



**House Ways & Means Committee
Interested Party Testimony, House Bill 371 (Merrin)
Jason E. Warner, Greater Ohio Policy Center
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Chairman Schaffer, Vice Chairman Scherer, Ranking Member Rogers and Members of the House Ways & Means Committee, thank you for providing me this opportunity to offer the position of Greater Ohio on House Bill 371, legislation which, if enacted, would authorize a tax exemption – or freeze – in the value of land in the pre-residential development stage and reduce property taxes for land purchased for a residential development purpose.

My name is Jason Warner and I am the Manager of Government Affairs at the Greater Ohio Policy Center. Greater Ohio is a nonprofit nonpartisan organization that is valued for its data-driven research. Our mission is to champion revitalization in Ohio to create economically competitive communities. It is with this mission in mind that Greater Ohio raises its significant misgivings with House Bill 371.

As currently written, HB371 proposed a property tax exemption from increases in the value of unimproved land subdivided for residential development from the time that the land is subdivided to the time that either residential construction begins, or the land is sold. The bill specifies that residential construction is not deemed to have begun even if streets, sidewalks, curbs, driveways or water, sewer, or other utility lines being constructed or installed. While this is intended to create an incentive for developers to retain and develop land and promote an increase in residential development, the fiscal impacts on local government will negatively impact local governments and school districts.

While the committee did modestly improve the bill by limiting the tax freeze for ten years and is to be based on “fair market value” and not on CAUV valuation, Greater Ohio remains concerned about the impact this bill will have on the state of Ohio. Specifically, Greater Ohio believes that House Bill 371 essentially subsidizes sprawl. The bill further incentivizes and promotes economically and environmentally unsustainable development across the state.

Ohio’s population growth has basically flatlined. The United States Census Bureau estimates that Ohio’s population has grown by only 0.7% since 2010ⁱ. That same census data shows that Ohio currently has a vacant housing rate of 10.6%ⁱⁱ. All of this means that Ohio currently has in place an abundance of available housing infrastructure and it is not necessary to incent further “greenfield” residential development. Greater Ohio does not suggest that there does not exist the need for development; indeed, there are communities throughout Ohio where the need for new or increased housing development does exist. It is our firm belief the financial risk of building-up an undeveloped area must be carried by the developer, not the local government in which the development is proposed to occur.

House Bill 371 will subsidize unnecessary suburban sprawl and fuel economically and environmentally unsustainable development across the state of Ohio. At a time when the state has an abundant supply of developed land available for housing and the lowest rate of

population growth in thirty years, it simply does not make sense to incentivize this dangerous build-up at the expense of local governments. While HB371 is a better bill now than when it started, Greater Ohio still opposes its enactment.

Chairman Schaffer and members of the House Ways & Means Committee, thank you again for providing Greater Ohio the opportunity to share our thoughts on HB371. Thank you for your consideration of our recommendations and I would be happy to answer any questions the committee may have.

ⁱ [United States Census Bureau, Quick Facts – Ohio. Population Estimates, July 1, 2016](#)

ⁱⁱ [United States Census Bureau, 2016 American Community Survey](#)