

OHIO ASSOCIATION OF REALTORS® (OAR)
2008 RPAC STATE LEGISLATIVE CANDIDATE
SCREENING QUESTIONNAIRE

1. What do you view as the top three challenges facing Ohio at this time? How would you resolve or address these challenges?
2. On rare occasions proposals to create a statewide transfer tax on real estate have been debated by the Ohio General Assembly. The statewide transfer tax would be imposed on top of the existing transfer taxes being charged at the local level. Current law in Ohio requires a one-mill fee, and allows a local option tax of up to an additional three mills, all of which is retained at the County level. Would you OPPOSE any future attempts to create a statewide transfer tax or increasing the local option tax above the current three mills on real estate?
3. A proposal to expand the state sales tax to include real estate commissions, property management services, appraisals, home inspections and title services was unsuccessfully proposed by former Governor Bob Taft. Will you OPPOSE any future efforts to expand the state sales tax to real estate related services?
4. Regarding school funding do you believe that the Ohio Constitution should be modified to allow real estate property taxes to increase at an inflationary level in order to provide schools an increasing revenue stream without requiring a ballot initiative? Do you believe that all additional taxes for schools should be approved by the voters?
5. In a perfect world how would you solve the school-funding problem?
6. Ohio is one of a handful of states that does not license home inspectors. A bill that establishes a regulatory framework for home inspectors within the Ohio Department of Commerce recently passed the Ohio House of Representatives. The bill requires pre-license testing and annual continuing education for home inspectors. Do you support licensing home inspectors in Ohio?
7. Ohio's neighborhoods are struggling with the issues of foreclosure, vacant properties and general decline due to flight to the suburbs. The State has in response attempted a number of means to reduce sprawl and revitalize our urban areas. What programs and/or incentives would you support to restore our neighborhoods and effectively manage growth?
8. Ohio recently adopted a new set of regulations covering the installation, operation and maintenance of onsite sewage treatment systems. This code was then repealed and new rules ordered drafted due to the negative economic impact they had on property owners due to their stringent and restrictive qualities. The state now continues to work on the development of this new code. Do you agree that there must be a balance between protecting the environment and the costs borne by property owners - if so where do you believe this balance lies?
9. You have been invited to appear before us today, obviously, because of our interests in real estate and the laws which govern real estate brokers and agents. Why are you seeking our support?

2008 RPAC STATE LEGISLATIVE CANDIDATE
SCREENING QUESTIONNAIRE (CONT.)

The following candidate background information could be considered by local associations conducting candidate interviews. Some of the information (background, organizational, financial, and reasons for running) may be ascertained from the campaign or candidate in advance of a formal candidate interview conducted by your association. By so doing, your association's screening committee would have more time to focus on the interview questions for candidates.

SECTION I BACKGROUND

Candidate full name: _____

Office sought: _____

Campaign Headquarters Address: _____

City: _____ State: _____ ZIP: _____

Current Position/Occupation: _____

Previous public offices or appointments held: _____

Name, address and phone of Campaign Manager

Area Code (_____) _____

Name, address, phone of Campaign Treasurer

Area Code (_____) _____

SECTION II FINANCIAL

What is the total amount budgeted for this campaign? Primary _____

General _____

How much has been raised? _____ (as of what date?) _____

Does candidate accept PAC funds? ___yes ___no

SECTION III BASIS FOR CANDIDACY

Reasons for entering race _____

List major endorsements received for this race/campaign _____

SECTION IV ORGANIZATIONAL

- 1.) What voting groups must you carry to win?
- 2.) Are you using any consultants? Who are they?
- 3.) Do you have any current polling information concerning your race?
- 4.) What previous relationship has this candidate had with REALTOR® association?
- 5.) Please name any REALTORS® active in or supportive of your candidacy.

RATIONALE FOR OAR POSITIONS ON CANDIDATE INTERVIEW QUESTIONS

Q2 – Counties already impose a minimum transfer tax of one mill and have the authority to charge as much as four mills. We know that nearly all of the 88 counties in Ohio currently do charge more than the one mill minimum. We expect that the prospect of reduced funding levels from the state will result in further increases in many areas of the state. To measure the full impact of a transfer tax, it is also important to look at how home values have been appreciating in our state. Although sales activity a few years ago was at record highs, the economic climate in Ohio during that time period in Ohio contributed to a rather anemic rate of appreciation. Average home values in our state have increased just 3.3 percent per year since 1998. This is just above the rate of inflation and well below the national average during the same period. So it is clear to us that Ohio’s homeowners, who would be called upon to pay the increased transfer taxes at the state and local levels, have not exactly experienced windfalls in their home values to offset the growing tax burden. It is OAR’s position that the addition of a new, statewide transfer tax – combined with the tax that is already being imposed locally – is a significant theft of equity being assessed on just one asset – real estate. Property owners would have been forced to pay upwards of \$800 for the privilege of selling an average priced home in Ohio, which is currently about \$150,000. Unfortunately, over the last couple of years, the housing market in Ohio, like a majority of the country, has experienced a dramatic slowdown/downturn and has become one of the driving factors of the current economic slowdown. More taxes and hurdles to potential homebuyers and sellers will only exacerbate the current housing problem in Ohio and in turn hurt our state’s economy further.

Q3 –The Ohio Association of REALTORS® was supportive of a legislation that alleviates Ohio’s long-term economic problems. The plan included a combination of restraint and reduction in state spending, reforms to an outdated tax code, and tax reform for corporations and individuals. However, OAR did NOT believe that expanding the sales tax base to include real estate related services such as commissions, property management services, appraisals, home inspections, and title searches, would help alleviate Ohio’s budget/economic problems. This approach would dramatically increase the cost of purchasing a home, thereby cutting thousands of potential homebuyers out of the housing market. Over the last decade, the housing market was one of the few bright spots in the economy during our nation’s most recent recession. Unfortunately, over the last couple of years, the housing market in Ohio, like a majority of the country, has experienced a dramatic slowdown/downturn and has become one of the driving factors of the current economic slowdown. More taxes and hurdles to potential homebuyers and sellers will only exacerbate the current housing problem in Ohio and in turn hurt our state’s economy further.

Q4 – It is the assertion of OAR that House Bill 920 provides for accountability in our system of school funding by requiring local school districts to go to the electorate in order to obtain increases in real estate taxes.

Q6 – The Ohio Association of REALTORS has strongly supported the concept of licensing home inspectors for numerous years. OAR believes a regulatory framework for home inspectors similar to our own license law, including pre-license education, the passage of an examination, standards of practice, liability insurance, continuing education and an appointed Commission to rule upon allegations of misconduct. However, OAR strongly opposes any attempt to limit the role of a real estate licensee to refer a home inspector(s) to their client.

Q7 – The state has enacted a number of programs recently aimed at returning workers and housing opportunities to our urban centers, these include historic home tax credits and several programs that grant local municipalities the authority to clean up abandoned and foreclosed homes to prevent neighborhood deterioration. There is still work to be done and additional incentives for encouraging investment in foreclosed properties as well as credits or other incentives to promote living near your work rather than extending growth patterns. There may be other programs that have been undertaken locally that your board is supportive of that would also be acceptable answers.

Q8 – The new code must grant greater flexibility to the property owner in deciding what type of system to install. Ideally, the new code will allow for a wide array of acceptable systems, something the past code did not do, homeowners were faced with one or two choices, both, which were very expensive. The code must balance the need for protecting the environment while recognizing that these systems are typically installed in areas of lower incomes and older housing stock and cost must be taken into consideration when creating the new code. Additionally the code should promote repair over replacement and loans / grants must be made available for those homeowners who simply do not have the means to purchase a new system.