



**House Economic and Workforce Development Committee
Interested Party Testimony
Senate Bill 226
December 3, 2024**

Chair Lorenz, Vice Chair Santucci, Ranking Member Upchurch, and members of the House Economic and Workforce Development Committee, thank you for the opportunity to submit written testimony today on behalf of the Ohio REALTORS®.

Formed in 1910, Ohio REALTORS® is the state's largest professional trade association, with approximately 36,000 members representing both residential and commercial practitioners. Ohio Realtors® pride themselves on helping not only Ohioans but also individuals from all around the globe navigate the complexity of buying or selling property in this great state.

We appreciate the sponsors of SB 226's engagement with us during the legislation's development, and we share their concerns about the need to protect Ohio against entities seeking to purchase property with the intent to jeopardize our national security.

We are also grateful for the personal liability protection provided in SB 226 to brokers, agents, and real estate professionals in ORC 5301.256. This protection, modeled after legislation passed in other states, will allow our members to continue to serve clients without the burden of conducting background checks and without fear of liability.

As the sponsors noted in their testimony, numerous other states have implemented policies aimed at restricting land purchases by foreign adversaries. The laws passed in those states vary substantially. Some states limit restrictions to only agricultural land, and others impose them on foreign governments and state-controlled enterprises, excluding individuals who are legally allowed in the country.

As the committee reviews SB 226, we would encourage members to consider the following:

Florida Senate Bill 264 ("FSB 264")

While many states have introduced or passed legislation prohibiting foreign real estate purchases, the one that has garnered the most national attention has been in Florida. In May 2023, Florida enacted a 'foreign buyer law' that prohibits covered foreign persons from acquiring or owning an interest in agricultural land and property within a ten-mile radius of a military installation or critical infrastructure. In response to FSB 264, a real estate firm and a group of Chinese citizens (together as "plaintiff") who reside and work in Florida filed suit in federal district court to prevent its enforcement. The plaintiffs claimed that FSB 264: 1) violates the federal Fair Housing Act; 2) violates the Equal Protection Clause of the 14th Amendment to the U.S. Constitution; and 3) is preempted by federal laws governing foreign affairs, foreign investment, and national security, including the



Alasandra Whitley, 2024 President • **Scott R. Williams**, CEO
200 E. Town St. • Columbus, OH 43215-4648

P 614.228.6675 • F 614.228.2601 • info@ohiorealtors.org • www.ohiorealtors.org





Committee for Foreign Investment in the United States (CFIUS) and the Foreign Investment Risk Review Modernization Act of 2018. That case is currently pending before the U.S. Court of Appeals for the Eleventh Circuit.

As indicated in the LSC analysis for SB 226, if this legislation is enacted in Ohio, it could meet similar legal challenges to those faced by FSB 264 in Florida.

Broad Definitions of “Protected Property” & “Critical Infrastructure Facility”

“Protected Property” as used in SB 226 means the following: (a) agriculture land; (b) real property located within a twenty-five-mile radius of any installation under the jurisdiction of the armed forces; or (c) real property located within a twenty-five-mile radius of a "critical infrastructure facility." "Critical infrastructure facility" is broadly defined in ORC 2911.21 to include several types of facilities, provided that the facility is "completely enclosed by a fence or other physical barrier that is obviously designed to exclude intruders, or if clearly marked with signs that are reasonably likely to come to the attention of potential intruders and that indicate entry is forbidden without site authorization." This would include, for example, an electric generating facility, substation, distribution lines, water and wastewater treatment plant, wireline or wireless telecommunication infrastructure, and federally licensed radio or television transmission facilities. Under such a broad definition of "protected property," nearly all property in the state of Ohio would be considered protected under SB 226.

Identification of “Protected Property”

Due to the sheer quantity of the types of facilities that are classified as critical infrastructure, it is unclear how a restricted person is expected to identify whether a particular property is within 25 miles of a critical infrastructure facility. While SB 226 requires the Secretary of State to compile a registry of foreign adversaries and restricted persons, the legislation does not require the creation of a publicly accessible map or database of protected property or critical infrastructure facilities. Without such a map or database, how is:

- 1) A restricted person expected to know whether a particular property is within the 25-mile radius of a “critical infrastructure facility”?
- 2) A county auditor or sheriff responsible for reviewing real estate transactions is expected to determine compliance with SB 226.

Legal Resident Exemptions

We appreciate the Senate making changes to SB 226 that exclude U.S. citizens with dual citizenship from restrictions on property ownership within 25 miles of protected property. While that change was a significant step in the right direction, we remain concerned about the bill’s impact on legal permanent residents, such as green card holders, who are not exempt from the restrictions outlined



in the bill. Such a policy would prohibit law-abiding residents who are productive members of our society from owning a home in the state in which they work. This could also prevent Ohio's employers and universities from attracting the best talent from across the globe. We would encourage the members of this committee to consider expanding the exclusions to include permanent legal residents, which would help Ohio remain and inclusive and competitive state for global talent and investment.

Thank you for considering our testimony. Ohio REALTORS® looks forward to working with the bill's sponsors and this committee as it continues to review SB 226.

Sincerely,

A handwritten signature in black ink that reads "Scott Williams".

Scott Williams
Chief Executive Officer
Ohio REALTORS®