

CITY OF CLAYTON, OHIO

RESOLUTION NO. R - 10 - 15 - 70

A RESOLUTION SUPPORTING MODERNIZATION OF THE OHIO FARM PROPERTY TAX FORMULA TO SAVE OHIO FARMS FROM EXCESSIVE TAXATION TO ASSURE THEIR FINANCIAL VIABILITY AND PERMIT OHIO AGRICULTURE TO FLOURISH IN RURAL AND URBANIZED COUNTIES

WHEREAS, the Ohio Constitution was amended in 1974 stating laws may be passed to provide that land devoted exclusively to agricultural use be valued for real property tax purposes at the current value such land has for such agricultural use; and

WHEREAS, the Ohio legislature adopted Current Agricultural Use Valuation (CAUV) to compute the average per farm profit and a per acre taxable value; and

WHEREAS, the CAUV formula, in recent years, has resulted in 200% to 300% increases which do not reflect the increases in the Ohio farmland market; and

WHEREAS, the CAUV has resulted in cropland taxes for rural and urban farms that exceed up to 70% of their income; and

WHEREAS, the CAUV has driven taxes on woodland to as much as 600% of their annualized profit causing farmers to clear off wooded acres and convert those acres to cropland resulting in a dramatic loss of forested area; and

WHEREAS, the CAUV calculates each farm's profit utilizing the average property taxes paid statewide and not the actual tax which penalizes farms in higher millage urban counties and underserves areas below state average; and

WHEREAS, the Ohio Farm Bureau Federation, the Ohio Farmers Union, the Ashtabula CAUV Task Force, Ohio Farmers for CAUV (Montgomery County), the Ohio Farmers Against CAUV Valuation (Pickering County), and others have objected to the current valuation results; and

WHEREAS, consumers in Ohio rely on local farmers for fresh produce, meats and their contributions to the local economy; and

WHEREAS, agriculture is Ohio's number one business producing over \$10 billion in crops and livestock annually; and

WHEREAS, Clayton City Council opposes a taxation system which causes farms financial hardship and financial failure or bankruptcy; and

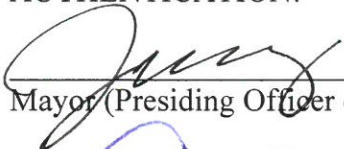
WHEREAS, Ohio's farmers are aging and excessive taxation is a barrier to young future farmers.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CLAYTON, STATE OF OHIO:

1. That the Clayton City Council supports the proposed changes to the Ohio CAUV formula as recommended by the Ohio Farm Bureau and others, including replacing the current capitalization rate with a method more favorable to the agriculture industry, calculating each farm's value based on their actual millage rate and not the state average millage, increasing the credit for clearing woodland from \$1,000.00 to \$3,500.00 per acre, reducing the value on woodland to zero as is done in 19 other states, removing minimum values from the formula and developing a benchmark system to prevent the resulting taxes from exceeding a reasonable percent of farm land.
2. The Clayton City Council supports immediate action which will necessitate the General Assembly, the Governor, and the Ohio Department of Taxation to authorize the county auditors to adopt these revised values immediately and not wait for the three-year valuation update in county to provide immediate relief from excessive taxes currently being levied on Ohio farms.

ADOPTED BY COUNCIL ON OCTOBER 15, 2015.

AUTHENTICATION:

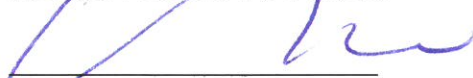


Mayor (Presiding Officer of Council)



Clerk of Council

APPROVED AS TO FORM:

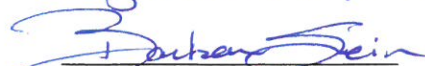


Law Director

CERTIFICATION OF PUBLICATION

This shall certify that that the text of the above referenced enactment or a summary thereof was published once in the following newspaper and a summary posted in three places of public access as designated by Council.

Name of newspaper Date of publication
Englewood Independent Oct 22, 2015



CLERK