

Publications

Ohio Legislature Preserves Statewide Authority and Acts to Stop Local Rent Control

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On Wednesday, June 1, the Ohio General Assembly passed HB 430 that, among other things, includes a statewide prohibition against local rent control ordinances and regulations. The bill has been sent to the governor for his signature.

HB 430 amends Chapter 5321 of the Revised Code (the Ohio Landlords and Tenants Law) which is a general law that governs landlord-tenant relations on a statewide and comprehensive basis. The amendment reinforces the statewide character of the law by adding a specific preemption of local rent control measures to the existing general preemption of local ordinances relating to rental agreements.

Specifically, HB 430:

1. Emphasizes that the law applies to all political subdivisions (defined as “a county, township, municipal corporation, or any other body corporate and politic that is responsible for government activities in a geographic area smaller than that of the state”); and
2. Prohibits rent control or rent stabilization ordinances and regulations adopted by political subdivisions (the Bill specifies that these are considered rental agreement regulations covered by the law), **unless**:
 1. The property is owned by the political subdivision; or
 2. Such regulating is related to voluntary agreements or incentives to increase or maintain the supply or improve the quality of available residential premises (such as (i) affordable housing provided under LIHTC or similar programs or (ii) where, in return for granting some type of tax abatement or credit, the city requires, and the owner agrees, to limit rents).

“Rent control” is defined as “requiring below-market rents for residential premises or controlling rental rates for residential premises in any manner;” “rent stabilization” is defined as “allowing rent

increases for residential premises of a fixed amount or on a fixed schedule as set by a political subdivision.”

The bill also makes a number of legislative findings to support the state’s authority to impose these limits, including increasing concerns that rent control and rent stabilization measures could discourage maintenance and rehabilitation of existing premises; suppress construction of new properties thereby leading to an inadequate housing supply; have an adverse effect on individuals and employers in certain areas due to a lack of adequate housing; distort the residential housing market; and retroactively deprive owners of residential premises of property rights.

In summary, the Bill states that the General Assembly “finds and declares that attainment of an adequate housing supply is a matter of overriding statewide interest that requires a uniform approach to rent control and rent stabilization measures in residential premises throughout the state.”

Vorys Partner John J. Kulewicz provided proponent testimony in support of the bill on behalf of the Ohio REALTORS to the Ohio Senate Energy and Public Utilities Committee.