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Senate Finance Committee
Senate Bill 281 — Sponsor Testimony
February 8th, 2022

Chairman Dolan, Vice Chair Gavarone, Ranking Member Sykes, and members of the Senate Finance Committee, thank you for the opportunity to present testimony on Senate Bill 281.

Senate Bill 281 would offer financial relief to Ohio's property owners due to losses resulting from COVID-19 federal eviction moratoriums.

I have heard from constituents about how they have struggled during this COVID-19 pandemic as the federal government instituted two separate eviction moratoria. The first occurred via the CARES Act, and ran from March 27, 2020 through July 24, 2020. The second program was set by the Center for Disease Control and ran from September 4, 2020 and was ultimately struck down by the United States Supreme Courts in late August 2021. Both moratoria established that evictions of renters could not occur for nonpayment of rent and related fees, but ultimately did not forgive unpaid rent amounts.

Though these constituents that I had heard from own rental properties - sometimes numerous properties - they have been unable to obtain income from their tenants. This has occurred even though our constituents continue to put money into their properties for upkeep and maintenance, as well as paying taxes on these properties.

Furthermore, though the federal government established the Emergency Rental Assistance Program in response to the economic effects of the COVID-19 on property owners, this program in Ohio would address pitfalls in the current federal program.

- First, this bill would make the payments to property owners more efficient and streamlined than the federal process. Rather than working with local community action agencies to receive these funds, who are admittedly

backlogged on this issue, property owners would work with the Department of Development to receive the funds.

- Second, the federal program is dependent on the renter supplying information on the arrears owed to the property owners. This has caused issues as renters move away and drop contact with the property owner, which provides the owner with no economic assistance. Therefore, this bill transfers the responsibility to report information for funds from the renter to the property owner.

To help these property owners, this bill would establish a grant program using funds allocated to the state through federal COVID-19 relief funds – the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021. The total of these grants would be equal to the lesser of \$12,000 or the total due to the owner of rent, utilities, penalties, interest, late fees, and any other amount owed by the tenant outlined in the lease.

In order to be eligible, property owners must have a tenant that failed to pay any amount owed to the owner and the property owner was prohibited from evicting the tenant due to the federal eviction moratorium. The Department of Development must approve or deny applications within 30 days of receipt to ensure landlords and tenants are getting the help they need quickly. Furthermore, should a property owner apply to the Department of Development for a grant and be denied, this bill allows for the owner to appeal the decision.

Guardrails were also incorporated in the bill in order to make sure that people were not defrauding the state. First, if a person recklessly makes a false statement in trying to obtain this grant, they are guilty of a 5th degree felony. Also, if a property owner receives payment from a tenant in addition to this grant, the owner is to notify Development and remit the amount of the payment. If the owner does not do so, they will be prohibited from applying for this grant in the future.

I would also like to note that this legislation is supported by both Ohio Realtors and the Ohio Apartment Association, and I am in talks with other property owner organizations, as well as the Department of Development, to ensure that all parties are heard from during the legislative process.

Thank you once again Chairman Dolan and members of the committee for the opportunity to present this legislation to you today. I will be glad to answer any questions at this time.