



**Senate Financial Institutions and Technology Committee
Written Proponent Testimony for House Bill 230
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Chairman Wilson, Vice Chair Hottinger, Ranking Member Maharath, and members of the Senate Financial Institutions and Technology Committee, thank you for the opportunity to provide written testimony in support of House Bill 230.

Formed in 1910, Ohio REALTORS® is the state's largest professional trade organization with more than 36,000 members representing both residential and commercial practitioners, as well as auctioneers and appraisers. We applaud Representatives Ray and Hall for introducing this bill and hope the information in our testimony will be helpful as you consider this legislation.

Ohio REALTORS support House Bill 230 and the bill sponsors' efforts at modernizing various systems across Ohio. Our testimony will focus on the significant need to modernize the real estate licensing system in our state, and the problematic delays exacerbated by COVID that directly affected our REALTOR® members.

Many policymakers in Ohio are surprised when they learn that nearly all state real estate licensing functions are paper-based and not available in an online platform. We believe House Bill 230 will not only shed light on statewide technological inadequacies, but we also hope it will lead to the modernization our industry desperately needs.

To better illustrate the impact of Ohio's real estate industry, as of June, 2021, there are more than 41,000 active real estate brokers and salespeople currently practicing. There are 2,684 active real estate companies and 835 sole proprietors. The real estate industry provides many economic benefits here in Ohio. Data and research¹ show the Ohio real estate industry accounted for \$103.5 billion dollars, or 15.3% of the gross state product in 2020. Additionally, the total economic impact of the average home sale in Ohio puts \$61,500 back into the state's economy through construction, commissions, moving expenses, furniture, appliances, remodeling, and other expenditures. In short, the real estate industry and REALTORS are most certainly keeping the Ohio economy moving forward.

Unfortunately, the professional business needs of tens of thousands of real estate brokers and salespeople are not being met. Instead, our members are reliant on a slow, antiquated, paper-based licensing system.

The real estate industry is regulated and licensed by the Ohio Division of Real Estate and Professional Licensing (DREPL), which falls under the Department of Commerce. A real estate broker, salesperson, and company must be licensed and registered with the Division of Real Estate. In order to achieve all licensing requirements and

¹ [2020-state-by-state-economic-impact-of-real-estate-activity-ohio-3-31-2021.pdf \(nar.realtor\)](https://www.nar.realtor/2020-state-by-state-economic-impact-of-real-estate-activity-ohio-3-31-2021.pdf)



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remain in compliance, a licensee must fill out various hard copy forms and have the DREPL staff review and accept the paperwork and process a check payment from a licensee. Staff at the DREPL has worked diligently to keep up with paperwork and customer service inquiries, but in such a hot real estate market and staffing challenges that COVID-19 brought, it is nearly impossible to process licensing needs when there are essentially no online systems. With that said, we would be remiss if we did not express our Association's sincere gratitude to the Division of Real Estate and Professional Licensing staff for their dedication, long hours, and tireless effort processing the paperwork they receive.

You may be wondering how Ohio's system stacks up against other states. It is important to note that Ohio has the most real estate licensees of any of the contiguous states. Unfortunately, we are the only state that offers very few licensing functions in an online platform. Kentucky, Pennsylvania, Michigan, and Indiana offer their professional real estate licensing systems completely online. West Virginia allows some business to be done online and some by mail. Ohio has not kept up with the modernization and digitalization of real estate licensing business needs and we are hopeful that House Bill 230 will shed light on our industry's needs and make critical improvements.

Depending on a paper-based system and the mail does not allow for a seamless, efficient licensing system. The system is outdated and does not represent the high-caliber industry professionals who deserve and need an online system to keep their licenses current and active. House Bill 230 will help the policymakers better understand how the system works, how it does not work, and how to get it up to the speed of business that Ohio real estate professionals should enjoy.

We appreciate the opportunity to provide written proponent testimony on House Bill 230 and respectfully ask Members of the Senate Financial Institutions and Technology Committee to support this important legislation.