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Laura Swanson, Executive Director

Ohio Apartment Association

Proponent Testimony on Senate Bill 153

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Chairman Blessing and Members of the Senate Ways and Means Committee, thank you for allowing me to provide testimony on behalf of the members of the Ohio Apartment Association (OAA) in support of Senate Bill 153.

My name is Laura Swanson and I serve as Executive Director of OAA, a federation of nine local apartment associations. OAA members own and/or manage approximately 500,000 rental units located in urban, suburban and rural communities across the state of Ohio. Our members are largely local, Ohio-based companies with years of experience in the rental market. We are primarily the owners and/or operators of apartment communities, as opposed to one-off single-family rentals or small-scale multi-unit properties.

OAA members are significant property owners in our communities. And while commercial real estate is not seeing quite the dramatic increases in valuation that residential real estate is facing, we are still seeing significant increases in our valuations, leading to increases in our property taxes.

Property taxes are one of the largest costs of business that OAA members face. To the point that one of our members recently shared that they will be paying approximately 25% of one property's revenues in a Central Ohio suburb as property taxes. And our business revenue is rent – this is a cost that comes out of the pockets of tenants in the form of higher rents. The current valuation crisis will impact homeowners and renters alike.

It is important to stress that multi-family residential property is considered commercial land under Ohio law and thus taxed at a higher rate than residential land – land used and occupied by one, two, or three families. Apartment communities – where the only purpose is residential and the only revenue is derived from rent – are taxed in the same way as theaters, office buildings, warehouses, retail and wholesale stores, bank buildings, commercial garages, commercial parking lots, and shopping centers.

We believe, and have long argued, that all property that is full-time residential in character should be taxed in the same manner. While tenants may not pay property taxes directly, their cost of living is impacted by the property taxes their landlords pay. The current tax structure clearly favors one group of Ohioans, homeowners and renters of single-family homes, over another, tenants in multi-family properties.



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We acknowledge that Senate Bill 153 is a stop gap measure. Thus, we strongly encourage you to also participate in the bigger discussion of the Joint Committee on Property Tax Review and Reform. We very much hope this General Assembly will take this opportunity to make a holistic examination of the current property tax system - to examine its strengths and its many weaknesses and to explore much needed reforms. OAA stands ready to participate in that process.

Thank you for your time and attention to this important issue.