



**OHIO REAL ESTATE INVESTORS ASSOCIATION
GOVERNMENT AFFAIRS COMMITTEE**

TO SUPPORT GOOD GOVERNMENT THAT IMPACTS THE PROFESSIONAL INVESTMENT
PROPERTY INDUSTRY AT STATE AND LOCAL LEVELS.

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**House Bill 598 Proponent Testimony
House State and Local Government Committee
June 26, 2018**

Madam Chair, Vice Chairman Hambley, Ranking Member Holmes and members of the House State and Local Government Committee, I am Dan Acton, Government Affairs Director for the Ohio Real Estate Investors' Association. OREIA represents 12 local chapters across Ohio whose membership consists of the smaller real estate investors and housing providers who typically own single-family housing units. My background has been more than 30 years in the property management and ownership industry. I am providing a brief statement of support on House Bill 598 sponsored by Representatives West and Green.

Over a decade ago OREIA was an organization that struggled to support the concept of large scale use of land banks and government entities managing housing. In great measure single family homes are the lifeblood of our members' portfolios. However, with the housing market crash and the Great Recession, along with our members engaging with land banks through membership on their boards, we began to see land banks as opportunities rather than threats. Our members were concerned that land banks would "cherry pick" prime properties and shut out local investors from the chance to acquire these properties and perform the remediation and rehabilitation that our members perform. However, we are seeing that land banks are becoming the clearinghouse for these distressed properties.

House Bill 598 seeks to remove restrictions placed on county auditors by allowing them to offer forfeited property at any time they deem the offer for sale is appropriate. Perhaps interest rates are favorable, development/redevelopment project was just announced, or someone expresses interest in a property that would otherwise continue to remain vacant causing the need for a quicker offer for sale. Flexibility and local control are critical in addressing local housing markets, what works in Cuyahoga County may not be appropriate for Trumbull County. Additionally, the latitude provided to county land banks to sell a property not sold or transferred within 15 years of acquisition because it did not receive the requisite 2/3 fair market value is a major change that will help clear the decks of many unoccupied land bank-controlled properties. Allowing a land bank to hold properties beyond the 15-year window could allow collaboration with the local community to make proposals for redevelopment in those areas, but conversely allowing for sales below fair market value could benefit both the land bank and my members' by allowing acquisition to occur and letting us perform the rehabilitation and getting the unit back into housing circulation. House Bill 598 is about local government leaders solving a specific problem in their community with an innovative, individualized approach.

The Ohio Real Estate Investors' Association urges support for House Bill 598 and asks for your affirmative vote.