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State Senator, 20th Senate District

Senate Finance Committee

Senate Bill 180 — Sponsor Testimony

Tuesday October 1, 2019

Chairman Dolan, Vice Chair Burke, Ranking Member Sykes, and members of the Senate Finance Committee, thank you for the opportunity to present sponsor testimony on Senate Bill 180.

Senate Bill 180 aims to put townships on the same playing field as counties and cities by allowing them to issue bonds for economic development purposes. The bill will streamline the process for the issuance of industrial development bonds by fixing an antiquated system that did not anticipate having competent economic development staff at townships.

The purpose of this bill is to do the following:

- 1. Amend the definition of “Issuer” in ORC Chapter 165 to include townships,**
- 2. Amend ORC Chapter 165 to include the township board of trustees as the applicable issuing authority for townships, and**
- 3. Eliminate the requirement that a county or municipal corporation designate a community improvement corporation (CIC) as its agency for industrial, commercial, distribution, and research development before the county or municipal corporation may issue industrial development bonds**

The idea behind this bill was brought to me by my trustees in Violet Township, located in Fairfield County.

This bill adheres to Article VII Section 13 of the Ohio Constitution which sets forth guidelines that allow for potential interaction between a public body and a private entity. As long as this arrangement results in the creation or preservation of jobs and employment opportunities, the state or its political subdivision can issue bonds to provide money for the project. In this language, a “political subdivision” is not defined and does not articulate which subdivisions are eligible to issue these bonds for economic development. However, it is generally agreed that the bond issuing authority authorized by Section 13 was implemented by the enactment of ORC Chapter 165, which excludes townships from the definition of issuers of these bonds.

For some reason, when the Ohio General Assembly decided to define an “Issuer” for industrial development bonds, it excluded townships and only included cities and counties. The General Assembly also held as a requirement for these bonds that a designated CIC was needed to certify any project before it were to become financed. Some historical context is needed in discussing both issues.

As times have changed, and economic development departments around the state have grown more sophisticated, it no longer seems necessary or even appropriate that every such project

should be approved by the local CIC. In fact, I have heard during my discussions on this bill's drafting that it may not be all that uncommon to hear that a local CIC is no longer active, and may in fact have been decertified by the Ohio Secretary of State.

It is 2019, and townships deserve to be treated the same way as cities and counties in issuing industrial bonds in order to pursue economic development. Passing this bill fixes a long standing issue that would continue to economically impact townships across Ohio as they continue to grow. It for this reason that the Ohio Township Association has already put their support behind this bill.

Thank you once again, Chairman Dolan, and the members of the committee, for the opportunity to present this issue to you today. I will be pleased to answer any questions that the committee may have.