

BEFORE THE SENATE
Ways and Means and Economic Development Committee

Opponent Testimony re: SB 172
By: Kelan Craig, Housing Preservation Coordinator,
Coalition on Homelessness and Housing in Ohio

February 2, 2012
North Hearing Room

Chairman Schaffer and members of the **Senate Ways and Means and Economic Development Committee**: My name is Kelan Craig and I serve as Housing Preservation Coordinator for the Coalition on Homelessness and Housing in Ohio (COHHIO). With a mission of ending homelessness and promoting affordable housing, COHHIO is involved in a range of housing assistance services in Ohio, including homeless prevention, emergency shelters, transitional housing and permanent affordable housing with linkages to supportive services. Further, through COHHIO's Rental Housing Information Network of Ohio, we work with 10 tenant serving organizations around the state; 30 local tenant associations; and we respond to nearly 1,000 calls to our rental information hotline each year. Thank you for this opportunity to testify in opposition to Senate Bill 172.

As I'm sure you are aware, between 1994 and 2010, Ohio faced 15 straight years of record foreclosures, undoubtedly increasing the number of renters across the state, in Franklin County, Fairfield County, and Miami County and beyond. Further, Ohio has lost approximately 230,000 jobs since 2008 and the state's unemployment rate remains above 8%. Many homeowners and tenants, through no fault of their own, have seen their budgets strapped and ability to pay their mortgage or rental payment hampered. The owner-occupied housing market continues to face headwinds and Ohio consumers don't yet believe that foreclosures or home prices have bottomed out.

In the wake of the foreclosure crisis and the Great Recession, tenants are the backbone of many communities. As has been cited by others before you today, over 3.5 million Ohioans rent their homes. Of those, over 200,000 renter households are elderly, over 180,000 are disabled and at least 170,000 households include veterans who have served our country. They are seniors, fellow young professionals and the working poor. Like many in this distressed economy, many are living paycheck to paycheck and it is not in the State of Ohio's interest to stigmatize renter households. Renting is truly the new normal and we need to be cognizant of the significant shift nationwide from homeownership to rental housing. Since 2004, the number of renters rose by over 4 million nationwide.

According to research done by the Ohio Poverty Law Center (OPLC), there is only one other state law in the country that enables a landlord or other private entity to recover a state tax refund from a debtor. In addition to facing suits from landlords, the state's Tax Commissioner would be directed to pay a tenant's tax refund and maintain additional records, specifically enumerable copies of filings of satisfaction of judgment. Similarly, just as SB 172 would place an undue burden on the Ohio Department of Taxation, because suits would have to be filed solely in the Franklin County Court of Commons Pleas, the County's court system would surely face a backlog of cases, creating a bureaucratic nightmare for landlords, tenants and local officials alike.

Ultimately this bill would create a lot of work for landlords, for the Ohio Department of Taxation and the Franklin County Court of Common Pleas, all for very little reward. The average state income tax refund in Ohio is low and collection of these refunds would not result in a significant addition to the state's income tax base or enhanced maintenance of property tax collections.

We don't wish to excuse or deny the responsibility of renter households to pay their rent or default judgments in a timely fashion as required by their lease or the courts, but just as we don't believe that all landlords are slumlords, we don't believe all tenants are deadbeats looking to game the system; certainly not to the extent that would justify passage of this bill. As the rental market has tightened, vacancy rates have gone down, landlords have been able to increase rents and entrepreneurs are investing in rental housing because there are profits to be made. Landlords don't need the special privilege of having the government act as their collections agent.

The changes in Ohio law proposed by SB 172 are burdensome and unnecessary, tackling a problem that has not been proven to exist. I urge you to vote 'no' on this legislation.

Again, thank you for the opportunity to speak before you today. I am happy to answer any questions that you may have or follow up with any clarifications.

Kelan Craig
Housing Preservation Coordinator
Coalition on Homelessness and Housing
in Ohio
kelancraig@cohhio.org
614-280-1984 ext. 33
330-472-8862 (cell)

Bill Faith
Executive Director
Coalition on Homelessness and Housing
in Ohio
billfaith@cohhio.org
614-280-1984 ext. 12
614-579-6108 (cell)