also required by the State to do a Triennial update which falls on the 3rd year between the mandated Revaluation. The last Triennial update was completed in 2020 calendar year, and payable in 2021. We sent out informational letters trying to prepare our tax payers for that increase. The letter that was sent out informed tax payers that the State was requiring us to increase values on an average of 17% for the County. Some increases went higher and some were lower. The past 3 years real estate has been selling at prices higher than ever before, and it will drive up values for taxes payable in 2024. The Auditor's office is doing everything they can to ensure that real estate will not be overvalued, but we will increase values to reflect the market change as the office is required to do so by the State Tax Commissioner.

Property tax is the tax liability imposed on homeowners for owning real estate in a certain area. Nearly every municipality enforces additional property taxes on residents, using the revenue to fund programs and services for the entire community. The homeowners vote on the levies based on what services they want in their municipality. So, let's say the homeowners of a municipality would like to have a Fire Department. The municipality would figure how much money will be required to operate and maintain such department. (in a budget) They would approach the Auditor's office and ask for an estimate of revenue. The Auditor's office based on the value of the properties in the municipality will tell the municipality how many mills a levy needs to be to bring in the amount of money they are needing. This is called a necessity to levy.

For example: if the Village of College Corner wanted to create a fire department, and it was estimated that it would take \$28,500 to run said department. Based on the Village's real estate value, the millage amount that would be needed to create \$28,500 worth of revenue would be 5 mills. The Village would then ask the voters of College Corner to vote for a 5-mill tax levy. If the levy is approved it can never generate more than \$28,500 for the life of the levy. The life of the levy is also determined by the Village, but most are for 5 years and it will be voted on by the tax payers to renew when the time comes for the levy to expire. The voter/tax payer has the control of what they want for their village or municipality. Simply, ALL levies are authorized by the voters, and what services that they would like in their respective entities.

A current expense levy that was voted on in 1978 for 3.80 mills has now been reduced down to 0.788462 mills, because it was originally voted in to generate \$8,500 worth of revenue. As the real estate values go up, the millage goes down, so the levy does not bring in more money than what was voted on. The voters/tax payers of the Village have continued to renew this levy through the years to maintain the village infrastructure but the revenue generated by this levy has not changed- in this case, 44 years.

If real estate values go up, millage amounts drop. So, what might take 5 mills to generate \$28,500 today, after Revaluation it may only take 4.5 mills.

Should you have any questions or concerns please do not hesitate to contact the Preble County Auditor's office and we would be happy to discuss or educate on this process by calling 937-456-8148.

- Lavon Wright, Preble County Auditor
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