



**Senate Ways & Means Committee
Proponent Testimony
House Bill 187
11/28/2023**

Chair Blessing, Vice Chair Roegner, Ranking Member Smith, and members of the Senate Ways and Means Committee, thank you for allowing me to provide testify today in support of HB 187 on behalf of Ohio REALTORS®. Formed in 1910, Ohio REALTORS® is the state's largest professional trade organization with approximately 37,000 members representing both residential and commercial practitioners as well as homeowners and homebuyers.

As you are all aware, there has been an outcry from citizens in counties that are undergoing property reappraisals and updates. In certain counties, property values are increasing by 30% or even above 40%. This significant increase will undoubtedly lead to higher property taxes for many homeowners and businesses.

There is no doubt that property taxes are critical to the functions of local governments. This revenue stream finances our schools, police and fire departments, as well as parks and other services. However, with this historic rise in property values, we run the risk of unfortunately taxing Ohioans out of homeownership, through no fault of their own. These expected property value increases, coupled with low housing inventory, will only add further strain to Ohio's housing market. It threatens to displace long-term homeowners and will increase the financial barriers for first-time homebuyers. Higher property taxes not only increase the costs of homeownership but will also impact the rental market as housing providers will have to adjust to a potential double-digit increase in property taxes.

HB 187 helps address this situation by requiring the past three years of sales data be weighed equally to determine a property's value as opposed to only using the most recent year's data. While property values will still likely increase under this proposal, it will help shield homeowners from potential large tax increases resulting from property valuation adjustments. While this will lessen the tax burden in the short-term, we would encourage the Legislature to further examine Ohio's property tax policies and work with stakeholders to ensure local services are adequately funded, without imposing unsustainable costs on Ohio's homeowners.

As many of you are aware, owning a home is one of the most secure ways to build generational wealth that can be leveraged later in life or passed onto family members. Homeownership also leads to economic benefits to the state, as each home sale in Ohio contributes an average of over \$72,000 back into the economy through retail and appliance purchases as well as construction and renovation costs. Unfortunately, the potential of significant increases in property taxes threatens the dream of homeownership for countless Ohioans.

We applaud the sponsors for their work on this important legislation and urge the committee's support.

Sincerely,

Scott Williams
Chief Executive Officer
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