



DEAR MEDINA COUNTY RESIDENTS:

County Auditor's Offices have been called "the most complex and challenging" of all county offices. My responsibility as your Auditor is to ensure that the office runs efficiently and economically and to see that you, the taxpayer, are aware of the services your Auditor's Office has to offer. During the past decade, Medina County and the Auditor's Office have faced record growth. During this same time frame we have vastly increased our services and outreach to Medina County citizens. In spite of these changes, we are tremendously proud to be one of the most fiscally conservative offices in the county. I take great pride in helping to answer your questions and in solving your problems. Please count on us to be here when you need us.

Sincerely,

Michael E. Kovack
Michael E. Kovack
Auditor of Medina County

CURRENT AGRICULTURAL USE VALUE

Real Estate Tax Reduction Programs
for Farmland in Medina County



For more information contact:

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CAUV CURRENT AGRICULTURAL USE VALUE

*Who Qualifies
and How to Apply*



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CURRENT AGRICULTURAL USE VALUE



CAUV (Current Agricultural Use Value) was created by an act of the 1974 Ohio General Assembly. Normally in Ohio, all land must be appraised in accordance with its highest and best use in the real estate market. However, this law enables farmland (**LAND USED EXCLUSIVELY FOR COMMERCIAL AGRICULTURAL PRODUCTION**) to be appraised on the basis of its potential productivity instead of market value, thus creating a tax savings.

THE FOLLOWING QUESTIONS AND ANSWERS HELP EXPLAIN THE GUIDELINES AND BENEFITS OF THE LAW.

Q. *What qualifies as farmland?*

- A. According to law (ORC 5713.30), a farm is land which is devoted **exclusively** to the **commercial production** of field crops, tobacco, fruit, vegetables, nursery stock, timber (*forestry management program required*), flowers, ornamental trees, sod or animal/poultry husbandry. If the land contains more than ten acres of commercial agricultural use, the land is eligible for CAUV. If there are less than ten acres of commercial agricultural use, the farm must generate a yearly gross income of at least \$2,500. Qualified land that has not previously been enrolled in CAUV is subject to a three year waiting period immediately prior to enrollment.

During this time the land must meet the statutory definition of "**land devoted exclusively to agricultural use.**" Sufficient documentation is required with initial application for CAUV qualification. This documentation may be requested periodically by our office to verify commercial production continues.

Q. *Who may apply for the CAUV program?*

- A. The owner of the qualifying farmland may apply for the reduction as of January 1st of the filing year.

Q. *What if the farm is sold, legal owner name transfers or otherwise changes?*

- A. If the new owner of the land retains the agricultural use and qualifies for CAUV through the application process (\$25 fee), the land remains in the program and the tax savings continue uninterrupted. If the new owner does not retain agricultural use, the tax savings for the previous three years will be recovered (recouped) by the County Auditor. If the present owner discontinues farming or the land no longer qualifies for CAUV, the previous three years' tax savings will be recouped. If a portion of the land is sold for non-agricultural use, the tax savings on only that portion will be recouped. The balance of the land can remain in CAUV if it still meets the qualifications. Name changes also require a new application. For example: Joe & Mary Doe changes to Joe & Mary Doe, Trustee or... John & Kathy Smith changes to Kathy Smith.

Q. *Who pays recoupage?*

- A. The recovering (*recoupage*) of tax savings for the prior three years through CAUV will appear on the tax bill of the owner of record after the property changes hands and/or use. The total amount is recouped in one year by equally dividing the total between the first and second half tax bill. Although that person is responsible for payment of the bill, prior agreements between buyer and seller may be arranged to determine who actually provides money for recoupage payment.

Q. *When must application be made?*

- A. Sign-up for CAUV begins the first Monday of January. For new applications, the deadline is the first Monday in March. Renewal applications must be filed annually, and the deadline is the first Monday in April. If the application is not renewed, the farmland is withdrawn from the program and three (3) years tax savings will be recovered by the County Auditor.

Q. *What are the penalties for falsely obtaining tax savings under the CAUV program?*

- A. By law all CAUV parcels must be personally inspected annually to ensure compliance with the program. Annually, land owners must swear under the penalty of perjury that the land is being used **Exclusively for Commercial Agricultural Production**. Land owners found to be falsely obtaining benefits will be criminally prosecuted.