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H.B. 541
133rd General Assembly

Bill Analysis

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Version: As Reported by House Ways and Means

Primary Sponsor: Rep. Perales

Michael Hinel, Attorney

SUMMARY

- Allows a county auditor to initiate the property valuation adjustment process for destroyed or damaged property.
- Requires the Department of Taxation to prescribe a form to be used to request a valuation adjustment.

DETAILED ANALYSIS

Valuation adjustment for damaged property

Under continuing law, the taxable value of property that is injured or damaged may be reduced by the county auditor to account for the casualty, either pursuant to a request made by the property owner or two disinterested residents of the same township or municipal corporation. The bill adds a third way for obtaining such a valuation adjustment by authorizing the county auditor to initiate a property valuation adjustment for destroyed or damaged property without receiving a request from the owner or two disinterested persons.

Additionally, the bill requires the Department of Taxation to prescribe a form for requesting a valuation adjustment. Current law requires the owner or two disinterested persons to apply by filing an oath (in the case of the owner) or an affidavit (in the case of the two disinterested persons). Under the bill, the auditor may initiate the adjustment by filing this form on behalf of the property owner.¹

Calculation of adjustment

Under continuing law, the amount of the valuation adjustment depends not only on the extent of the damage, which must be at least \$100 in order to qualify for an adjustment, but

¹ R.C. 319.38.

also when during the tax year the damage occurred. Depending on the calendar quarter in which the damage occurred, the valuation adjustment may range from the full extent of the damage to only 25% of the total amount of the damage. The table below summarizes the amount of the damage that may be deducted from the property's valuation based on the calendar quarter the damage occurred.

If the injury or destruction occurs during. . .	Then the county auditor must deduct from the property's valuation . . .
The first calendar quarter	An amount that fairly represents the extent of the injury or destruction
The second calendar quarter	75% of that amount
The third calendar quarter	50% of that amount
The fourth calendar quarter	25% of that amount

HISTORY

Action	Date
Introduced	03-10-20
Reported, H. Ways & Means	06-11-20
