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Chairman Schaffer, Vice-Chair Scherer, Ranking Member Rodgers, and members of the Ways & Means Committee. I am writing to express strong support for House Bill 371, which is an excellent bill. As a professional homebuilder, I can attest to the positive impact the bill would have on spurring residential homebuilding and for housing affordability.

From 2001 to 2006, I had developed three phases of Deer Valley Villas, which was a 108-lot development. Phase one and phase two consisted of 64 lots. In 2007, I began phase three consisting of 44 lots. I assumed the economy was still strong even though I had 10 lots still available in the second phase. Now I had 54 lots developed and would start paying taxes on each lot. This land was a farm field providing minimal tax revenue to the local school district.

From 2008 to 2012, we sold only a single lot in each of those years. The lot sale went to paying all the taxes due on the other empty lots. I paid roughly \$25,000 to \$30,000 per year for those four plus years for empty lots. The remaining lots were not sold until 2017. On some lots, I paid approximately \$5,400 in taxes for raw land. The real kicker is development of the 108 lots did not have one person who had children that went to the local school district because most were either empty nesters or professional people without children. When the homes were finished, the new owners paid around \$7,000 annually in taxes.

Fortunately, I was a lucky developer, because I had paid off all my loans on the development. Due to my experience, I will never be willing to take such a risk again. In 2018, I have several other developments progressing. One is a 39-lot development. I am going to put this in three phases of about 13 lots, so that my exposure to lot taxes is reduced. I would be willing to do the whole development or at least break it into two phases if it was not for the high taxes needed to pay on empty developed lots.

However, when a developer builds fewer lots at a time, it is more expensive. It drives up the costs for each home, which ultimately is reflected in a higher cost to new home homeowners. This makes purchasing new homes more difficult for Ohioans and pursuing the American Dream harder.

The current tax structure is hurting Ohio and the Northwest region. When a homebuilder is starting a development, it is unfair and anti-growth to increase their taxes due to simply subdividing and platting their land. It discourages homebuilders from starting new developments and increases their financial risk.

It is nonsensical for schools or any local government to oppose this bill based on the possibility of losing revenue. They will receive the same amount of tax revenue the vacant land produced prior to being subdivided/platted. It is important to note the land is still vacant. How is it fair to increase the property taxes when the land is still vacant? It is not. This pro-growth legislation

will spur development, help reduce final cost on new homes for buyers, and increase tax revenue by creating more jobs and economic activity.