Bob Hackett
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Senate Bill 57
House Ways and Means Committee
Chair Merrin
Sponsor Testimony – Senator Bob Hackett and Senator Nickie J. Antonio
March 9, 2021

HACKETT:

Thank you, Chair Merrin, Vice Chair Riedel, Ranking Member Sobecki and members of the House Ways and Means Committee for the opportunity to bring before you Senate Bill 57, which will exempt from property taxation qualifying housing for individuals diagnosed with mental illness or substance use disorder. Permanent Supportive Housing or PSH is safe, affordable housing with a range of supportive services to help individuals live stable, independent, and healthy lives in the community.

This legislation will clarify and codify that Permanent Supportive Housing (PSH) providers have always been exempt from real property tax and will continue this status quo. Unfair decisions by the Ohio Board of Tax Appeals (BTA), Columbus City Schools Bd. of Edn. v. McClain, et al., (May 28, 2020), BTA No. 2018-649 ("Hawthorn Grove") and Columbus City Schools Bd. of Edn. v. McClain, et al., (July 20, 2020), BTA No. 2018-1184 ("Terrace Place"), threatens the very existence of permanent supportive housing in Ohio. Without this legislative fix, Ohio's battle to end homelessness and the unnecessary institutionalization of people with chronic mental illnesses and substance use disorders will be devastated.

Lives depend on supportive housing, and because of a pending Supreme Court case, time is of the essence for a legislative solution. PSH has **always been exempt** from real property tax. BTA reversed this long-standing exemption.

If the Ohio Supreme Court confirms that decision, all PSH in the state will have to begin paying the tax. Because PSH has always been tax-exempt, this legislation won't take existing funds from schools.

ANTONIO:

Permanent supportive housing brings together many partners all across the state who are working to end homelessness and provide extensive support to people with disabilities. Suddenly taxing these solutions, after they have been exempt for more than 30 years, would remove the safety net that the State created for our vulnerable neighbors. It is incongruent to remove this safety net and tax permanent supportive housing, whose very existence is supported by non-profit organizations.

Those dollars would be redirected from non-profit ADAMH funded programs to school boards, many who already have their own voter-supported levies.

Without this legislative action, communities could lose years of public investment in a key part of their public health and homeless response systems. During the COVID-19 crisis and the ongoing opioid epidemic, this could cause severe consequences. Housing is indeed tied to outcomes in our healthcare systems. Now more than ever, we need to keep our most vulnerable people housed.

Permanent supportive housing provides last-resort housing for people suffering from disabilities and addiction disorders. If these residents lose their only affordable and stable housing option during this pandemic, they will end up in more expensive short-term places like homeless shelters, hospitals, psychiatric centers, jails and prisons, which were never meant to be long-term options for people. This bill will keep folks in permanent supportive housing, which will in turn save lives.

SB 57 passed out of the Senate Ways & Means and Senate Chamber unanimously, and supporters of the bill include Community Housing Network, NAMI Ohio, Ohio Association of County Behavior Health Authorities, Cooperation for Supportive Housing, National Church Residences, Make-A-Day Foundation, and EDEN (Emerald Development & Economic Network, INC.).

We respectfully ask for your support of Senate Bill 57. Chair Merrin, Vice Chair Riedel, Ranking Member Sobecki and Members of the House Ways and Means Committee, thank you for the opportunity to testify, we would be happy to answer any questions the committee may have at this time.