



November 19, 2019

The Honorable Kristina D. Roegner
Ohio Statehouse
1 Capitol Square
Columbus, OH 43215
RE: SB 139 – Proponent Testimony

Chair Roegner, Vice Chair Blessing, Ranking Member Williams and members of the Senate Ways and Means Committee, my name is Mic Gordon, and I am a REALTOR® and the Operating Principal at Keller Williams Greater Columbus Realty. Thank you for the opportunity to come and speak on behalf of 33,000 Ohio REALTORS® in support of SB 139, the First-Time Homebuyer Savings Act introduced by Senators Gavarone and Peterson. We appreciate the work Chair Roegner and the committee members have done on this important bill.

This bill would create a tax-deductible savings account that can be used to save for the purchase of a first home. A “first-time homebuyer” is defined as someone who has not purchase or owned a home within the past three years. Although a person can put as much as they want into the savings account, only the interest earned and capital are deductible with annual limits of \$5,000 for single filers, and \$10,000 for joint filers. There’s a lifetime deductible cap of \$50,000 for single filers and \$100,000 for joint filers. The money must be used toward the purchase of a home including closing costs and bank fees within 15 years or a 10% penalty may apply.

According to a 2018 study by the National Association of REALTORS® the Ohio real estate industry accounted for 15% of the gross state product in Ohio. The study also found on average each home purchase contributes \$50,360 back into the Ohio economy. When I help my clients find that special place to call home and they close on their new home, many of them turn around and spend money to upgrade appliances, hire painters to change the color scheme of their new home, or hire plumbers and electricians to repair something. Buying a home creates many more jobs that just the people helping with the transaction. Real estate keeps Ohio moving forward in a very big way and as a REALTOR® I’m proud to play a role in this process and contribute to Ohio’s economy.

Yahoo! Finance just recently posted an article from Money Magazine noting that using a First-Time Homebuyer Program in a state that offers it is an excellent way to save towards a home if you cannot expect financial assistance from a family member. These accounts can and will be used by all types of Ohioans. At present 13 states now have a First-Time Homebuyer Savings Account, and there are ten or so more states with legislation pending to create a program. I would love to see Ohio on that list of states with a First-Time Homebuyer Savings program.

Anjanette Frye, President • **Scott R. Williams**, CEO



One of the best aspects of this bill is that having a First-Time Homebuyer Program is completely voluntary to participate. Perhaps someone who is very low-income, or a person who prefers to rent a home, or someone who would rather put extra funds toward their retirement – these individuals may not see the First-Time Homebuyer Savings Account as a priority. But individuals can use their personal discretion to decide what is best for them, and how to save and spend their hard-earned money. And if indeed they do want to buy a first-home someday, they can choose to open a First-Time Homebuyer Savings account and save as much as they feel is within their budget.

I have two young adult daughters and I would love SB 139 to pass so they can someday open an account and start saving for a home. But this savings account would be a tool in the toolbox toward the purchase of a home. It would be available to those who believe homeownership is something they want to strive for and need that little extra help.

I believe Ohio is a fantastic place to live, work, and play. And the Ohio REALTORS® believe the creation of a First-Time Homebuyer Savings account will build off the good policies the Ohio Legislature has already worked on to continue to make Ohio an attractive place to live and conduct business. And hopefully my daughters will use an account toward the purchase of their first home, stay close to family and build lives in Ohio as well.

On behalf of nearly 33,000 of my REALTOR® colleagues, I appreciate your time and the opportunity to speak as a proponent of SB 139, the First-Time Homebuyer Savings Act and I respectfully ask for your support of this legislation and future first-time homebuyers. I am happy to try and answer any questions you may have.