



December 2, 2020

The Honorable Derek Merrin
Riffe Center
13th Floor
77 S. High St.
Columbus, OH 43215
RE: Proponent Testimony for HB 751

Chair Merrin, Vice Chair LaRe, Ranking Member Rogers, and members of the House Ways and Means Committee, thank you for the opportunity to write in support of House Bill 751. On behalf of nearly 35,000 Ohio REALTORS®, we strongly support these important changes to allow temporary interim period property valuation adjustments to real property to account for diminished value caused by the COVID-19 pandemic. We commend Rep. Hillyer for his quick action on such an important issue and we are grateful to Chair Merrin for hearing this bill.

The COVID-19 pandemic and subsequent efforts to reduce the virus' transmission in Ohio has had unintended and unfortunate consequences on commercial real estate. Some commercial property owners have suffered a significant loss of income due to state and local stay-at-home orders and curfews that were enacted to prevent the spread of the deadly virus. Some commercial tenants have had little economic activity since March. Especially hard hit include the restaurant, hotel and lodging and retail sectors.

Property owners have worked with their tenants by providing rent concessions and other financial incentives. However, many businesses are still struggling and some have been forced to close resulting in loss of income to the property owner and a significant loss in value to the property. Also, it is important to mention how COVID has impacted multi-family properties. Tenants who have lost their jobs are unable to pay rent, and therefore the property owners are experiencing a loss of rental income reducing the value of the property.

In Ohio property taxes are paid in arrears and can only be challenged once in an interim period. There are exceptions to the one challenge rule. One exception is for a property that has experienced damage from a natural disaster such as a flood or tornado. A temporary exception should also apply to a loss in value due to COVID-19 as HB 751 would accomplish. In these unprecedented times, we strongly urge the Ohio General Assembly to act now to authorize Boards of Revision to allow a temporary adjustment to the property tax contest process to allow for a challenge to a property's valuation due to circumstances related to the COVID-19 pandemic even if a complaint for the same property has been filed during the same interim period. This legislation could potentially help save hundreds of commercial properties from financial ruin.

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



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Property tax bills for commercial properties can be hundreds of thousands of dollars. In these extremely challenging times, every dollar matters and every dollar saved means business can stay open and employees can keep their jobs. Every dollar saved helps Ohio property owners and businesses weather this storm.

Additionally, HB 751 would allow commercial and industrial property tenants the ability to contest property values if the tenant pays all property taxes as a part of their lease, and if the property owner or landlord gives them expressed authority to do so. This is important as the timeline to contest property taxes is very brief and if a tenant cannot get in contact with the property owner to have them appeal the property valuation, they may miss the deadline. This small change would provide significant flexibility for commercial and industrial tenants and we support this provision as well.

We respectfully urge the committee and the General Assembly to act quickly to enact these important changes to property tax appeal law in HB 751. Timing is of the essence as property tax bills will be coming due as soon as January in some counties.

We appreciate your attention to this critical matter.

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®