



**Dan Acton, Director of Government Affairs
Ohio Real Estate Investors Association
Written Proponent Testimony – SB 193
Senate Energy and Public Utilities Committee
May 17, 2022**

Chairman McColley, Vice Chair Schuring, Ranking Member Williams, and members of the committee. My name is Dan Acton, and I am the Director of Government Affairs for the Ohio Real Estate Investors Association (OREIA). OREIA represents 14 local associations with over 3,000 members across Ohio. My background includes more than 40 years in the property management and ownership industry. Thank you for allowing me to submit written testimony in support of Senate Bill 193.

We appreciate Senator Williams for introducing SB 193 and shining a light on an issue that has negatively impacted property owners in Ohio for decades. Specifically, when municipal corporations impose tax liens on properties for unpaid water service charges.

In cases where rental properties have unpaid water service charges, the liens are certified against the owner of the property, rather than the resident. Rather than attempting collection of past due bills and/or discontinuing services to the end-user in a timely fashion, municipal water providers (and the county auditors who ultimately certify the liens) target a property—and thus the innocent owner of that property—for a service debt not contracted by that property owner.

Under current Ohio law ([ORC 743.04](#)), the imposition of liens against real property to recoup unpaid water charges **may only occur if the service contract is made directly with an owner who also occupies the property served.** Unfortunately, municipal water providers have flaunted this law for decades, and our members have been subjected to upwards of thousands of dollars in property tax liens for water charges incurred by residents which have ultimately gone unpaid. These charges can quickly amount to \$400-\$1500 or more.

The practice of certifying liens against non-owner occupied properties is fundamentally unfair and has inhibited the ability of our members, who are ultimately on the hook for water charges incurred by someone else, to continue making meaningful investments in the affordable housing options we provide to residents across Ohio.

It seems highly unusual and suspect that water providers refuse to conduct business in the same way gas, electric, and cable providers do. Please ask yourself and water providers why they allow arrears to build up for many months. This must change! Electric, gas, and cable providers are able to be responsible service providers using common sense business practices. Under the Constructive Eviction statute, even if housing providers become aware of water arrearages, we are forbidden by law from shutting water off even though we're held responsible for the bills.

Investors operate on razor thin profit margins for a property. Unpaid water and garbage collection bills, an unexpected repair, unpaid rents, or any layering of government fees (in this case, property tax liens) decrease profits that could otherwise be used to reduce the debt on a property, or make improvements. An unwarranted property tax lien is directly related to a reduction in overall resources available to an owner for a property. When water utilities and garbage collection fees go unpaid, or are abused by property renters, the people who suffer the most are the other renters who pay their bills and other utility customers who are most often the recipients of higher rates due to the misdeeds of others and/or the poor business practices of certain municipal water providers.

Under SB 193, a municipality could still file a lawsuit to collect such charges, but would be prohibited from imposing a lien to collect the charges. OREIA supports this elimination and would ask for favorable consideration of SB 193. Holding the contracted parties responsible and prohibiting liability against innocent property owners is the responsible way to resolve the issue. Personal responsibility is an ethical, societal and moral standard that should be adhered to without question. SB 193 is a step in the right direction to ensure that Ohio's property investor community is able to continue our role in keeping the state's economy robust and fair for everyone.

Thank you, Mr. Chairman and members of the Committee, for the opportunity to provide comments on in support of SB 193.