

February 2006

REAL ESTATE

Business Advisory

REAL PROPERTY TAX VALUATION “COMPLAINT AGAINST THE VALUATION OF PROPERTY” FILING DEADLINE: MARCH 31, 2006

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Every six years each County Auditor's office must re-appraise the fair market value of all property within its boundaries. Calendar year 2005 was such a re-appraisal year. If a party decides to contest an Auditor's value, whether seeking an increase or a decrease in the fair market value of their property, then a "Complaint Against the Valuation of Property" must be filed. The deadline for filing is **March 31, 2006**. The effective period of the Complaint is for the preceding tax year. The reason for this is property taxes are collected in arrears. When a complaint is filed, it is filed with that county's Board of Revision ("BOR"), which is a quasi-judicial body authorized by statute to preside over the allegations made in the Complaint. The BOR is typically located in the same offices as the county Auditor.

An increase or reduction in fair market value directly correlates to an increase or decrease in property taxes. If a Complaint is not filed by the March 31 deadline, then the property owner cannot seek redress for that applicable tax year at a later date. There are three primary methods for establishing and/or challenging the value of real property: 1) cost approach, 2) market approach 3) income approach. The use of each method or a combination is dependent upon multiple factors, but typically can be determined by use of the subject property; the use of the property is not limited to municipal zoning classifications, but rather, actual day-to-day use. In order to support any of the three methods, evidence must be used that can be comprised of testimony, whether lay or expert, financial data, appraisals, or other demonstrative exhibits or empirical data.

For additional information regarding this filing, please contact:

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