



State Representative Steve Arndt & State Representative Kevin Miller  
House Bill 740  
Sponsor Testimony  
House State and Local Government Committee  
November 15, 2018

**Rep. Arndt's portion**

Chairwoman Anielski, Vice Chair Hambley, Ranking Member Holmes thank you for the opportunity to speak to you about House Bill 740, legislation that my joint sponsor and I introduced that would allow port authorities, Community Improvement Corporations (CIC), and Community Development Corporations to access the state's bonding authority in order to accomplish economic development activities.

This bill would create an Economic Development Bond Bank that would provide an additional option for port authorities, CIC's and CDC's for qualifying economic development projects.

Under current Ohio Revised Code, these economic development entities are able to issue bonds, make loans, and sell or buy real and personal property. This enables them to assist with financing capital and other major economic development projects. However, smaller operators, like the Port Clinton Port Authority in my district, often cannot issue bonds for their projects because they do not have the assets and resources available to issue bonds for large scale projects.

Our legislation would allow these smaller organizations to submit projects that are bondable to a state bond bank so they can more fully utilize our state's financial economic resources in the global market place. In addition to providing greater financial resources for smaller economic development corporations, establishing a central state bond bank would also be more economical compared to issuing individual bonds.

To give you an idea of the impact this legislation would have in our state, according to the County Commissioner's Association of Ohio, the state has more than 50 port authorities. Each is unique to the local economy and activities range from economic development to efforts to improve quality of life. There are more than 250 economic development CICs in Ohio. According to the Ohio CDC Association, there are more than 240 CDCs in Ohio.

**Representative Miller's Sponsor Testimony (as prepared) on Behalf of HB 740 (authorize bonds for loans to port authorities and community Development Corporations) Before House State and Local Government Committee**

I want to thank Representative Arndt, a former, long time, county commissioner – a real expert on these issues, for working together on this truly bipartisan legislation.

I also want to thank you members of the committee, Chairman Anielski, Vice Chairman Hambley, and Ranking Member Holmes and members of the committee for considering this bill.

I know we have an extensive schedule today so I both thank the committee for its time and promise to be as brief as I can considering the importance and scope of this bill.

HB 740 would create the Economic Development Bond Bank that would make loans to port authorities, CICs, and CDCs for qualifying economic development projects.

As Representative Arndt said, this will enable these entities to leverage the state's financial advantage in the global marketplace. For too long, we have let these innovators; these local risk takers, fend for themselves.

By using the state's bonding authority, with strict financial requirements issued and overseen by the Treasurer, these public-private, and non-profit organizations can better compete with easier access to capital. All the while, the state maintains its financial protection because these are loans to be repaid.

Port authorities are able to issue bonds, make loans, and sell or buy real and personal property. This enables them to assist with financing capital and other major economic development projects. But giving them the power is not enough, we have to allow them to tap into Ohio's bonding authority.

The same is true for CDCs and CICs.

Let me be clear, this economic development bond bank will be for economic development – whether it is Rickenbacker in my district looking to expand an intermodal facility or the Scioto County Port Authority trying to improve its pitch to private businesses through improved mapping. The goal is to provide economic assistance to these job creators without jeopardizing a single taxpayer dollar.

This a strong, innovative bill that can provide positive economic impact immediately by giving an extra boost to those working at the ground level growing our economy.

I thank the committee again for its time and willingness to give this issue your attention, and I would be happy to answer any questions.