



December 1, 2020

The Honorable Stephen Hambley
Riffe Center
11th Floor
77 S. High St.
Columbus, OH 43215
RE: Opponent Testimony for HB 562

Chair Hambley, Vice Chair Patton, Ranking Member Brown, and members of the House Civil Justice Committee, thank you for the opportunity to write in opposition to House Bill 562. On behalf of nearly 35,000 Ohio REALTORS®, we have concerns with the provisions of HB 562 to prohibit evictions during the state of emergency.

House Bill 562 would prevent an eviction proceeding from moving forward against residential and commercial tenants during the state of emergency. Ohio REALTORS opposes this eviction moratorium. Before we continue with our testimony, we want to comment that we understand this legislation is well-intentioned and aims to help people during one of the most difficult times our country has faced. Evicting a tenant is never the first option, it is always the last option. Ohio REALTORS support housing for all, but this legislation fails to consider the multiple factors that can be involved in an eviction action. Additionally, it fails to acknowledge the economic realities of owning a rental property, and the property owner's financial liabilities. Most property owners must continue to make mortgage payments during the pandemic in addition to paying utilities, insurance, janitorial staff, contractors, and various property and ground maintenance expenses. Some without the rental income to offset these expenses.

Another concern we have with House Bill 562 is that it does not take into consideration the tenant's need for protection from an eviction or the landlords' reason(s) for the eviction. There are legitimate reasons other than non-payment of rent to file an eviction. These reasons include violating terms of the lease agreement, crime, and property damage to name a few. There are no considerations in HB 562 to allow for evicting tenants who may be a serious threat to other tenants because of domestic violence convictions or other criminal behavior.

Additionally, HB 562 prevents the plaintiff who files for an eviction from collecting unpaid rent that was owed during the moratorium. This legislation places the burden squarely on the property owner. Property owners depend on receiving timely rent payments in order to continue business operations. Please note that just under one half of all rental units in the United States are owned by individuals who own one or two units. These "mom and pops" cannot shoulder the financial burdens of an eviction moratorium, non-payment of rent, and still be required to meet their financial responsibilities. Some have already been forced to sell

Chris Reese, CRS, President • **Scott R. Williams**, CEO



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their property at a loss and others are facing foreclosure. Again, why are property owners being unfairly punished during a time where so many Ohioans are suffering?

Lastly, what if a tenant chooses not to pay rent despite being gainfully employed. House Bill 562 nearly incentivizes tenants to not pay rent, as they will not be responsible for any back rent at the conclusion of the state of emergency. HB 562 prohibits eviction for any reason and we assert property owners must have the right to evict for legitimate business and safety reasons.

We believe emergency rental assistance is the best way to deal with such a complicated issue. Rental relief paid directly to a housing provider keeps bills paid, tenants housed, and does not disrupt service and housing. Ohio REALTORS joined a coalition of dozens of industry stakeholders to advocate for emergency rental assistance using CARES Act funding. The DeWine Administration recently allocated \$50 million in rental, mortgage and utility assistance that was directed to Community Action Agencies for dispersal. This is a step in the right direction. Rather than force property owners into foreclosure, we must think of solutions that does not favor one party over the other.

Property owners are suffering just like many other Ohioans. Many commercial and residential tenants are unable to pay their rents, and our members have reached out pro-actively to offer payment assistance and work out alternative payment arrangements to keep people housed and tenants in commercial space. We understand that we will get through this if we work together, but we urge this committee to oppose HB 562 and explore options that take all parties into consideration.

We urge the House Civil Justice Committee to reject House Bill 562.

Sincerely,

A handwritten signature in black ink that reads "Scott Williams". The signature is written in a cursive, flowing style.

Scott Williams
Chief Executive Office
Ohio REALTORS®