

THE HEART OF CUYAHOGA COUNTY

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MEMORANDUM

To: Mayor Gregory P. Kurtz
Members of Council

From: Finance Director Vernon Blaze

Date: Friday, July 19, 2024

Re: Finance Office and Related Topic Updates

Proposed Property Values – Cuyahoga County

The first line in a cleveland.com article this week by Kaitlin Durbin states:

“Tax bills may be protected from soaring property values, but the county’s recent reappraisal process could still bring huge windfalls to many communities and schools.”

This Weekly Column has been preparing readers for this for some time now, stating that although House Bill (HB) 920 serves to soften the impact of high inflationary rates on property taxes paid, it was going to be hard for any Cuyahoga County property owner to escape paying more in property taxes in 2025 than paid during the last few years.

The article went on to note estimated additional property tax revenue that will accrue to various cities, villages, townships and school districts in Cuyahoga county starting next year.

Although the City is currently estimated to receive an additional \$174,000/year (assuming there are no successful challenges to valuations and that 100% of property taxes are paid next year – no delinquencies), the article stated the

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Independence School District is estimated to receive an additional \$1,375,000 per year starting in 2025.

Any municipality, school district or other public entity in Cuyahoga County that has a levy on the November ballot requesting an increase in a current property tax rate, will have an extreme uphill challenge to successfully get said issue passed.

Cuyahoga County has a “Property Tax Estimator” link on its website (<https://www.cuyahogacounty.gov/fiscal-officer/departments/budget-commission/estimate-your-property-tax>) to help Cuyahoga County residential property owners estimate what the new property taxes will be come 2025 based on the new re-appraisal valuations that were sent out over the past week.

Although the percent increase in property taxes won't quite match the percent increase that individual property values went up due to HB 920, some of the property tax increases are substantial enough that human nature will cause many property owners/voters to not be in the mood to increase their property taxes any more via an additional tax levy issue on November's ballot.

Cuyahoga County is indicating that the current new assessed valuation of every taxable property in Cuyahoga County will be approximately \$44 billion.

Since Assessed Value is 35% of Market Value in Ohio, Cuyahoga County is indicating that every single taxable property in Cuyahoga County has a combined market value of approximately \$126 billion.

To put that and great wealth in perspective, if the following individuals were able to convert their entire net worth to cash, *each of them on their own* could acquire every single taxable property in Cuyahoga County and still have billions left over:

Elon Musk (Tesla, Space X), Jeff Bezos (Amazon), Mark Zuckerberg (Facebook/Meta), Larry Page (Google), Bill Gates (Microsoft), Larry Ellison (Oracle), Steve Balmer (Microsoft), Sergey Brin (Google), and Warren Buffet (Berkshire Hathaway).*

*Source: Bloomberg Billionaires List