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Committees
Chairman-Finance Subcommittee on
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Ways and Means

Senate Bill 40
Senate Ways and Means Committee
Sponsor Testimony - Senator Bill Beagle
June 9, 2015

Chairman Peterson, Ranking Member Tavares, and members of the Senate Ways and Means Committee, thank you for the opportunity to present sponsor testimony on Senate Bill 40.

Senate Bill 40 would create the Neighborhood Infrastructure Assistance Program in Ohio. This program would provide tax credits to businesses that contribute to non-profit organizations or local governments for economic and community development projects. This program would add a public-private partnership tool that has been successful in other states at encouraging the kind of investment and positive development that is too scarce in many of our communities today.

In order to qualify, a project must be catalytic for the surrounding area, meaning that it can be expected to result in further sustainable investment for the area. Examples of eligible projects might include community center construction, affordable housing projects, historic theater renovations, or microenterprise lending.

The tax credit amount would be 50% of the investment for projects in urban counties (population of more than 125,000) and 60% of the investment for projects in rural counties (less than 125,000 population). The minimum investment in order to qualify would be \$5,000, and the maximum qualifying investment would be \$500,000. The overall statewide cap on the program in the bill is \$5 million annually.

The bill also requires an annual cost-benefit analysis on the program as a whole and each approved project, and there is a five year sunset provision to allow for the General Assembly to evaluate the program's results at that time.

Fifteen states, including all of Ohio's neighbors except Kentucky, use a similar public-private partnership approach to spur community projects. The bill is supported by a broad-based coalition of non-profit development organizations, local governments, and private sector enterprises.

When the business community gets involved with local priority projects it is generally a recipe for sustainable success, and Senate Bill 40 will go a long way toward making our state the best place to live, work and raise a family.

Thank you Mr. Chairman. I am happy to answer any questions at this time.