

Representative Marlene Anielski
Chair, House State & Local Government Committee
Ohio House of Representatives
77 S. High Street, 12th Floor
Columbus, Ohio 43215
Delivered via email: jack.brubaker@ohiohouse.gov



The Honorable Representative Anielski,

The OBL is the foremost trade association for the Ohio banking industry – and is Ohio’s only organization focused on meeting the needs of *all banks and thrifts* in the Buckeye State. The non-profit association is comprised of 190 FDIC-insured financial institutions including commercial banks, savings banks, and savings and loan associations ranging in size from just over \$13 million in assets to more than \$2.5 trillion. For more than 125 years, the OBL has been the voice of the Ohio banking industry fostering a cooperation that has made it one of the strongest and most reputable financial trade associations in the country.

On behalf of our members, I write to you in opposition to House Bill 740 (HB 740), legislation that would create a state-run Economic Development Bond Bank that has the potential to detract from private-sector local lending institutions’ ability to invest capital in the areas they serve. It would allow port authorities, Community Investment Corporations (CICs), and Community Development Corporations (CDCs) to use their borrowing authority to issue revenue obligations that would then be purchased by the Treasurer of State. These transactions would essentially operate as loans to those entities listed above.

Local economic development is important. However, HB 740 raises concerns because it would bring about significant change with little or no justification for that change. Additional dialogue is needed to determine whether there are new opportunities to ensure that these needs are met using the existing banking structure through connecting those seeking financing or public issuances to institutions providing those services. This would be more consistent with free-market principles and promoting private industry.

Other concerns with the legislation include the fact that there is no dollar limit on the entity requesting the funds or any indication whether they would be subject to debt limits. There are no limits, parameters, or vetting process for the types of projects this could be used for. It does not address what would happen if one of the entities or a project fails. Who would be responsible for repaying the debt?

For these reasons, we urge you to oppose HB 740. Please feel free to contact me if you have any questions regarding our opposition at dboyd@ohiobankersleague.com or (614) 340-7608.

Sincerely,

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& Legislative Counsel
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