

What is an Oldham taxpayer's fair share?

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By Dewey R. Wotring, Oldham Era guest columnist

Recently, four developers – Bob Jones, Walt Schumm, Joe Pusateri and Jay Hall decided to appeal the assessments of many vacant lots and homes they own. They have every right to do that as does every other resident of the county. However, the overall process certainly could leave the perception that some people have an advantage over everyone else. The appeals board is made up of three members, all of whom are involved in the real estate industry. One is appointed by the mayor of La Grange, one by Judge-Executive Duane Murner and the other by the fiscal court over which Murner exercises considerable influence.

Two of the developers, Schumm and Jones, gave the maximum contribution allowable under law to Judge Murner when he was seeking his party's nomination. Further, Bob Jones played an integral part in having a memorandum created by the state which was to be used as guidance by PVAs. As previously stated, all of these actions appear to have been legal but they certainly present the perception that the playing field is not level.

The developers received a reduction of about 25 percent in the assessments of several vacant lots and about 10 percent of the assessments on spec homes and condominiums/patio homes. It is certain that most people in Oldham County would like to see a 25 percent reduction in the assessment of their home – particularly in light of the fact that essentially everyone's home has seen an increase in assessed value within the last four years. However, not everyone has the time, wherewithal or knowledge to appeal the assessment of the PVA. Of those who have appealed their assessments, very few have been successful in receiving any reduction.

Due to House Bill 44, the amount of any person's assessment does not change the amount of money received by the county government, school system or any other taxing district subject to HB 44. You might say that the assessment determines your "fair share" of taxes. Thus, the lower your assessment, the less your "fair share" will be.

Developer Walt Schumm received a reduction of more than \$600,000 in assessments of property owned by him. By his own admission, that was not as much of a reduction as he thought he deserved. Further, he claims that he is paying more than his fair share. This is the same person who, as a member of the school board, frequently votes to raise the amount of tax that you pay for schools in this county.

Mr. Schumm believes his lots should only be assessed at an amount equal to his investment in the lots. According to testimony from Bob Jones, he also subscribes to that theory as does some other developers. Jones' assessments were reduced in excess of \$3 million.

Wouldn't it be nice if you could have your property assessed at the amount which you had in it – particularly if you have owned your property for several years? It just doesn't work that way for everyone else and it shouldn't work that way for developers.

Developers Jones and Schumm have both stated that vacant lots do not use police protection, fire protection or ambulance service, insinuating that could be a justification for lowering the assessments of those lots. There are thousands of people in Oldham County who do not have children in the school system but pay the majority of their taxes to the school system.

Following the arguments made by Mr. Jones and Mr. Schumm, people who have no children in school should not be paying any property taxes to the school system. Obviously the school system would quickly go broke. What would happen to the value of homes and property in Oldham County then?

The PVA, in making his assessments throughout the county, followed section 172 of the Kentucky Constitution which states that all property is to be assessed at its fair cash market value. It does not differentiate between vacant lots owned by developers or vacant lots owned by other residents or homes developed by other residents.

Fortunately for the residents of Oldham County, the PVA has appealed most of the decisions made by the Board of Assessment Appeals. He is trying to get an accurate decision on just what is every person's "fair share."

After watching several hours of the hearings before the appeals board a few thoughts came to mind. The appeals board is supposed to have a chairman. However, I was never able to determine if there was a chairman of the board. Second, it was my belief the county attorney was supposed to represent the PVA. This certainly did not appear to be the case.

Finally, the board seemed to discuss many of the vacant lots separately but a review of the final decisions reflects more of an across the board 25 percent

reduction than a reduction based on individual lots. The board certainly had a lot of appeals to consider but there are provisions in the law to create temporary boards when the workload is excessive. This should have been considered in this instance.

There will probably be some fallout from this action by the Board of Assessment Appeals and there should be. The board did not appear to be well organized regarding procedures and, as stated before, if there was a chairman, he could not be distinguished from the other members of the board. Nor did the board appear to have the same idea of what methodology should be used to determine the fair cash market value of property – especially vacant lots.

Finally a review of the final decisions did not reflect what, if any, evidence was presented by the appellees to support their claims and the final decisions did not reflect the basis for changing the decisions of the PVA. The final decisions contained the bare minimum of information which leaves the PVA with a more difficult task when preparing his appeals. Should the PVA lose the appeals his job will be much more difficult next year as many people will appeal their assessments.

The views expressed in this column are those of the writer.