

## Advantages of the CAUV Program

- It provides tax relief on agricultural land.
- If the tract of land contains woodland as well as cropland, the CAUV Law will often provide a greater tax relief than the Ohio Forest Tax Law, because that law applies only to forest land acreage.
- Land currently under CAUV can lay idle for up to one year prior to being subject to recoupment.

## Disadvantages of the CAUV program

- The owner **MUST** file for the exemption annually.
- If the land use changes to nonagricultural use or there is a failure to reapply for the CAUV program, there is a recoupment penalty equal to the past three years' tax savings.
- Tracts under 10 acres can qualify only if the gross annual income from sales of agricultural products is at least \$2,500.



If you have any further questions concerning this information, please do not hesitate to call or visit us personally.



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# Current Agricultural Use Value Information

...for Trumbull County residents



**ADRIAN S. BIVIANO, CPA**  
Trumbull County Auditor

## **What is the CAUV law?**

The Current Agricultural Use Value program was implemented within the State of Ohio to save open spaces and to permit the valuing of farmland on its ability to produce income, rather than on market value.

The CAUV Law can provide significant tax-savings benefits to those involved in agricultural production if CAUV qualifications are met.

This law is an outgrowth of the Constitutional Amendment passed by the voters of the State of Ohio to save our open spaces and to protect the farmer from paying unnecessarily high property taxes for his farmland.

## **Eligibility requirements**

Any tract of agricultural land of 10 acres or more which has been in agricultural use for the last three years is eligible. A smaller tract may be included in the CAUV program if the tract produced an average gross income of \$2,500 or more in sales of agricultural products during the previous three years or if the expected gross income meets or exceeds \$2,500.

## **What is “agricultural use?”**

Agricultural use includes commercial production in these areas: animal or poultry husbandry, aquaculture, apiculture, field crops, tobacco, fruits, vegetables, nursery stock, ornamental trees, sod or flowers.

## **Filing an application**

### **Where**

Applications are to be filed with the county auditor's office. We have trained personnel ready to assist individuals in completing their CAUV applications.

### **When**

You may file any time after the first Monday in January and prior to the first Monday in March of any year.

### **Fee**

The State Legislature has mandated a \$25 initial filing fee per application. This fee stays in the County Real Estate Assessment Fund for use in financing the program. The annual renewal is free.

### **Renewal**

The CAUV application must be renewed each year. Renewing your application only requires returning a completed renewal application to the auditor's office each year.

If you do not refile your application for an Agricultural Use Valuation, the auditor is required to value the property at its true market or current market value and to recoup the taxes for the past three years. However, in some cases, the land may lay idle for no more than one year before being subject to recoupment.

### **Recoupment**

There are two general causes for recoupment: The first, the failure to reapply for Current Agricultural Use Value and, second, if a change in the parcel's use occurs so that the land is no longer used exclusively for agricultural purposes. At that point, the auditor will notify the owner and recalculate the taxes.

## **When land is no longer used for agricultural purposes**

As noted in Section 5713.34 of the Ohio Revised Code,

“Upon the conversion of all or any portion of a tract, lot or parcel of land devoted exclusively to agricultural use, a portion of the tax savings upon such converted land shall be recouped as provided for by Section 36, Article II, Ohio Constitution, by levying a charge on such land in an amount equal to the amount of the tax savings on the converted land during the three tax years immediately preceding the year in which the conversion occurs. The charge shall constitute a lien of the state upon such converted land as of the first day of January of the tax year in which the charge is levied and shall continue until discharged as provided by law.”

## **Tax reductions**

Actual tax reductions are dependent on the Current Agricultural Use Value (CAUV) which is placed upon the land. Major factors affecting the value are soil type, soil region and land capability class. Agricultural commodity prices and production costs also enter into the CAUV value. The resulting CAUV value replaces the appraised value. The tax value is set at 35 percent of the CAUV value. **The state tax commissioner adjusts the CAUV values on a three-year cycle to account for changing agricultural production costs and commodity prices.**

## **CAUV appraisal vs. fair market value**

The fair market value normally depends upon establishing the value for the property based on comparing it to recent sales of similarly situated properties. The CAUV system capitalizes the expected net income received from agricultural production to value the property.