State Issues Update

Ohio Association of REALTORS®
Annual Convention
September 11-14, 2011
Governor Kasich Budget Highlights
Filling $8 Billion Dollar Hole

Eliminates the Projected $8 Billion Shortfall

**Highlights**

- Preserved the remaining 4.2% reduction in Ohio’s Income Tax originally planned for 2009 – was adopted for 2011 & beyond;
- Repealed Ohio’s Estate Tax effective January 1, 2013;
- Provides additional opportunities for local governments to merge/share services;
- Adopts single prime for government construction projects;
- Allows for the sale of 5 prisons;
- Enables future privatization of the Turnpike;
- Significant cuts to higher education, local governments and nursing homes;
- Opens public lands to oil and gas exploration.
Ohio Housing Study Committee

• Established to review OHFA relationships with its partners
• Specifically to include economic impact and determine measureable impact of programs

Members are:
  – Auditor of State
  – Director of Commerce
  – Director of Development
  – 2 Members of each Chamber

• Report due March 1, 2012 & to include financial, policy or legislative recommendations
Big Issues so Far…

House Bill 1 – JobsOhio

• Establishes JobsOhio, a public/private partnership comprised of a nine-person board chaired by the governor, and charged with directing Ohio's economic development and job creation efforts.

Senate Bill 5 – Collective Bargaining

• Makes changes concerning public employees collective bargaining, salary schedules and compensation, layoff procedures, and leave.
Ohio Division of Real Estate & Professional Licensing

- After 2 years of negotiations a series of changes to the license law have been agreed to, including clean-up & removal of outdated provisions
- All controversial sections where agreement could not be reached have been removed.
- Changes will benefit the licensee & improve Division operations.
Ohio Division of Real Estate & Professional Licensing

Major Changes Include

• Requires licensees to notify the Division of the revocation or suspension of certain related professional licenses, certificates or registrations

• Increases the amount of educational loan limits from $800 to $2,000

• Limits the terms of Ohio Real Estate Commissioners to 2 consecutive terms
Ohio Division of Real Estate & Professional Licensing

Major Changes Include

• Allows for the issuance of advisory letters to licensees and expands the types of violations for which a citation may be issued by the Superintendent

• Permits limited disclosure to appraisers regarding seller concessions to more accurately value property

• Prohibits the assignment of commissions to unlicensed persons

• Limits the practice of dual agency by licensees

• Limits cause of action suits based upon imputed knowledge (Robiski Case)
REALTOR® License Plates

• Any member of the local board, OAR or NAR can purchase REALTOR License Plate.

• Part of proceeds designated to the property disaster relief fund maintained under the Ohio Realtors Charitable and Education Foundation.

**STATUS:** DONE & ON SALE NOW.

**GO OUT AND BUY ONE!!!**
Meth Disclosure

• Dayton TV did an “On Your Side” piece. Found consumers who unknowingly bought former meth lab properties.
• Senators Beagle & LaRose redraft of HB 33.
• BCI & ODH – New Administration, new concerns.
• Now exploring adopting standards for remediation.
• Strong support for protecting properties from long-term stigma while protecting the consumer.
Septic Update

• Advisory Committee continues to meet
• No action can be taken prior to January 2012
• Recommendations should be finalized by first of the year
• HB 32 – Definition of Surveying
  – Passed House 97-2
• Best guess for new rules
  – Late fall? – Post elections
Appraisal Management Companies (AMC)

- Defines what constitutes an AMC
- Adopts requirements for an AMC to register with the state pursuant to mandates contained in Dodd-Frank
- Meets the requirements of Dodd-Frank by requiring appraisals done by an AMC to conform to USPAP standards & require an appraisal to originate a mortgage

**STATUS:** Pending introduction, agreement reached between AMCs/ODRE/OAR

**PROGNOSIS:** GOOD
Marcellus & Utica Shale

Several issues regarding Ohio’s New Oil Rush emerging.
Ranging from:

– Who may negotiate the sale of mineral rights
– When is a real estate license required
– Title searches – Who owns the rights
– Transfer of right during the term of a listing agreement
– Mine subsidence – Property condition disclosure form – or another instrument
What’s Next

SB 5 Referendum – Issue 2
• Over 900,000 valid signatures supporting repeal of law.
• Last state issue was repealed with 1.2 million votes
• We Are Ohio = No on 2 = Repeal SB 5
  – Disclosed campaign 7 mill – on hand
• Building a Better Ohio = Enact SB 5 = Yes on 2
  – Will be disclosed eventually
• Husted predicts 3-3.5 million votes cast
Issue 2 battle

By collecting a record number of signatures to put a repeal of the new collective-bargaining law on the ballot, We Are Ohio got a big head start heading into November — as long as the group persuades those signees to come to the polls and vote to repeal Senate Bill 5.

<table>
<thead>
<tr>
<th>ESTIMATED NOVEMBER TURNOUT</th>
<th>“NO” VOTES FROM PETITION SIGNERS</th>
<th>REMAINING VOTERS IF SIGNEE VOTE NO</th>
<th>% OF REMAINING VOTERS NEEDED TO UPHOLD SB 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 million</td>
<td>900,000</td>
<td>2.1 million</td>
<td>71.4%</td>
</tr>
<tr>
<td>3.5 million</td>
<td>900,000</td>
<td>2.6 million</td>
<td>67.3%</td>
</tr>
<tr>
<td>4 million</td>
<td>900,000</td>
<td>3.1 million</td>
<td>64.5%</td>
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</table>

Source: Dispatch analysis

THE COLUMBUS DISPATCH
Reapportionment/Redistricting

• 5 member panel – meets every 10 years post census
• Made up of:
  – Governor
  – Secretary of State
  – Auditor of State
  – 2 Legislative Leaders (1 Republican, 1 Democrat)
    • Senate President Tom Niehaus
    • Minority Leader Armond Budish
Redistricting Timeline

**State Legislative Districts**
- Governor must provide at least 2 weeks notice of meeting date, time & place
- Final district lines are published by Oct. 5, 2011

**Congressional Districts**
- Ohio currently has 18 congressional districts
- 2010 census numbers requires Ohio to reduce districts to 16
- New boundaries for new districts must be done before 2012 congressional elections
  - Ohio’s 2012 primary election – May 8, 2012
  - Candidate petitions must be filed by Feb. 8, 2012
  - New district lines must be drawn well in advance of Feb. 8, 2012
Redistricting Fallout

General Assembly Districts
- Probably won’t change much
- Redrawing Republican lines

Congressional Districts
Who’s on the Chopping Block? – Who Isn’t!!
- Kucinich & Kaptur
- Sutton & Ryan
- Austria & Turner
- Schmidt & Everyone
- Gibbs & Johnson
For more Legislative Information


- Contact Your Legislator
- Latest News
- Key Legislative Issues
- Ohio Issues Mobilization
- RPAC