



HOUSE BILL 51  
PROPONENT TESTIMONY

February 15, 2021

Dear Chairman Merrin, Ranking Member Sobecki, and members of the House Ways & Means Committee:

Thank you for the opportunity to write in support of H.B. 51 (Lampton) to add this important Auditor Emergency Assessment option to the existing property valuation tools for when a property is damaged or injured. I am pleased to see the House so quickly taking up this action after the good work done during the 133<sup>rd</sup> General Assembly on H.B. 541.

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 similar to those from the 133<sup>rd</sup> General Assembly H.B. 751 to allow property owners to file at the Board of Revision in 2021 for pandemic related changes to property value.

**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 161 in 2021. 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.



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In addition, removal of the requirement for the form to be notarized is beneficial. This process currently is an additional burden faced by property owners. This is not 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.

### **Property Value Change Due to the COVID-19 Pandemic**

I further ask the committee to consider for this legislation provisions that were debated last year as part of H.B. 751 (Hillyer) to address pandemic related damage to property values. Those provisions all in temporary law would create Board of Revision jurisdiction in 2021 for mid-year changes to 2020 property values. I hear regularly from business who make a compelling case that their property value for most of 2020 was simply nowhere near where they are being assessed. If current law stands and they are required to wait until 2022 to challenge the January 2021 valuation it may be too late.

The COVID-19 pandemic has caused tremendous harm to many Ohio businesses across a variety of sectors, resulting in reduced ability for their commercial and industrial properties to generate income. Early in the pandemic, a survey from the Dublin Chamber of Commerce found that 46 percent of the 282 respondents were “significantly impacted” by the pandemic and nine percent of respondents were on the verge of losing their business, while only ten percent were unaffected.<sup>1</sup> Around this time, one of Ohio’s largest firms, Goodyear, was projecting a \$185 million quarterly loss due to pandemic impacts.<sup>2</sup> This is indicative of a larger trend, as the Federal Reserve Bank of Cleveland showed that consumer demand had decreased in many sectors in its region – which includes all of Ohio – with retail and hospitality being hit especially hard.<sup>3</sup> This has cumulated into decreased commercial property values. Dan Krueger, a commercial realtor in the Cincinnati area, has estimated that potential renters are mostly interested in leases that are 10 to 20 percent lower than they were pre-pandemic, and vacancies continue to open-up as businesses struggle to stay afloat.<sup>4</sup>

Given the economic injury caused by the pandemic and related government restrictions, the January 1 lien date will not provide fair property values for all property owners, particularly certain commercial and industrial properties. Amending a provision like the proposal in H.B. 751 tailored to the current timing into this bill would provide key support to Ohio businesses working to keep their doors open. The Board of Revision hearing process exists to weigh competing evidence and adjust a value only if

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<sup>1</sup> <https://www.beaconjournal.com/news/20200420/dublin-chamber-surveys-effects-of-coronavirus-on-businesses>

<sup>2</sup> <https://www.beaconjournal.com/business/20200416/goodyear-anticipates-massive-losses-over-coronavirus-impact-makes-plans-to-restart-tire-factories>

<sup>3</sup> <https://www.beaconjournal.com/business/20200527/ohio-economy-shows-sharp-drops-from-coronavirus-impact>

<sup>4</sup> <https://www.wcpo.com/news/transportation-development/move-up-cincinnati/free-rent-commercial-property-owners-looking-for-creative-ways-to-lure-businesses-during-covid-19>



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the property owner provides evidence. This is tailored relief that will balance supporting business owners with importance of property taxes to our local governments.

### **Conclusion**

Thank you for your consideration of this modernizing legislation. I support H.B. 51 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](mailto:AuditorStinziano@franklincountyohio.gov) or 614-525-5700.

Sincerely,

Michael Stinziano  
Franklin County  
Auditor