



Testimony before the full House Finance Committee

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Senate Bill 94 – Opponent

Chairman Edwards, Vice Chair LaRe, Ranking Member Sweeney, and members of the House Finance Committee, thank you for the opportunity to testify on Senate Bill 94 to modernize county recording procedures.

County recorder fees provide funding to help the state address homelessness and housing insecurity. That's because, starting in 2003, state law has required half of fee revenue that county recorders collect flow to the Ohio Housing Trust Fund (OHTF), the primary source of state funding for homelessness, home repair and housing development.

Senate Bill 94 seems somewhat similar to House Bill 181, which is also pending in this committee, one difference is that HB 181 would modernize county recording fees **while** maintaining the traditional 50%-50% split between counties and the OHTF. Even with the optional fee language in the current SB 94, it would still upset this historic precedent by cutting the state's most vulnerable residents out of possible increased fee revenue at a time when we're experiencing a dramatic spike in housing insecurity.

The origins of the trust fund date back to 1990, when voters overwhelmingly approved the constitutional amendment to make housing a public purpose. Then the General Assembly passed implementing legislation to create the trust fund with broad bipartisan support. During the early years, the legislature appropriated GRF while working to identify a permanent source of funding for the OHTF. Three separate study committees convened by Gov. Voinovich, Gov. Taft, and the legislature itself all came to the same conclusion: create a Housing Trust Fund Fee that mirrors the county recorder fee. In other words, fee revenue collected by recorders should be divided 50%-50% between counties and the Housing Trust Fund. That proposal garnered consensus and was finally adopted through the 2003 budget bill.

Ever since then, half of the money collected by county recorders stays with the counties, and the other half helps fund local programs for children, seniors, veterans, domestic violence survivors, people with disabilities, and other Ohioans who struggle to keep a roof over their heads. This approach has proven track-record. And, actually, today, across the whole country - document recording fees and real estate transfer fees are the most common source of dedicated revenue for funding state housing trust funds.

In one year alone, the OHTF supported homeless services for nearly 33,000 Ohioans; funded the repair of 2,344 homes, and helped finance the construction and rehabilitation of 788 affordable rental units. These funds flow to communities throughout Ohio – urban, rural, and suburban. In fact, state statute requires that at least half of the OHTF annual allocation is targeted towards rural communities.

As rents have skyrocketed in recent years, evictions have returned to pre-pandemic levels, and homelessness is on the rise, the OHTF has never been more critical than now. **And this bill has the potential to deliver more critical resources to homelessness and housing programs in your communities. That's why we're asking this committee to amend Senate Bill 94 to maintain the historic 50-50 distribution of fee revenue between the counties and the OHTF. Even if only a 1/3 of the counties take the option and create this digitization fee, it would still be an incredible opportunity to help our lowest-income neighbors, with the bonus that it also stimulates Ohio's overall economy.**

Housing is the foundation of healthy, stable, prosperous families and communities. The OHTF benefits Ohio's economy and helps to grow the number of jobs and revenue for the state. OHTF dollars are matched by private and federal funds to create a major positive impact. For instance, during FY 2019 and 2020, the OHTF annually generated \$14 million in state and local tax revenue and created or supported 2,754 jobs per year across all major industries (according to the Ohio Housing Finance Agency). In total, each OHTF dollar generated \$8.30 in economic activity for Ohio.

We are not opposed to digitization or the basis of this bill. We have registered as opponents due to the concern over the split. We would move to neutral or supporters if an amendment were accepted to address this part of the legislation.

The OHTF helps address many of the housing challenges you hear from your constituents every day – families who can't find an affordable place to live, seniors who can't afford to maintain their homes, tenants who are facing eviction, and people who are struggling to escape homelessness. While the OHTF already provides critical funding to address these problems, the scale of today's housing needs simply dwarfs the resources that are currently available. Ensuring the OHTF benefits equally from any proposed fee modernization is a state investment to address housing insecurity in your district.

Thank you for hearing our testimony. I would be happy to answer any questions you may have.