Legislative Issues Update

Ohio Association of REALTORS®
Winter Conference
January 2017

Lame Duck Action

- Passage of HB 532
  - Enact ODRE Task Force recommendations
    - Contemporaneous offers
    - Online pre-licensure education
- SB 257 – Right to Cure
  - Reduces to 4 years from 21
  - Time for defects to cure by operation of law

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Lame Duck Action

- SB 235
  - Provides property tax relief for commercial development
  - Freezes valuation pre-development for a period not exceeding 6 yrs or development begins

HB 463

- Local ballot initiatives
- Grants authority to local Board of Elections & Secretary of State to determine constitutionality of initiatives
- May be unconstitutional

HB 463

Foreclosure Changes

- Changes how property taxes may or may not be taken from the sale
  - Judgment creditor must now approve charges taken from proceeds
- If appraisal isn't completed, value set at most recent appraisal value, not market
- First lien holder has priority over judgement creditor
- Bans plywood – vacant & abandoned for bank owned
  - Fannie Mae also bans as of Nov. 2016

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HB 463

Fair Housing

- Makes permissive the awarding of attorney fees & damages rather than require
- Eliminates punitive damages & replaces w/ permissive civil damages
- If no discrimination found, attorney fees may be awarded
- Maintains substantial equivalency

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HB 463

- Good Funds
- Modifies what are considered "Good Funds"
- Limits cash & personal checks to an aggregate of $1,000
- Requires transfer of funds via gross settlement service of the Federal Reserve

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132nd General Assembly HOUSE

- House – 66 to 33 R's to D's
- Led by
  - Speaker Cliff Rosenberger
  - Speaker Pro-Tem Kirk Schuring
  - Majority Floor Leader Dorothy Pelanda
  - Asst. Majority Floor Leader Sarah LaTourette
  - Majority Whip Tom Patton
  - Asst. Majority Whip Rob McColley

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HOUSE
Minority Leadership

- Minority Leader Fred Strahorn
- Asst. Minority Leader Nick Celebreeze
- Minority Whip Nickie Antonio
- Asst. Minority Whip Emilia Sykes

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132nd General Assembly
SENATE

- Senate 24 – 9 R's to D's
- Led by
  - President Larry Obhoff
  - President Pro-Tem Bob Peterson
  - Majority Floor Leader Randy Gardner
  - Majority Whip Gayle Manning

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SENATE
Minority Leadership

- Minority Leader Joe Schiavoni
- Asst. Minority Leader Charleta Tavares
- Minority Whip Edna Brown
- Asst. Minority Whip Cecil Thomas

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Upcoming Challenges
Ohio Miracle

- The OHIO MIRACLE was really a RECESSION.
- Ohio charges sales tax on Medicaid Managed-Care organizations (MCO)
- Use money to draw down federal funds then reimburse the MCO
- Counties & transit authorities piggybacked
- July 1, 2017 – it stops
  - $1.1 billion loss in revenue over the biennium
  - $200 million of that is local government dollars
- Medicaid Expansion greatly increased this revenue

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Upcoming Challenges Medicaid

Speaking of Medicaid Expansion

- Kasich's decision to expand increased total Medicaid spending by $5 billion ($20B to $25B)
- 2017 federal share begins to phase-out
  - First 6 months will increase Ohio's share by $150 million

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Upcoming Challenges Oil & Gas

- Oil & Gas Sales Tax – broadened exemption was vetoed
- Projected revenue loss in 10's of millions
- Retroactive to 2010 – over $250 million
- Does this come back?
  - Strong signal Severance Tax Increase DEAD

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Upcoming Challenges
Revenue Sources

State Needs More Revenue

- Governor will attempt sales tax expansion
  - Severance
  - CAT Modifications
  - Expand sales tax to all MCOs
- State agencies told NO increases, cuts maybe 10%
  - Higher Education
  - Opioid/Heroin Crisis
  - K – 12 Schools
  - Local Governments

All need additional funds

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Upcoming Challenges
Tax Changes

- House & Senate Leadership want additional income tax reductions/modifications
- Both say NO tax increases or shifting
- Time for a SHOWDOWN

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Upcoming Challenges
Tax Changes

- Ohio Service Industry Coalition
- Re-grouped
- 30+ members strong
- Re-engagement of Zaino, Hall & Farrin
- Supported with NAR & OAR resources

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Upcoming Challenges
CAUV Changes

- CAUV Reform – additional reductions for agricultural lands
- Results in tax shift to residential properties
- Funding losses for schools & local governments

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Upcoming Opportunities
Home Inspector Licensing

- Rep. Jim Hughes to introduce legislation early 2017
- Low hanging fruit
- Working with inspectors

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Upcoming Opportunities
Remaining Items

- OAR – Task Force on background checks
- ODRE – Task Force on property management
- Modernization of Ohio's Conveyance System

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