

Publications

Multistate Review of Property Tax Decisions and Developments

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AUTHORED ARTICLE | 5.2018

The following are property tax decisions of interest from around the country from spring 2018. For further insight into these decisions, please contact your Vorys lawyer.

CALIFORNIA ANNOUNCES PROPERTY TAX APPEAL DEADLINES FOR 2018

Cal. State Bd. of Equalization, SBOE Letter to Assessor 2018/022, 05/04/18.

The California State Board of Equalization (SBOE) announced that the clerks of the county assessment appeals boards and boards of equalization have certified the last day of the property tax assessment appeals filing period for their counties. The regular appeals filing period will begin on July 2 in each county and will end either on September 17 (September 15 falls on a Saturday) or November 30, depending on whether the county assessor mails assessment notices by August 1, to all taxpayers with property on the secured roll. The SBOE also provided a list of the appeals filing deadlines for each county which can be found at www.boe.ca.gov/proptaxes/pdf/filingperiods.pdf.

OHIO SUPREME COURT UPHOLDS CASUALTY-LOSS EXCEPTION TO RULE BARRING SUCCESSIVE VALUATION COMPLAINTS IN SAME TRIENNium

Glyptis et al. v. Cuyahoga Cty. Bd. of Revision, et al., Slip Op. 2018-Ohio-1437

The Ohio Supreme Court upheld an Ohio Board of Tax Appeals ruling that permitted the filing of a second valuation complaint in the same triennium due to the "casualty-loss exception." The Court agreed with the Board of Tax Appeals finding that the casualty-loss exception, which is one of four exceptions to the general rule (R.C. 5715.19(A)(2)) that prohibits the filing of successive valuation complaints within the same triennium, applied because the taxpayer's evidence of storm damage to their property was not taken into consideration in the determining the property's value for the prior tax year.

INDIANA BOARD OF TAX REVIEW REDUCES VALUE OF RESTAURANT

MP Investments XII LLC v. Bartholomew County Assessor, Indiana Board of Tax Review Petition No. 03-005-15-1-4-00501-16

The Indiana Board of Tax Review determined that the value of a taxpayer's property improved with a Golden Corral restaurant should be reduced after finding the taxpayer's purchase price of the property to be reliable evidence for reducing the assessment value. In this matter, the arm's length transfer of the subject property occurred less than a month prior to the assessment date at issue.

MINNESOTA TAX COURT REDUCES VALUE OF TAXPAYER'S RESIDENTIAL PROPERTY

Maynard v. County of Ramsey, Minnesota Tax Court Docket No. 62-CV-15-2856

The Minnesota Tax Court reduced the value of a taxpayer's residential property after determining that the assessor's sale comparison approach sufficiently carried the burden of proof and accurately reflected the property's market value.

WISCONSIN COURT OF APPEALS AFFIRMS OIL COMPANIES' PROPERTY TAX ASSESSMENTS ON OIL TERMINALS

Marathon Petroleum Co. LP and U.S. Venture, Inc. v. City of Milwaukee, Wisconsin Court of Appeals Docket No. 2016AP000939

The Wisconsin Court of Appeals affirmed a trial court's order affirming two oil companies' property tax assessments on oil terminals for the years 2008 through 2014 after determining that the income-generating capability of the oil terminals was inextricably intertwined with the land, and was therefore transferable to future purchasers of the land.

OREGON TAX COURT SAYS COUNTY ASSESSOR CANNOT CORRECT PROPERTY TAX ROLL OF STUDENT HOUSING

O State 25th, LLC v. Benton County Assessor, Oregon Tax Court Docket No. 170266G

The Oregon Tax Court held that a county assessor could not change the assessment and tax roll of a four-unit student housing complex after mistaking the subject property for a three-unit adjacent property because state law only allows for corrections involving valuation judgement during appeals to the tax court and only when the correction reduces the amount of tax owed.

MICHIGAN COURT OF APPEALS AFFIRMS VALUATIONS OF TAXPAYER'S RENTAL PROPERTIES

Landon v. City of Flint, Michigan Court of Appeals No. 338200

The Michigan Court of Appeals affirmed the true cash value of a taxpayer's rental properties after determining that the administrative law judge correctly rejected the taxpayer's analysis utilizing the market and cost-less-depreciation approaches, because the first method relied on auction sales and the second was inaccurate since the petitioner's properties were built in the 1920s and 1950s.

ARIZONA SUPREME COURT FINDS THAT DOR LACKS AUTHORITY TO VALUE LEASED SOLAR PANELS

SolarCity Corporation, et al. v. Arizona Department of Revenue, Arizona Supreme Court Docket No. CV-17-0231-PR

The Arizona Supreme Court reversed the decision of the state court of appeals finding that the Department of Revenue (DOR) must give a value of zero for a business's leased solar panels, finding that the DOR does not have statutory authority to value the solar panels; the court remanded the case to the tax court to determine whether county assessor may value the panels.

OREGON TAX COURT MAINTAINS VALUATION OF HEALTH CLUB AFTER OWNER, COUNTY ASSESSOR PETITION FOR CHANGE

Bay Area Athletic Club v. Coos County Assessor, Oregon Tax Court Docket No. 170159N

The Oregon Tax Court held that the valuation of a health club should not be changed for fiscal 2017, finding that the taxpayer presented no competent evidence to decrease the valuation and that the county assessor's comparison and income approaches did not justify an increase in the valuation.

PHILADELPHIA CITY COUNCIL CALLS FOR AN AUDIT OF OFFICE OF PROPERTY ASSESSMENT

After taxpayers in Philadelphia received their 2019 tax year assessments, which were 11% higher on average than the 2018 tax year assessments, the Philadelphia City Council issued a request for proposal for an independent audit of the Office of Property Assessment (OPA). The audit will evaluate the OPA's processes and procedures that establish property values, and the accuracy of its performance in carrying out its duties and responsibilities as established within the Philadelphia Code.

OHIO SUPREME COURT VACATES AND REMANDS CASE INVOLVING SALE OF LEASED RETAIL PROPERTY IN LIGHT OF TERRAZA

Bronx Park South III Lancaster, LLC et al. v. Fairfield County Board of Revision, et al., Slip Opinion No. 2018-Ohio-1589

In a case that largely mirrors *Terraza 8, L.L.C. v. Franklin Cty. Bd. of Revision*, 150 Ohio St. 3d 527, 2017-Ohio-4415, the Ohio Supreme Court vacated an Ohio Board of Tax Appeals' decision and remanded it back for the Board to weigh and address the evidence presented below, including the taxpayer's appraisal evidence. The Board of Tax Appeals had disregarded the taxpayer's appraisal evidence and valued the property, a Walgreens drugstore encumbered by a lease, according to the recent sale price for the

property. The Court reiterated that, when property is subject to a recent arm's length sale, taxing authorities still need to consider other presented evidence that is relevant to the value of the unencumbered fee-simple estate pursuant to R.C. 5713.03, as amended by H.B. 487.