



**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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**Dan Acton
House Bill 343 Proponent Testimony
Senate Ways and Means Committee
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Chairman Eklund, Vice Chairman Terhar, Ranking Member Williams and members of the committee, my name is Dan Acton and I am the Government Affairs Director of the Ohio Real Estate Investors Association (OREIA). 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 343.

OREIA appreciates the effort of Representative Merrin to bring this issue to our attention and for the consideration to you and your colleagues. Allow me to share a little about a typical investor. Our members in many instances own a portfolio of properties, sometimes as few as 3-4 and as many as over 200. The properties are typically single family homes, up to quads and sometimes smaller apartment buildings, with a few owning some commercial investments. There are a variety of loans that are taken out on properties. Many times, an investor will take equity from one property to assist in making repairs to other investment properties.

OREIA supports this bill because we want you to understand that investors operate on razor thin profit margins for a property. An unexpected repair, a tenant who does not pay rent, terminates a lease early or vacates without notice, unpaid water bills, increases in property taxes that we don't get to vote for or directly benefit from or any layering of government fees that we are subjected to reduce the profits for a property owner that could otherwise be used to reduce the overall debt on the property.

The increase in property tax is directly related to a reduction in overall resources available to an owner for a property. Our members invest in neighborhoods and we want strong returns on our investments which comes from improved property valuations. Under current law, schools or legislative authorities can file a counter-complaint defending the assessed value or to assert a different value if a property



owner initiates a complaint to reduce property values. We see this bill as the continuation of allowing a counter-complaint process for both parties, but it gives the property owner, the individual with the most direct stake in the assessed value, notice that an entity is seeking an increase in property taxation not of their own initiation. The mechanism in the bill that each parcel being challenged is brought forward separately is fair process for all parties because each property is different, even in the same housing subdivision. It is unfair to an individual property owner that they be lumped together with every other property in a specific subdivision or neighborhood due to variations in lot size, individual improvements or home size. Each property should be judged on its own merits for taxation purposes. However, because of the due process notifications protections added in the House, OREIA is comfortable allowing one motion to adopt multiple revision requests.

Do not mistake our organization's position on taxes. We want good schools to attract good tenants, reliable infrastructure to ensure solid property values, and excellent local government services to improve the quality of life of the property offerings we present to our tenants. We also believe in paying our fair share in taxes. It should be noted that the local government entities in your districts are not being denied any opportunities in this bill that they are currently afforded under current law. In fact, we believe that it provides more transparency for the execution of due process for all involved parties. Usually with property tax increases, landlords will likely directly pass these increases on to renters just as we would pass on increases in utility rates.

OREIA is proud to support this taxpayer protection and notification bill. Again, we thank Representative Merrin and members of this committee for working to protect property investors and Ohio's taxpayers. We urge you to support House Bill 343.

Thank you for the opportunity to testify on House Bill 343.