



HOUSE BILL 541
PROPONENT TESTIMONY

May 18, 2020

Dear Chairman Merrin, Ranking Member Rogers, and members of the House Judiciary Committee:

Thank you for the opportunity to write in support of H.B. 541 (Perales) to add this important Auditor Emergency Assessment option to the existing property valuation tools for when a property is damaged or injured.

I join the County Auditors' Association of Ohio in supporting this proposed legislation to allow Auditors to act when a property is known to have been damaged, but when the property owner has not filed the currently required paperwork for relief. This change can aid Auditors in maintaining the most accurate and fair property values while also removing a bureaucratic burden to property owners who have suffered a traumatic event.

In addition, I write to ask the committee to consider adding provisions addressing economic injury on a business during an emergency, pandemic, or governmental order that impacts the normal course of business.

The bill makes important improvements to the damage claim process

Under the current process, a property owner who has suffered injury or damage must provide a notarized form to notify the county auditor that there has been damage to the property that changes the value. This damage can also be reported through affidavit of two disinterested local residents, but it is typically sought by owners. In Franklin County, 152 of these forms were processed in 2019 and 21 have been filed so far this year. The major flaw in current law this bill addresses is when the auditor knows damage has occurred, but no notice has been filed so the appropriate leveling of property values can occur. Anytime a large scale disaster, like that suffered in Western Ohio last spring, is where this updated procedure could be most impactful. It will also assist when more isolated incidents occur that auditors are likely to discover in the course of their ongoing valuation duties.

Be it through a major community wide disaster, a fire, or a flood, a property owner dealing with trauma and damage is both most in need of relief and possibly least able to seek it. Under the proposed bill, a county auditor, who may come across such damage in the regular course of duties or in response to a major incident can proactively provide this service to their local residents and businesses.



FRANKLIN COUNTY AUDITOR MICHAEL STINZIANO

373 South High Street | 21st Floor | Columbus, Ohio 43215

T (614) 525.HOME | C (614) 219.9224 | auditorstinziano@franklincountyohio.gov | franklincountyauditor.com

PRINTED IN HOUSE



In addition, the committee's review and evaluation of the requirement the form be notarized is appreciated as this process currently is an additional burden that I do not view as necessary since auditors can individually verify any claim of damage. This bill provides an important update to our tools to both support our constituents and maintain fairness in our property tax system.

Options for sudden and severe economic injury should be considered

Along with my support of the current version of H.B. 541, I suggest the committee consider adding to this legislation a procedure for when a property is severely and suddenly economically injured based on a health order or pandemic. As you know, many commercial properties are valued based on an income approach which considers how much the property is worth when put to its best and highest use. During the ongoing COVID-19 pandemic, businesses and property owners are sharing the impact the economic disruption is causing them to maximize their best and highest use. The orders that have been appropriately implemented are affecting not just their bottom line but the value of their property as a whole. Current law does not provide an option for the value to be adjusted in response to such a crisis.

To be clear, I am not suggesting this emergency procedure be applied to the typical ups and downs of the marketplace or bad actors which are properly addressed through the existing appraisal and appeal process. Rather, the legislation could be amended to include an option for an economic injury filing that could address both the severity and the duration of the harm to a property's value. Such language should contain appropriate guardrails such as a ceiling for the percentage of relief that could be pursued as well as the duration to be evaluated for relief (i.e. up to 20% and for 6 months).

The addition of economic injury along with the current valuation tools for when a property is damaged or injured would provide support to property owners dealing with a crisis and supply auditors with useful information to support the ongoing work of appraisal.

Conclusion

Thank you for your consideration of this modernizing legislation. I support H.B. 541 and hope the committee will consider amending the legislation before favorably reporting the bill.

I would welcome the opportunity to work directly with the sponsor or committee members on pursuing options for relief for economically damaged property. Never hesitate to reach me directly at AuditorStinziano@franklincountyohio.gov or 614-525-5700.

Sincerely,

Michael Stinziano
Franklin County Auditor



FRANKLIN COUNTY AUDITOR MICHAEL STINZIANO

373 South High Street | 21st Floor | Columbus, Ohio 43215

T (614) 525.HOME | C (614) 219.9224 | auditorstinziano@franklincountyohio.gov | franklincountyauditor.com

PRINTED IN HOUSE