

# What Does a County Auditor do?

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## Per Ohio Revised Code

A few of our statutory duties.....

- Chief Fiscal Officer –manages county finances and ensures accountability
- Real Estate Assessor-Determines property values for taxation
- Weights and Measurers Inspector-ensures accuracy in commercial weighing and measuring devices
- Licensing Official-issues license for dogs, vendors, cigarettes, and junk yards
- Homestead and CAUV Administrator-managing tax reduction programs
- Provide Budgetary Oversight-Work with the Budget Commission to set tax rates
- Distributor of Tax Revenues-Allocates tax funds to local government and schools

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## Items to be Discussed

Budgets  
Property Taxes  
Special Assessments  
Property Tax Levy Certification:  
Financial Distributions  
Debt Issuance  
Miscellaneous



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## Disclaimer

There are 88 counties and 89 ways to do what I will discuss

Work with your county auditor's office to see what they require



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## The Budget Commission

Who are they and what do they do?

### Membership (5705.27)

- County Auditor, Treasurer and Prosecutor or their representative
- Can have two additional elected members

### Duties

- Determine need to levy property tax rates approved by the voters or established in law
- Set the tax rates
- Certify Estimated Resources
- Resolution Accepting Rates and Amounts
- Local Government Allocation

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## Terminology

**Fund** – self-balancing set of accounts used to segregate financial activities required to be used for a specific purpose

**Cash** – Cash Balance at the start of the fiscal year

**Encumbrance** – Reservation of appropriations and cash for future use

**Estimated Resources** – Revenue expected during they year

**Available Resources** – Resources available for appropriation (Unencumbered cash plus estimated resources)

**Appropriations** – money intended to be expended during the current year

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## Budgetary Laws

Budgetary laws exist to ensure governments do not incur a deficit balance in any fund. It does this by:

- Appropriations cannot exceed available resources
- Expenditures cannot exceed appropriations
- If actual revenues are less than the estimated resources then the estimated resources must be reduced.
- If the appropriations exceed the unencumbered cash balance plus actual revenues, this would result in a negative balance, no fund can have a deficit balance.

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## The Tax Budget (ORC 5705.28-5705.30)

May be waived by the Budget Commission

Due by July 20<sup>th</sup>, for entities with a year-end of 12/31, some special districts are July 15th

Failure to file the tax budget could result in loss of Local Government Funds

Budget commission reviews financial information to determine the need for existing property tax levies

Tax Budget Consists of:

- Prior two years of actual financial information
- Current year budgeted information
- Projected future year information

Budget Commission Provides

- Official Certificate of Estimate Resources – documents available resources for the upcoming year based on projections
- Resolution Accepting Rates and Amounts – Documents rates set by the Budget Commission and the related revenue (must be approved by the legislative authority and submitted to the auditor by 10/1)

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## Operating Budget - Estimated Resources ORC (5705.36)

Certify to the Budget Commission on or about the first day of the fiscal year:

- Unencumbered cash balance as of January 1<sup>st</sup> by fund
- Estimated revenue from all sources by fund

Budget Commission prepares the Official Certificate of Estimated Resources

May be amended throughout the year

- Fiscal Officer may amend revenue estimate throughout the year to adjust budget for actual results
- Amendments must be filed with the County Auditor – Supplemental Amended Official Certificate of Estimated Resources

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## Operating Budget - Appropriations (ORC 5705.38)

No appropriation is effective until it is filed with the County Auditor

- You cannot spend money unless appropriations are approved and filed with the County Auditor

Temporary Appropriations may be filed in lieu of permanent appropriations

Permanent Appropriations must be approved no later than April 1<sup>st</sup>

Appropriations may be amended during the year

- Appropriation amendments require formal action of the governing body
- All appropriations and amendments must be filed with the Budget Commission
- The auditor will provide a certification that appropriations do not exceed the estimated resource

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Fund Name  
Appropriations  
(Budget)

	Unencumbered balance	Estimated Revenue	Total Revenue 2025	2025
<b>General</b>	<b>500.00</b>	<b>500.00</b>	<b>1,000.00</b>	<b>1,000.00 (0)</b>
Road & Bridge	200.00	200.00	400.00	500.00 (-100.00)
Cemetery	100.00	150.00	250.00	200.00 (50.00)
Fire	300.00	500.00	800.00	800.00

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## Local Government Funds

Statutory Method (ORC 5747.51)

- Allocates local government funds based on need documented within the tax budget
- No currently used by any counties

Alternative Method (ORC 5747.53)

- Budget Commission may develop an alternative method to allocate local government funds
- Must be approved by the county commissioners, largest municipality, majority of remaining subdivisions
- HB62 Requires the alternative method be reviewed in a public hearing at least every five years

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## Property Taxes

(Value \* Rate = Tax...What is so complicated)

VALUE	TAX RATES
Taxes are levied one year in arrears	Expressed in Mills – one mill = \$1 of tax for every \$1,000 of assessed value
Auditor to appraise at Market Value	Effective tax rate may be less than the voted tax rate
Tax rate applied to Assessed Value (35%)	One mill will generate \$35 of revenue on a \$100,000 house
Valuation Updates <ul style="list-style-type: none"> <li>Sexennial reappraisal</li> <li>Triennial update</li> <li>New Construction</li> </ul>	<ul style="list-style-type: none"> <li>100,000 Market value</li> <li>35,000 Taxable value</li> <li>X's one mill</li> <li>Divide by 1000.00</li> <li>Equals \$35.00 in annual taxes</li> </ul>

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## Impact of Value Changes on Fixed Rate Levies

Type of Valuation Change	Impact on Tax Rate	Impact on Revenue
<b>Reappraisal</b> – A change in value where the characteristics of the property do not change.	Effective rate is adjusted so the levy generates the same amount of money as it did in the prior year	Reappraisal changes have no direct impact on revenue. Except for Inside Millage and the 20 Mil Floor (just for schools).
<b>Non-Reappraisal</b> – A change in value where the characteristics or classification of the property has changed. Think of new construction or destroyed property.	The tax rate is not adjusted for non-reappraisal change	As value is lost or gained due to non-reappraisal changes revenue is increased or decreased by an equal percentage
<b>Theory:</b> Change in the value of existing properties doesn't mean it costs more money to provide services. Adding additional properties generally results in an increase in demand for services		

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## Example of Inside Millage vs Fixed Millage

### Inside Millage

- Increase in revenue is equal to the percentage change in value; regardless of why the value changed.

- Tax rate was not impacted

### Fixed Rate Levies

- New construction resulted in an increase in revenue and had no impact on the tax rate

- Reappraisal resulted in a decrease in the tax rate and had no impact on revenue

	Inside Millage	Fixed Rate Levies
Assessed Value	5,000,000	5,000,000
Tax Rate	5.000000	5.000000
Taxes on Assessed Value	25,000	25,000
Reappraisal Year		
New Construction (5%)	250,000	250,000
Reappraisal Change (10%)	500,000	500,000
New Value	5,750,000	5,750,000
New Effective Tax Rate	5.000000	4.545455
New Tax Revenue	28,750	26,136
Analysis of Change		
% Change in Value	15%	15%
% Change in Tax Revenue	15%	5%
% Change in Tax Rate	0%	(9%)

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## Why Understanding Fixed Rate Levies is Important

Fixed rate levies generally fund our fire and police services

Fixed rate levies only produce additional income from new construction

New construction, even in high growth areas makes up less than 3% of the total valuation

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## Perkins Township Changes from 2024 Sexiennial Update

PERKINS TOWNSHIP CHANGES FROM 2024 SEXENNIAL UPDATE						
				Tax Value	% Change	
Tax Year 2023 pay 2024 Value				\$ 468,285,040		
Reappraisal Change				\$ 97,148,590	21%	
New Construction				\$ 9,320,580	2%	
Tax Year 2024 pay 2025 Value				\$ 574,754,210	23%	
	General	Road/Bridge	Police	Fire	Total	
TY 2023	\$ 725,842	\$ 3,592,460	\$ 3,470,723	\$ 3,470,724	\$ 9,259,749	
TY 2024	\$ 459,803	\$ 1,723,751	\$ 3,561,410	\$ 3,561,410	\$ 9,306,374	
\$ Change	\$ (266,039) **	\$ 131,291	\$ 90,687	\$ 90,686	\$ 46,625	
% Change	-37%	8%	3%	3%	1%	

\*\* Decided to not collect .75 inside millage for 2024 pay 2025 revenue on the inside millage went from \$890,870 to \$459,803.

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## Special Assessments

If you make improvements that benefit specific properties you may assess the cost to those parcels that benefited (sidewalk, ditch, utility).

There are legal requirements; consult your legal council

Provide a resolution certifying amount each parcel is to be assessed

- Generally requires
  - Parcel number
  - Address or legal description
  - Owner
  - Amount to be assessed to each parcel
  - Term (life of the assessment)

Assessment purpose must be specifically allowed in the ORC

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### Type of Special Assessments Project Assessments

- Involves construction or re-construction of sidewalks, road, water or sewer lines, etc.
- Normally debt associated with the assessment
- Proceeds are restricted to retire the debt
- Assessment for multiple years
- Due in the County Auditor's Office by the Second Monday in September.

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### Type of Special Assessments Delinquent Assessments

- Involves the non-payment of specific bills or non-compliance with zoning requirements
- Includes delinquent utility bills, weed mowing or demolition assessments
- Proceeds placed in fund where expenditure made or revenue would have been posted
- Can be certified to the County Auditor throughout the year

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### Statutory Authority to Certify Annual Assessments

Description	Authority	ORC
Snow Removal (Undedicated Road)	Township	505.82
Abate Nuisance (Buildings)	Township/Municipality	505.86/715.261
Noxious Weeds	Township/Municipality	505.87/731.51 & 731.54
Junk Vehicles	Township	505.871
Waste Disposal	Township	505.33
Sewer	Municipality	729.49
Waterworks	Municipality	743.04
Fences	Township	971.08 & 971.09
Street Lighting	Township/Municipality	515.11/727.01

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## Distribution of Money – Property Taxes

### Tax Settlements

- Semi Annual (March and August)
- Allocate taxes by levy type (general, roads, fire etc.)
- Special Assessments included with real estate tax settlement

May request an advance on real estate taxes collected

Manufactured home settlements done separately but in a similar time frame



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## Other Distributions

Description	Received From	Frequency
Tax Credits	State	Semi-Annual
Local Government Revenue	County	Monthly
Motor Vehicle Fuel Tax	State	Monthly
Motor Vehicle License Tax	County	Monthly
Cigarette License	County	Monthly (sort of)

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## Placing a Property Tax Levy on the Ballot ORC 5705.03

Step 1 – Pass Resolution of Necessity filed with the County Auditor

Step 2 – Receive Certification of the levy from the County Auditor within 10 days

Step 3 – Pass Resolution to Proceed

Step 4 – File the following with the Board of Elections at least 90 days prior to the election:

- Resolution of Necessity
- Auditor's Certification
- Resolution to Proceed



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## Placing a Property tax levy on the ballot

Resolution of Necessity - Request the Auditor to certify:

- The current valuation of the subdivision and
- Either the:
  - Dollar amount of revenue that would be generated by a specified number of mills; or
  - Number of mills required to generate a specified dollar amount
- The estimated cost per \$100,000 of appraised value

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## Resolution of Necessity

Required Elements 5705.03(B)(1)

Statement on previous slide

- a. Proposed Rate of the tax expressed in mills for each \$1 of taxable value or the dollar amount of revenue to be generated by the proposed tax
- b. The purpose of the tax – use description from statute (ORC 5705.19)
- c. Type of levy (additional, renewal, replacements, etc.)
- d. ORC authorizing submission of the levy – use specific section of 5705.19
- e. Term of the levy or if it is for a continuing period
- f. Description of territory tax is to be levied
- g. Date of the election
- h. Description of the territory the ballot measure will be submitted
- i. Tax year the levy will first be levied and calendar year it will first be collected
- j. Each county the subdivision has territory

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## Resolution to Proceed

Required Elements ORC 5705.03(B)(3)

- Rate of the tax levy, expressed in mills for each \$1 of taxable value
- **Cost in dollars for each \$100,000 of taxable value**
- The taxing authority will proceed with the submission of the tax levy

Generally, it will also include:

- Number of years or continuing period
- Years the levy will first appear on the tax list
- Type of levy (additional, renewal, replacement, etc.)
- Date of the election

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## Types of Levies

Additional – new levy

Renewal – continuation of an existing levy at its current effective tax rate

Replacement – brings the effective rate of an existing levy back up to the vote rate

Renew and increase – would continue the effective rate of the current levy but would have an additional millage added at its full rate

Renew and decrease – would reduce the full rate and effective rate of an existing levy

Replace and increase or decrease – would bring the effective millage back to the adjusted voted millage

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## Placing a Property Tax Levy on the Ballot Helpful Hints

Don't wait until the last day

Ensure the information in the Resolution of Necessity, the Resolution to Proceed and the Auditor's Certification are Consistent

Work with the county auditor to get estimates of revenue or millage

Have legal counsel review resolutions

Follow all of the steps

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## Debt

Consult legal council

Must certify authorizing resolution to the County Auditor

If pledging full faith and credit of the township legal debt limits must be certified by the County Auditor

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## Other Miscellaneous

The School District Fiscal Officer must be bonded and a copy should be provided to the County Auditor.

Township Fiscal Officers must be bonded and provide a copy to the County Treasurer.

Building Permits – In order for the County Auditor to pick up new construction, all (including exempt) building permits should be provided to the Auditor

Exemption applications for newly acquired or new construction on existing property

Tax abatement and Tax Increment Financing (TIF) arrangements

Property Tax Estimates

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## Filing Deadlines

Temporary or Permanent Appropriations	1/1
Certificate of the Total Amount from All Sources Available for Expenditures and Balances	On or about 1/1
Permanent Appropriations, if not previously filed	3/31
Tax Budget approved by subdivision	July 15
Tax Budget filed with Budget Commission	July 20
Resolution Accepting Rates and Amounts	October 1
Fiscal Officers Bond	When expires or fiscal officer changes
Special Assessments	2 <sup>nd</sup> Monday in September
Budget Amendments (Appropriations or Estimated Resources)	As necessary

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## Final Comment

**“County Auditors are a valuable resource of information...utilize them!”**

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QUESTIONS?



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