



Ohio REALTORS® Proponent Testimony for HB 133 March 8, 2020

Chair Jordan, Vice Chair Ferguson, Ranking Member Crossman, and members of the House Financial Institutions Committee, thank you for the opportunity to write in support of House Bill 133. On behalf of more than 35,000 Ohio REALTORS®, we strongly support the language in HB 133 to allow temporary interim period property valuation adjustments to real property to account for diminished value caused by the COVID-19 pandemic. We commend Rep. Hillyer for his quick action on such an important issue and we are grateful to Chair Jordan for hearing this bill.

The COVID-19 pandemic and subsequent efforts to reduce the virus' transmission in Ohio has had unintended and unfortunate consequences on commercial real estate. Some commercial property owners have suffered a significant loss of income due to state and local stay-at-home orders and curfews that were enacted to prevent the spread of the deadly virus. Some commercial tenants have had little economic activity since March. Especially hard hit include the restaurant, hotel and lodging and retail sectors.

Property owners have worked with their tenants by providing rent concessions and other financial incentives. However, many businesses are still struggling, and some have been forced to close resulting in loss of income to the property owner and a significant loss in value to the property. Also, it is important to mention how COVID has impacted multi-family properties. Tenants who have lost their jobs are unable to pay rent, and therefore the property owners are experiencing a loss of rental income reducing the value of the property.

In Ohio property taxes are paid in arrears and can only be challenged once in an interim period. There are exceptions to the one challenge rule. One exception is for a property that has experienced damage from a natural disaster such as a flood or tornado. A temporary exception should also apply to a loss in value due to COVID-19 as HB 133 would accomplish. In these unprecedented times, we strongly urge the Ohio General Assembly to act now to authorize Boards of Revision to allow a temporary adjustment to the property tax contest process to allow for a challenge to a property's valuation due to circumstances related to the COVID-19 pandemic even if a complaint for the same property has been filed during the same interim period. This legislation could potentially help save hundreds of commercial properties from financial ruin.

Property tax bills for commercial properties can be hundreds of thousands of dollars. In these extremely challenging times, every dollar matters, and every dollar saved means business can stay open and employees can keep their jobs. Every dollar saved helps Ohio property owners and businesses weather this storm.

We respectfully urge the committee and the General Assembly to act quickly to enact these important changes to property tax appeal law in HB 133. We appreciate your attention to this critical matter.

Sincerely,

Scott Williams
Chief Executive Office
Ohio REALTORS®

