

Chairman Hackett, Vice Chairman Hottinger, Ranking Member Craig and Members of the Senate Insurance and Financial Institutions Committee, thank you for the opportunity to provide testimony in support of the amendment addressing property tax complaint filing limitation waivers for Substitute House Bill 38 sponsored by Representative Brett Hillyer. My name is Jeff Roberts and I serve as Executive Vice President and General Counsel for Crawford Hoying.

Crawford Hoying is a real estate development company based in Dublin, Ohio with mixed-use developments, including hotels, throughout the State of Ohio, but primarily in Franklin County and Montgomery County.

As many of you know, real estate taxes in Ohio are set by re-appraisal or update every three years. In 2020, Franklin County conducted an update to its real estate tax values and Montgomery County conducted re-appraisals for its real estate tax values. Absent a sale, casualty event or 20% drop in occupancy, these values are set for the next three years. So, most of our company's properties had their tax values reset as of January 1, 2020.

Unfortunately, three months later, the COVID-19 pandemic forced many of our commercial tenants to close temporarily or the restrictions put in place related to travel had a severe negative impact on their performance. Therefore, many of the properties we own have declined in value because of the pandemic. While the values of these properties are clearly lower at the end of 2020, it is difficult for us to argue that the values as of January 1, 2020 were inaccurate due to the impacts of COVID-19 which did not hit us until mid-March of 2020. In order to challenge the value due to the impact of COVID-19, we need to wait until the values are certified as of January 1, 2021 which take place in late 2021, and then file our valuation complaints in the first quarter of 2022.

This scenario may be acceptable in some circumstances, but if we would like to challenge the values of any properties as of January 1, 2020 due to circumstances other than those related to COVID-19 and we lose, then under the current statutory scheme, we lose our ability to challenge again in the current triennium, absent a sale, casualty event or 20% drop in occupancy.

By way of example, our company owns a hotel in Franklin County that was fully assessed for the first time in 2019. However, the value was increased just one year later, as of January 1, 2020 by 20% over its value from 2019. If we file our challenge to value with the Board of Revision in the first quarter of 2021 to the value of the hotel as of January 1, 2020 and we lose, then we do not have a right to challenge the value again until the expiration of the current triennium, which, in Franklin County would be a first quarter 2024 challenge to the value of as of January 1, 2023. With that in mind, we have a difficult decision to make as to whether we challenge the 2020 value now and risk having our value set for the next three years, or wait until the taxes are certified for 2021 and challenge in 2022.

If the proposed language change to 5715.19 is passed, we can challenge the January 1, 2020 values for properties like our hotel in 2021 on non-COVID-19 related grounds and then challenge the 2021 values based on the impacts of the pandemic in the first quarter of 2022. Due to the timing of the 2021 filing deadlines for 2020 tax valuation complaints (March 31, 2021), it is critical that the amendment to 5715.19 be passed in the lame duck session, so that real estate owners can

confidently file their 2020 complaints and not be barred from filing challenges to 2021 values do to impacts of the pandemic.

Chairman Hackett, thank you again for the opportunity to testify today and I am happy to answer any questions you or the committee may have.