SB 235: Industrial/Commercial Development-Tax Exemption

Interested Party Testimony

Lindsey M. Gardiner, Greater Ohio Policy Center

April 4, 2016

Chairman Peterson, Vice Chair Beagle, Ranking Member Tavares, and members of the Senate Ways and Means Committee. Thank you for the opportunity to offer interested party testimony on Senate Bill 235, which would give land developers a new incentive for preparing shovel-ready sites for establishing new businesses.

My name is Lindsey Gardiner and I am the Manager of Government Affairs of the Greater Ohio Policy Center. Greater Ohio is a nonpartisan nonprofit that is valued for its data-driven research. Our mission is to champion revitalization in Ohio and support efforts to build strong sustainable communities.

From what we understand, SB 235 will offer an incentive to property owners to enhance land sites for future business and development, and ultimately encourage job growth throughout the state. GOPC supports the overall principal of this legislation as it intends to spur economic development; however, we believe this statewide "automation" of offering tax incentives could result in negative side effects. GOPC respectfully requests the sponsors of SB 235 and members of the Senate Ways and Means Committee to further explore the potential impact of this legislation and consult with local governments and their economic development offices before moving this bill any further in the legislative process.

Greater Ohio has met with the sponsors of SB 235 and we have made them both aware of our position of this bill prior to today's hearing. Our concerns with SB 235 include:

- SB 235 will revoke local governments' right to offer similar incentives under their own discretion, and thus remove their ability to manage this important aspect of economic development independent of the State.
- According to the bill's fiscal analysis offered in January, "exempting the increased value in property before its planned development or redevelopment for commercial or industrial purposes would temporarily reduce property tax revenue in affected political subdivisions". [i]

- School districts are not included in the definition of “appropriate authority” with regards to the approval process of the incentives, so revenue losses to schools would not be permissive.

In closing, I’d like to respectfully mention that cities already have the ability to incent development and tailor their growth to their distinctive needs. As Ohioans, we take pride in our communities and we want to see them thrive, but we believe there is a better approach to achieving the same objectives.

Thank you for your time and consideration. I’d be pleased to answer any questions.

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[i] Ohio Legislative Service Commission. (1-19-16). *Fiscal Note and Local Impact Statement*. Retrieved from https://www.legislature.ohio.gov/download?key=3828&format=pdf