

Bond Case Briefs

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Warrensville Hts. City School Dist. Bd. of Edn. v. Cuyahoga Cty. Bd. of Revision

Supreme Court of Ohio - January 13, 2016 - N.E.3d - 2016 WL 147273 - 2016 -Ohio- 78

City board of education appealed decision of the Board of Tax Appeals, which found that the value of a racetrack was approximately \$30 million less than the purchase price at a bankruptcy sale six months after tax-lien date.

The Supreme Court of Ohio held that:

- Purchase price did not establish true value, and
- Evidence was sufficient to support valuation.

Purchase price of racetrack at bankruptcy sale six months after tax-lien date did not establish property's true value, and therefore Board of Tax Appeals properly considered appraisal evidence in valuing property, where racetrack was sold at auction, which was forced sale other than in ordinary course of business and not between typically motivated parties, and sale occurred at least in part to liquidate assets for benefit of creditors.

Evidence was sufficient to support Board of Tax Appeals' decision to value racetrack at \$13.8 million, as opposed to \$43 million, which was purchase price at bankruptcy sale, as advocated by board of education. Board of education presented nothing apart from price at forced auction to establish value of property, purchaser's appraisal indicated that \$27,950,000 of purchase price was attributed to obtaining racing license and that furniture, fixtures, and equipment were worth approximately \$1,200,000, and other evidence, including recitals in purchase agreement, corroborated appraisal's valuation.