



# County of Hamilton

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## GUEST COLUMN IN RESPONSE TO FRANKLIN COUNTY REPORT

With the continuing political obsession with race, I suspect it was inevitable that someone or some group would attempt to raise the issue with respect to Ohio property tax valuations.

A recent study of the appraisal process in Franklin County by an Ohio State University entity calling itself the Kirwan Institute for the Study of Race and Ethnicity was introduced as finding “conclusively” there has been a “racial disparity” there “that disproportionately harms low income households while at the same time benefitting high-income households.”

This is a surprising conclusion for on Page 21 of their report it is written: “We were not able to prove racial bias in the mass appraisal process because we do not know the race of the assessors who acquired the data or the race of the homeowner.”

Setting aside the obvious bias which identifies low income neighborhoods as Black and high income neighborhoods as White, the charge that some areas were systematically over-valued resulting in higher property taxes and others under-valued resulting in lower property taxes remains unproven after 43 pages of statistics and opinion cloaked in academic language.

Full property reappraisals are conducted every six years by Ohio County Auditors with a triennial update three years later. These reappraisals are done consistent with state law which mandates values be set at current market value.

Market value is determined by arms-length sales of comparable properties within defined appraisal districts.

Completed reappraisals are forwarded to the Ohio Department of Taxation to review the values consistent with sales ratios in each tax district. The Tax Commissioner has the authority to reject a reappraisal if he or she finds the values do not fairly reflect the market as evidenced by recent sales.

This two-step process makes it almost impossible to rig a reappraisal. To do so you would have to have both a corrupt County Auditor and a compromised Ohio Department of Taxation. If some areas were persistently overvalued and others were undervalued due to racial or owner income considerations or any other reason it would not take a complicated, expensive and lengthy "study" to see it.

The Kirwan Institute's study points out that there is a disparity between property grades in their defined neighborhoods. They report, "Properties in black majority neighborhoods are most likely given C or D+ grades (68.9%) versus (28.4%) in white majority neighborhoods."

If that is accurate, it means properties in what they call "black majority neighborhoods" will have lower values than those in "white majority neighborhoods", completely contrary to the reported result since property grade is another factor in setting values after sales information.

The Kirwan Institute contends the Franklin County Auditor "should consider" the needs for additional investment and upgrades "when supporting infrastructure and housing investment throughout the county." All fine and dandy except that has absolutely nothing to do with setting property values and is not a statutory duty of the County Auditor.

Historical inequities such as "redlining", housing policies, and home ownership have nothing to do with the current market value of a property. Any "mitigating" of "disparate impacts" must be done by the marketplace, not by intervention in the appraisal by a County Auditor. Such action would be subjective and also illegal.

One of the recommendations of the report is to support proposed legislation to "cap property tax increases" by limiting the value increase. That could well benefit the high-income neighborhoods as their values often increase at a greater percentage than low-income neighborhoods. Such legislation would shift more of the tax burden to low-income neighborhoods.

Many proposing the "quick fixes" of capping property tax increases or creating more exemptions fail to realize that voted levies are for a fixed annual revenue. If

you lower taxes for some, you raise them for everyone else. And, it is voted levies which do raise the burden of property taxes for all property owners.

In conclusion, the study invites appraisers to violate their professional ethics and the requirements of the Uniform Standards of Professional Appraisal Practice by encouraging the consideration of race, household income and life circumstances of the owner(s) in setting the value of a property.

Any honest study of Ohio's property reappraisal process will show it is one of the best in the country. If one is predisposed to a different conclusion it is easy enough to get there given the complicated nature of the job and its requirements. We must keep the appraisal process free of the outside influences of race and politics. To do otherwise is to invite a corruption of the process.

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