

CAUV values up? Here's why

by Leah Curtis of the Ohio Farm Bureau

On February 28, the Ohio Department of Taxation held its annual public hearing presenting the calculated 2014 Current Agricultural Use Valuation (CAUV) soil values. These values will be applied to CAUV property in counties where a reappraisal or update occurs in 2014 and will show up on those landowners' tax bills in January 2015. Once again, it appears soil values are likely to double in many cases resulting in an increase in property taxes. More than 40 counties will experience a reappraisal or update and increased soil values.

CAUV is always top of mind for those in agriculture. In the recent past, OFBF was defending the program from outside interests, as a weaker farm economy had pushed CAUV values to an all-time low. As values have trended higher, it is within our organization that the discussions of the program's value have started.

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Unfortunately with the time needed to collect data, it does take some time for CAUV to catch up with the situation of the here and now. In 2006, we had the good side of that catch up — the farm economy was starting to prosper as the weaker times were still affecting the formula. Today, we have the opposite. Even though markets have somewhat cooled today, the effects of years of a record farm economy are still affecting today's CAUV values. This makes it harder to remind ourselves that CAUV is cyclical.

But what is the rest of the story? Even though CAUV values have increased over the years, they are still a good deal. The CAUV program was created to ensure an income method of valuing farmland was used, considering only agricultural factors. The program has the result of lowering property taxes significantly on farmland. Even as values have trended much higher, CAUV property was on average only 38 percent of market value for property taxation in 2013, or a 62 percent reduction. Add to this the fact that without CAUV, farmland would be valued considering recent land sales. The high selling prices of farmland to build houses, industrial facilities or mineral development would be the standard by which farmland would be valued instead of how well the soil can grow a crop and how the market responds to that production. Instead of objective, hard data used to value farmland, the subjectivity of the real estate market would become the norm.

Most importantly, OFBF members are primed to work through these issues. Obviously, no one is a fan of higher taxes. But CAUV does not operate in a vacuum. Many different interests have their own feelings about CAUV that we must keep in mind. OFBF is known for being a place to not only solve farm problems, but community problems. Current OFBF policy supports the CAUV calculation as it presently operates. The recent increases in CAUV represent another great chance for OFBF members to talk through this issue in community councils, board meetings and at policy development. We hope the CAUV resources we have made available will help inform your discussions as you take on yet another complex issue.

Recent Graduates Rate Their Kalida High School Experience

Using Race to the Top grant money last April, Kalida Local Schools hired a company called LifeTracks to get performance feedback from recent graduates. 50 graduates were contacted with a response rate of 62%. The following are the results of that survey:

- 1. Did school properly prepare you to succeed in the world of work?**
93% of those responding said YES
- 2. If attending college, are you pursuing the field you prepared for in high school?**
88% of those responding said YES
- 3. Would you recommend Kalida Local Schools to others?**
96% of those responding said YES
- 4. Do you feel Kalida Local Schools is trying to improve itself and be the best it can be?**
100% of those responding said YES
- 5. Give Kalida Local Schools a grade based on how well you feel they prepared you for college or vocational training.**
69% Excellent, 27% Good, 4% Avg.
- 6. Rate how well prepared you were in math.** 63% Excellent, 30% Good, 7% Avg.
- 7. Rate how well prepared you were in English.** 77% Excellent, 19% Good, 4% Avg.
- 8. Rate how well prepared you were in history.** 70% Excellent, 22% Good, 8% Avg.
- 9. Rate how well prepared you were in science.** 56% Excellent, 33% Good, 11% Avg.
- 10. Rate how well prepared you were in computer technology.**
56% Excellent, 32% Good, 12% Avg. 4% Below Avg.
- 11. Rate how well prepared you were in elective classes.**
58% Excellent, 35% Good, 7% Average

School Finance

We are in the final steps of refinancing our 2003 High School Bonds. We took the balance in the ELPP Credit bond retirement fund (\$609,806) and put that on the principal of the outstanding bonds, saving the district taxpayers \$792,680 in principal and interest over the next 15 years. Then we refinanced the balance on those bonds with a bond underwriter, saving the district another \$654,692 over that same time period. The new bonds have been sold and the closing will have taken place by Thanksgiving. The elementary building has one more year left before those bonds are paid off.

We also applied for and received an Emergency Communications System Grant in the amount of \$6154.46 to cover the cost of installing cameras, monitors and panic buttons in both schools' entrance ways. Both buildings conducted their annual safety lockdown drills in conjunction with the Kalida Police Department and the Putnam County Sheriff's Dept.

Forty-one counties in Ohio will likely see substantial increases in agricultural property valuations in January, 2015. The article, on the backside of this sheet, was written by Leah Curtis of the Ohio Farm Bureau. It explains CAUV reappraisal and triennial updates. Putnam County had a triennial update in 2014 and will be impacted by those increased soil values.

Karl Lammers, Superintendent