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School Boards Suffer Major Setback as Ohio Supreme Court Takes Away Commonly Used Defense

The Ohio Supreme Court has issued a significant decision benefitting property owners by invalidating a defense commonly used by school districts to defeat real property tax appeals.

In past years, when a Complaint Against Valuation (“CAV”) failed to correctly identify the property owner, school boards routinely asked that the case be dismissed, which request was routinely granted. Such dismissals were based on the ground that the complainant had failed to meet a “core procedural requirement.” For example, if the CAV listed the name of the property owner as “ABC Company,” but the true owner, as reflected in the deed, was “ABC Property Holdings,” such a case would have been dismissed out of hand, resulting in the property owner perhaps paying as much as three (3) years’ worth of inflated taxes. Now, failure to provide the property owner’s exact name in response to Question 1 of the CAV will no longer result in automatic dismissal of the tax appeal, so long as the person filing the CAV had standing to file a tax appeal in the first place.¹

In *Groveport Madison Local Schools Board of Education, et al. v. Public Storage/Public Storage Business Trust*, 137 Ohio St.3d 266, 2013-Ohio-4627, 998 N.E.2d 1132, the Ohio Supreme Court was presented with the issue of whether a CAV that misidentified the property owner deprived the Board of Revision (“BOR”) of its jurisdiction to hear the complaint, thereby allowing the case to be dismissed. The complainant was the “John W. Messmore Living Trust,” while the property owner of record was “Hamilton-33 Partnership.” Fortunately, the trust owned other real property in Franklin County, so it had independent standing to bring a CAV before the Franklin County BOR.

The Ohio Supreme Court held that a CAV that misidentifies the legal owner should *not* be dismissed for lack of jurisdiction, provided the complainant has sufficient, independent standing. The Court explained that a tax board can be deprived of jurisdiction only if the

¹ Likewise, this same relaxation on requiring the exact name of the property owner applies also to school districts that file Complaints Against Valuation, granting them leeway in the event they misidentify their own name, provided they have sufficient standing. Standing is satisfied if the complainant owns any real property in the county where the real property at issue is located.

complainant fails to comply with a *mandatory* statutory requirement, and the plain language of Ohio R.C. Chapter 5715 (the statute governing CAVs) does *not* contain a mandatory requirement that the CAV correctly identify the legal owner of the subject property.

Prior case law that resulted in a dismissal of the CAV was based on the policy that the BOR must send notice of the filing to the owner as identified on the CAV, and when the CAV misidentified that owner, proper notice would not be effectuated. Here, however, the Court took a very practical approach and found that because tax boards can identify the legal owner from the multitude of sources at their disposal – the County Auditor’s deeds, conveyance forms, property-record cards, etc. – boards can utilize those sources and discover whether the legal owner has received notice. In short, providing the name of the legal owner of the subject property is not a mandatory requirement for a proper CAV, meaning the failure to do so cannot divest a tax board of its jurisdiction.

The Ohio Supreme Court should be lauded for this decision, ending years of decisions that unfairly hurt taxpayers. Tax complaints are now more likely to be decided on merit – not dismissed based on a technicality. In effect, one land mine has been defused.

Bluestone Law Group regularly works with property owners to lower their property taxes. Stay updated through our website: www.bluestonelawgroup.com.

Please contact us if you have questions concerning real property tax laws.

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