



**Ohio REALTORS® Proponent Written Testimony for Substitute Senate Bill 24
Senate Ways & Means Committee
October 19, 2021**

On behalf of more than 36,000 Ohio REALTORS®, we write in strong support of Senate Bill 24, the First Time Home-Buyer Savings Act introduced by Senators Gavarone and Peterson.

The dream of homeownership for first-time homebuyers has become a challenge in recent years, despite historically low interest rates. Scarce inventory and rising home prices have played a significant role in lowering the number of first-time homebuyers nationally to 31 percent, the lowest share since 1987, according to our 2020 Profile of Home Buyer and Sellers Ohio Report. We believe this measure is an important step to begin reversing this trend.

Substitute Senate Bill 24 would authorize financial institutions to allow Ohioans to open an account specifically dedicated to saving for their first-home. Over this past summer, the bill's sponsors, Senator Gavarone and Senator Peterson met with the Department of Taxation and interested parties to discuss changes to the bill to allow better administration of the program. The suggested changes were included in this substitute bill that was accepted by this committee in June. Ohio REALTORS believes the substitute bill includes many excellent changes and strongly support the bill.

A few key revisions include reducing the amount of time the account can be open before funds must be used to purchase a first home, from 15 years to five years. The as-introduced version of SB 24 allowed anyone who has not owned a home within three years to qualify for this special account, one change in the substitute bill now allows only Ohioans who have never owned a home to qualify. Additionally, the capped amounts were reduced from \$5,000 (single filer) and \$10,000 (joint filer) to \$3,000 (single) and \$6,000 (joint) that can be deducted from a person's annual taxable income. There were other technical adjustments made to the bill requested by the Department of Taxation.

At the time this testimony was written, the Legislative Service Commission was reworking the fiscal note of the substitute bill to account for the reduced account limits and the tighter pool of qualifying account beneficiaries which will significantly decrease the state's reduced personal income tax receipts. Please note, this account would result in qualifying Ohioans paying less in taxes, which is indeed a positive quality of the bill.

We believe Senate Bill 24 is a reasonable approach to the home-buying process for first-time buyers. It aligns with recently passed Senate Bill 1 that would require financial literacy education in Ohio high schools. Senate Bill 24 would promote financial literacy through smart saving over the course of several years to achieve the American Dream of homeownership. A person is rewarded for their long-term commitment to save for a home with a small tax benefit that would add up over the years. Ohio REALTORS® strongly supports Sub. SB 24 as we believe this savings tool will help Ohioans who are interested in owning a home someday realize the American Dream.



Seth Task, CRS, GREEN, 2021 President • **Scott R. Williams**, CEO

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We appreciate the committed work of Senators Gavarone and Peterson to advance this important legislation, and grateful to Chair Blessing's consideration of this bill. We believe this legislation is ready for a committee vote, and respectfully urge the committee's support of Substitute Senate Bill 24.

Sincerely,

A handwritten signature in black ink that reads "Scott R. Williams".

Scott R. Williams
Chief Executive Officer
Ohio REALTORS®