

Your Fairfield County Auditor's Office: JUST THE FACTS



Land Use Codes and Zoning Codes

What is a Land Use Code?

A **land use code** is a classification assigned by the county auditor to identify how a property is used. It is a designation for real estate appraisal and tax administration purposes. It does not indicate zoning of the property.

In Ohio, land use classifications generally reflect a property's principle and current use. Examples include residential, agricultural, commercial, and industrial properties. The classification of a property with multiple uses generally reflects the use to which the greatest portion of its value is attributable.

Within the computer-assisted mass appraisal system, the land use code helps organize property records and identify properties with similar uses and characteristics.

The land use coding supports consistent valuation by helping the county auditor select appropriate comparable sales, valuation methods, and property groupings.

Purpose of Land Use Codes - To support consistent and standardized property valuations based on the property's use and relevant market evidence.

What is a Zoning Code?

A **zoning code** is established by the appropriate local government, such as a township or municipality, to regulate how land and buildings may be used and developed within its jurisdiction.

Zoning regulations may determine whether a property can be used for a single-family residence, commercial business, industrial activity, or another permitted purpose. There may also be regulations about building placement, density, setbacks, and other development requirements.

Purpose of Zoning Codes - To demonstrate regulation of development, establish permitted uses, and promote orderly growth within a community.

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How Land Use Codes and Zone Codes Compare

Land Use Code	Zoning Code
Assigned and maintained by the county auditor for property appraisal and tax administration.	Established and administered by the applicable township or municipality.
Describes the property's principal use for classification and valuation purposes.	Establishes which uses and development activities are permitted or restricted.
Supports property valuation, appraisal analysis, and consistent treatment of comparable properties.	Supports land-use planning, development standards, and enforcement of local regulations.
Reflects current use and relevant valuation considerations.	Reflects the property's permitted uses and applicable restrictions.

Why Case-by-Case Reviews Matter

Although the two classifications are consistent in most circumstances, differences can occur because they measure different things.

For example, a property may be zoned residential but operate as an income-producing short-term rental. The zoning classification identifies what the local government permits, while the land use classification considers how the property is actually used for appraisal purposes.

Conversely, a property may be zoned for commercial use but be occupied as a private residence. Commercial zoning alone does not automatically make the property's land use classification commercial.

Ohio's valuation rules require consideration of current use and, where applicable, the property's highest and best probable use. Accordingly, the appropriate classification of a land use code should be determined using the individual property's circumstances, including its actual use, income-producing activity, and relevant market evidence. Neither code can automatically be substituted for the other.

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Tax Year 2027: Short-Term Rental Land Use Classification

Beginning with tax year 2027, short-term rentals are expected to receive a new land use code as commercial under state guidance being implemented for these properties. The intended distinction is between properties used primarily as residences and properties operated as commercial, income-producing accommodations.

Under this approach, qualifying short-term rental properties will be identified separately and classified in the commercial category rather than being grouped automatically with conventional residential properties. This distinction recognizes that a property operated primarily to generate rental income may have a different market profile and valuation considerations from a home used primarily as a private residence.

The new land use coding is intended to improve identification, classification, and consistency in property valuation. It does not change the property's local zoning designation or establish that a particular use is permitted.

Key Takeaways

Land use codes and zoning codes are related, but they are not the same. The county auditor uses land use classifications to support consistent property valuation, while townships and municipalities use zoning regulations to control permitted land use and development.

The two generally align, and difference must be evaluated on a case-by-case basis because each code or classification serves a distinct purpose.

The planned short-term rental classification for tax year 2027 reinforces the importance of distinguishing a property's actual income-producing use from traditional residential properties.

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