



Ohio Administrative Code Rule 5703-25-11 Valuation of land.

Effective: October 3, 2016

(A) General - All land shall be appraised at its true value in money as of tax lien date of the year in which the appraisal or update of values is made. In arriving at the true value in money the county auditor shall consider, along with other factors, not only the present use of the land but also its highest and best probable legal use consistent with existing zoning and building regulations. The requirement that land be classified under rule 5703-25-10 of the Administrative Code according to its principal use shall not affect the requirement of this rule that it be appraised at its highest and best probable legal use. The present improvements to the land, the demand and supply of land, the demand and supply of land for such use, financing method, the length of time until developed and the cost of development are factors that should be considered in determining the highest and best probable legal use of the land.

(B) All relevant facts tending to influence the market value of land should be considered, including, but not limited to, size, shape, topography, soil and subsoil, drainage, utility connections, street or road, land pattern, neighborhood type and trend, amenities, zoning, restrictions, easements, hazards, etc.

(C) Land may be valued by four principal methods:

(1) The preferred method is the market data or comparative process requiring the collection and analysis of actual arms-length sales and other market information on comparable sites made within a reasonable time of the date of the appraisal with adjustments for variations. This method should be used except in unusual circumstances.

(2) The allocation method in which the land value is estimated by subtracting the value of the improvements from a known sale price. This is primarily used in an area where there are very few sales of vacant land and the improvements to land are of a generally uniform type.

(3) The land residual method estimates land value by capitalizing the residual income imputable to



land as derived from actual or hypothetical new improvements assuming highest and best use. This method is useful in arriving at land value when there are few or no sales or as a check against the market approach.

(4) The development method can be used in valuing land ready for development by estimating value as fully developed and subtracting the development, administrative and entrepreneurial costs.

(D) The county auditor shall deduct from the value of each separate parcel of real property the amount of land occupied and used by a canal or used as public highway as provided in section 5713.04 of the Revised Code.

(E) Agricultural - Agricultural lands shall be classified and valued according to their characteristics and capabilities for use, based primarily on what they will produce under average conditions and typical management in the locality. Assessors should obtain and use information available relating to soil classification, land capabilities, land use and soil maps, production records, price records and other information from the Ohio state university, Ohio agricultural research and development center, county A.S.C., soil conservation service, soil and water conservation districts and other sources. All agricultural lands shall first be valued according to their true value. Then if the owner applies to have the land valued according to its current value the land has for agricultural use the land may be valued according to rules 5703-25-30 to 5703-25-36 of the Administrative Code

(F) Industrial - Additional factors that shall be considered in valuing industrial land are the convenience of location to shipping and labor sources as well as the proximity to related industries. Land not used in manufacturing shall be valued according to its value for use as parking lots, storage, waste or dump area, or other uses both present and probable.

(G) Commercial - In the valuation of commercial sites the location in the trading area, the purchasing power of the entire area, and the relative availability of sites shall be considered in addition to previously mentioned factors.

(H) Residential - Residential sites located in suburban and rural areas shall be valued by using the same factors that are used in valuing urban residential lands with the same facilities and amenities.



(I) Coal, mineral deposits, oil and gas - Coal and minerals shall be valued in the same manner and on the same price level as other real property. Some of the factors that shall be considered in valuing coal and mineral deposits are the quality and extent of the deposit, the active working area which at current production will be mined within five years, active reserves that will not be worked for five to ten years, inactive reserves that will not be worked until after ten years, and mined out or depleted areas.

Separate oil and gas rights shall be valued in accordance with the annual entry of the tax commissioner in the matter of adopting a uniform formula in regard to the valuation of oil and gas deposits in the eighty-eight counties of the state.

When rights to coal, minerals, oil and gas have not been separated from the fee, the value of the mineral deposits shall be added to the value of the surface.

(J) Pricing units and preparation of land unit price schedules, and depth tables. Land unit prices (price per acre, square foot or front foot) used shall be those appropriate and typically used in the market in pricing similar land. Generally per acre prices shall be used in pricing agricultural lands. Large industrial, commercial or residential tracts may be priced by the use of per acre or square foot prices. Front foot prices shall be used, generally, for the pricing of residential and commercial lots and lands in congested areas. Regardless of the pricing unit used, the result shall be the true value in money of the land.

(K) Each county auditor shall prepare, or have prepared, under the auditor's direction and supervision:

(1) Land schedules, setting forth land unit prices to be used in appraising the different classes of land.

(2) Tables, where applicable, showing depth, corner and alley influence factors, etc., to be used in conjunction with the unit prices.

(3) Tax maps that shall accurately indicate the area, acreage or dimensions of each lot, tract, or parcel of land in the county, together with the name of the owner, if possible, and the lot section, or



survey number, showing the unit price used in pricing the various types of land.

One set of all land unit price schedules, depth, corner and alley influence tables, and tax maps with unit prices shall be kept on file in the county auditor's office, open for public inspection during regular office hours.