



OHIO REAL ESTATE INVESTORS ASSOCIATION

Dan Acton
HB 126 Proponent Testimony
Senate Ways and Means Committee
September 21, 2021

Chairman Blessing, Vice Chair Roegner, Ranking Member Williams and members of the committee, my name is Dan Acton and I am the Government Affairs Director of the Ohio Real Estate Investors Association (OREIA). OREIA represents 13 local associations with over 3,000 members across Ohio. My background includes more than 30 years in the property management and ownership industry. I am providing a brief statement of support on House Bill 126.

OREIA appreciates the effort of Representative Merrin to bring this issue to our attention and for the consideration to you and your colleagues. There are a variety of loans that are taken out on properties. Many times, an investor will take equity from one property to assist in making repairs to other investment properties. While our typical members consist of smaller real estate investors and housing providers who typically own single-family housing units, we have grown to include commercial investments, apartment complexes, industrial, storage, hotels, contractors, farms and other forms of investments.

OREIA supports this bill because we want you to understand that investors operate on razor thin profit margins. An unexpected repair, a renter or resident who does not pay rent, terminates a lease early or vacates without notice, unpaid water bills, increases in property taxes that we don't get to vote for or directly benefit from, or any layering of government fees that we are subjected to reduce the profits for a property owner that could otherwise be used to reduce the overall debt. OREIA remains committed to being a leader on fair, safe and affordable housing, and increasing property taxes ultimately leads to less affordable housing.

The increase in property tax is directly related to a reduction in overall resources available to an owner. Our members invest in neighborhoods and we want good returns on our investments—which come from improved property valuations. Under current law, schools or legislative authorities can file a counter-complaint defending the assessed value or to assert a different value if a property owner initiates a complaint to reduce property values. We see this bill as the continuation of allowing a counter-complaint process for both parties, but it gives the property owner, the individual with the most direct stake in the assessed value, notice that an entity is seeking an increase in property taxation not of their own initiation. We supported language in this bill last session about individual parcels being voted on in separate resolutions. However, we

understand the need to compromise to allow Boards of Education and legislative authorities to pass a single resolution with multiple tax complaints. Our main priority is that notice be provided to the property owner prior to action occurring, which House Bill 126 accomplishes.

Do not mistake our organization's position on taxes. We want good schools to attract good residents, reliable infrastructure to ensure solid property values, and excellent local government services to improve the quality of life of the property offerings we present to our residents. We also believe in paying our fair share in taxes. It should be noted that the local government entities in your districts are not being denied any opportunities in this bill that they are currently afforded under current law. In fact, we believe that it provides more transparency for the execution of due process for all involved parties. Usually with property tax increases, housing providers will likely directly pass these increases on to renters just as we would pass on increases in utility rates.

OREIA is proud to support this taxpayer protection and notification bill. Again, we thank Representative Merrin and members of this committee for working to protect property investors and Ohio's taxpayers. We urge you to support House Bill 126. Thank you for the opportunity to testify on House Bill 126.