



**Dan Acton**  
**Ohio Real Estate Investors Association**  
**Senate Bill 245 Opponent Testimony**  
**Senate Select Committee on Housing**  
**June 25, 2024**

Chair Reynolds, Vice Chair Johnson, Ranking Member Craig, and members of the Senate Select Committee on Housing, my name is Dan Acton, and I am the Director of Government Affairs for the Ohio Real Estate Investors Association (OREIA). OREIA represents 15 local associations with over 4,000 members across Ohio. My background includes more than 40 years in the property management and ownership industry. Thank you for the opportunity to present OREIA's perspective on SB 245.

OREIA appreciates that the sponsors are working to address issues surrounding the housing crisis in Ohio, and we applaud the Committee's efforts, led by Chair Reynolds, in soliciting feedback from housing experts and the public at-large from across the state. OREIA looks forward to continuing to partner with the sponsors and the Committee as you work to address the many housing issues facing Ohioans today.

OREIA supports the provisions in SB 245 that seek to streamline some of the regulatory processes within the Ohio Board of Building Standards. Like the sponsors, it is our hope that this will help facilitate faster zoning approval and construction certification to expedite housing activity. Similarly, OREIA supports the bill's provisions to provide for written real estate representation agreements. Our members often work with, or are licensed as, real estate brokers and recognize the importance of addressing this issue.

However, OREIA has some serious concerns regarding other aspects of the bill. OREIA is concerned with the bill's elimination of LLC privacy and security protections. Forcing owners, and not allowing statutory agents, to be named before property can be conveyed from one party to another opens up those owners to some very serious privacy and security risks.

Current law allows for a process that tenants can use to contact their owners via the LLC statutory agent. Many of our members have faced very personal and unprofessional attacks by tenants toward them through their LLC. I assure you these attacks can be very scary and disturbing for housing providers. The vast majority of our members operate small operations with only a few properties, we are not the large institutional out-of-state investors who have legions of attorneys to buffer the harassment of angry tenants we strive to serve. Social media attacks, hate mail, and phone call harassment are very real concerns for our members, and that is with the current privacy and security protections offered by LLCs.

In addition, the LLC structure provides our members with a barrier from fraud and scam attacks. As mentioned above, most of our members are small operations, many with all of their life-savings

invested in these LLCs. Specifically naming them in property transfer documentation exposes these individuals to identity thieves who recognize them as high-value targets for their scams. Without these protections, our members would be vulnerable to malicious, untrue personal attacks that could do very real harm to their personal and professional reputations, and could potentially result in them being scammed out of their entire life-savings.

OREIA also has concerns with several of the bill's eviction provisions. Allowing the sealing of evictions would place residents at risk and limit the information available to housing providers that allows them to make informed decisions on potential renters. Evictions are dramatic for all parties involved, and housing providers do not engage in them lightly. However, the ability to conduct an eviction is done for more reasons than simply the non-payment of rent; there are also matters of safety. There are circumstances when an eviction is warranted, especially in situations of the presence of violence in the household.

The possibility of courts sealing evictions even before full restitution is complete is a disservice to victims. We've seen proposals brought before to this body that automatically sealed or expunged cases close to adjudication and well before the recognized victims are made whole. Another concern is the lack of maximum number of cases that a person can accrue before we just acknowledge enough is enough. Sealing of court cases before complete restitution only serves to empower and embolden those who have denied housing providers of their contractual payments. The State of Ohio must not give approval of potentially thousands of dollars in monetary and property damages escaping discovery for future housing providers.

We also believe that cities removing evictions and judgements from their existing online platforms is contrary to existing Ohio Revised Code by playing a bureaucratic shell game of hiding public record. Personal responsibility is not an outdated ideology, but should be considered the center of our way of life. Innocent victims deserve justice and future housing providers deserve a full picture of the parties they entrust to their substantial investments.

OREIA believes a number of issues must be addressed for our organization to remove its opposition. First, the bill should be tightened up to prevent abuse from unscrupulous tenants who would take advantage of the expungement process. This includes addressing the expansion of the amount of time for a stay. Tenants seeking to abuse the bill's provisions would be able to prolong their access to housing without payment for nearly two months. We understand the bill's intent, but this is simply too broad of an opportunity for an individual to take advantage of the system, at the cost of the housing provider.

There should also be consideration for the costs that housing providers face when dealing with evictions in general. Allowing for providers to also access the eviction funds contemplated by the bill would be a positive first step. Similarly, requiring full restitution from the tenant in order to be granted expungement should also be considered. Even if over the course of time the state envisions the appropriateness of sealing one's record, that should include making full payment on all costs owed to the housing provider.

Preventing housing providers from conducting evictions is dangerous and puts providers at risk of defaulting on their own mortgage loan(s) and could put apartments, housing units, or entire housing portfolios at risk of being foreclosed upon because financial resources from some tenant rents are not sufficient to cover their costs. This could create a domino effect of a large number of Ohio citizens without access to stable housing.

In summary, OREIA appreciates the ongoing efforts of the sponsors and the committee to address the many housing issues facing Ohioans today. We support the provisions in SB 245 to streamline some of the regulatory hurdles slowing down housing expansion and addressing the need for real estate written agreements. However, OREIA has significant concerns with the bill's provisions eliminating the privacy and security protections afforded by legal LLC structures, and the potential unintended consequences of expanding eviction stays and record sealings. OREIA believes it is imperative that these issues be addressed before moving forward with the legislation.

Chair Reynolds and members of the committee, thank you again for the opportunity to present OREIA's perspective on SB 245. We appreciate your consideration, and OREIA looks forward to continuing to work with you on this bill and other important housing issues facing Ohio. Please do not hesitate to reach out if you have any questions or would like to discuss further.