State Senators Bill Beagle and William P. Coley, II
Substitute Senate Bill 235 Sponsor Testimony
House Finance Committee
November 15, 2016

Chairman Smith, Ranking Member Driehaus, and members of the House Finance Committee, thank you for the opportunity to testify on behalf of Substitute Senate Bill 235.

Senate Bill 235 will exempt newly developable properties and redevelopment properties from incurring additional property taxes due to land improvements before building construction. This will allow property owners to make improvements to land such as adding sewers, electricity and roads so that it can be sold for commercial purposes without incurring additional property tax increases before the sale of the land to a new entity.

This legislation is solely for land where no commercial activity is being conducted and there is no construction or reconstruction occurring. These properties are full of potential for community revitalization and business development. This change will incentivize property owners to enhance land sites for future business and development, rather than the current deterrent of increased property taxes for making land more attractive to interested investors.

With this tax freeze, property owners will find it advantageous to improve their land, drawing business to Ohio. This bill will result in more pad-ready sites for new businesses and, in turn, encourage economic development and job creation throughout the state. This growth will lead to an increase in tax revenue for local government to support our communities.

This legislation benefits every entity involved and will benefit Ohio by enhancing local economic development efforts and incentivizing business expansion and new construction projects at no cost to local government and schools. These long term-benefits are essential and pivotal for our state in remaining competitive through business and economic development.

Senate Bill 235 is rather simple legislation, but one that will have positive ramifications throughout the state. With the support of various regional chambers of commerce and municipal governments, we believe this legislation will benefit both local governments and property developers.

Chairman Smith and members of the House Finance Committee, thank you for the opportunity to share sponsor testimony on Senate Bill 235. We are happy to answer any questions at this time.