



Dan Acton
House Bill 140
Proponent Testimony House
Senate Ways & Means Committee
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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 chapters across Ohio with over 3,000 members consisting of the smaller real estate investors and housing providers who typically own single family housing units. My background has been more than 30 years in the property management and ownership industry. I am providing a brief statement of support on House Bill 140.

OREIA appreciates the effort of Representative Merrin to bring this issue to our attention and for the consideration to you and your colleagues. Allow me to share a little about a typical investor. Our members in many instances own a portfolio of properties, sometimes as few as 3-4 and as many as over 200. The properties are typically single-family homes, up to quads and sometimes smaller apartment buildings, with a few owning some commercial investments. 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.

OREIA supports this bill because we want you to understand that investors operate on razor thin profit margins for a property. An unexpected repair, a tenant 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 on the property.

The increase in property tax is directly related to a reduction in overall resources available to an owner for a property. Our members invest in neighborhoods and we want strong returns on our investments and this comes from improved property valuations. In terms of fair opportunities for tax increases, we appreciate the concept that the campaign for and subsequent vote to increase taxes is done at an election when the most discussion and information is available. Transparency

is a major buzzword in today's political climate. House Bill 140 allows for transparency in the information that is provided to voters executing our most basic rights. Requiring property tax election notices and ballot language to convey a property tax levy's rate in dollars for each \$100,000 of fair market value instead of in dollars for each \$100 of taxable value and requiring election notices and ballot language to display the estimated amount the levy would collect annually; we believe are fair "asks" of the government that is seeking revenue from its citizens.

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. However, these things come at a cost and by passing tax levies with minimum voter information about the true cost of the levy, the result is inevitably going to be higher rents for our residents. Most likely the residents will directly or indirectly enjoy the benefits of whatever the levy seeks to raise the funds for, so housing providers, in the case of property tax increases, will likely directly pass these property tax increases on to residents. This is no different than passing on increases in utility rates.

OREIA is proud to support this taxpayer protection bill. Again, we thank Representative Merrin and members of this committee for working to protect property investors and Ohio's taxpayers.

Thank you for the opportunity to testify on House Bill 140.