

## **Opponent Testimony on House Bill 113**

### **Submitted by Preferred Living**

Ohio House of Representatives

6/9/2025

Chairwoman King, Vice Chair Kishman, Ranking Member Sims, and members of the House Local Government committee:

My name is Nick King, and I am submitting this written testimony on behalf of Preferred Living, a residential development company headquartered in Columbus, Ohio. For more than two decades, Preferred Living has contributed to Ohio's housing market by building high-quality multifamily housing communities that address the growing demand for residential units in our region. We are proud to invest in Ohio's neighborhoods, create jobs, and support local tax bases through our development activities.

I am here today to express **our opposition to House Bill 113**.

While we understand and appreciate the legislative intent behind the bill, certain provisions—particularly those related to **annexation and residential tax exemptions**—raise significant concerns for our industry and the economic development climate in Ohio. Specifically:

### **1. School District Veto Power Over Property Tax Exemptions**

HB 113 would give school districts new authority to **approve or deny property tax exemptions** granted under the Community Reinvestment Area (CRA) program for residential projects. This is a substantial departure from current law, which allows cities to incentivize housing through tax abatements. By requiring **school district approval** even for residential exemptions, this bill could create unnecessary political gridlock, delay projects, or kill them outright.

Housing developers already operate on narrow margins, and the ability to forecast incentives is critical to site selection and financial feasibility. Allowing a third-party entity—without financial investment in the development—to have a veto over tax treatment creates unpredictability and deters private investment. We urge the General Assembly not to erect new barriers to addressing Ohio's housing shortage.

### **2. Stricter Annexation Requirements**

HB 113 amends multiple sections of Ohio Revised Code regarding annexation, including reducing the size limit for expedited annexations (from 500 to 200 acres) and imposing **new approval timelines, stricter contiguity thresholds, and expanded veto powers** for townships. This will have a chilling effect on smart growth and infrastructure planning.

For developers like Preferred Living, **annexation is often necessary** to secure public water, sewer, and road infrastructure critical to responsible development. These changes appear to be designed to discourage municipal growth and empower non-developing jurisdictions to block new projects, regardless of local market demand or housing needs.

In conclusion, Preferred Living supports responsible development policies and values our relationships with schools, municipalities, and state leaders. However, we respectfully urge the

General Assembly to reconsider the unintended consequences of HB 113 on housing investment, local economic development, and regional planning. This bill, if enacted as currently written, will significantly hamper the ability to build new housing during a time when the state is already facing a severe housing shortage.

Thank you for your time and consideration.

Sincerely,  
Nicholas King