

**Jim Hoops**  
81<sup>st</sup> Ohio House District

Finance  
Transportation and Public Safety  
Ways and Means

Chair: Finance Subcommittee on Agriculture,  
Development, and Natural Resources



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## **Ohio General Assembly Ohio House of Representatives Representative Jim Hoops**

October 8, 2019

Chairman Merrin, Vice Chair LaRae, Ranking Member Rogers, and members of the Ohio House Ways and Means Committee thank you for the opportunity to provide sponsor testimony on House Bill 255.

HB 255 would require the Ohio Tax Commissioner's biennial tax expenditure report to include information on local property tax exemptions and to require the Tax Expenditure Review Committee periodically review local property tax exemption.

For close to a century, the Ohio Department of Taxation has published a biennial report documenting a complete list and total dollar amount of all state tax exemptions currently enacted by the General Assembly (R.C. Sec. 5703.48).

The biennial report is a great tool that provides lawmakers and taxpayers a better understanding of what businesses or individuals are exempt from paying state tax dollars. The report provides an estimate of the amount of revenue that is not available to the state general fund as a result of the operation of each tax exemption.

HB255 would add local property tax exemptions to the Tax Commissioner's biennial report. This added information and transparency will provide to our constituents and the General Assembly a better understanding of our local tax base, which funds many of our local services and much of our public education.

Similar to knowing what state tax exemptions have been enacted, by having a list of local property tax exemptions reported biennially, lawmakers can review and determine if those exemptions are accomplishing the goals that were intended when the exemptions were created.

The bill also would require the Tax Expenditure Review Committee to periodically review each local property tax exemption (R.C. Sec. 5703.95). The committee was created in H.B. 9 of the 131<sup>st</sup> General Assembly to review all current state tax expenditures at least once every eight years and make recommendations on whether each tax expenditure should be continued, modified, repealed or scheduled for further reviewed at a later time. HB255 would add local property tax exemptions to the same eight-year review process.

By including property tax exemptions into the study committee, I believe we can better determine what property tax exemptions are working for Ohioans. Ohio should have a mechanism to review property tax exemptions and make sure they are used as intended and remain necessary for the state's people.

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We have contacted several interested parties during the process of the creation of this bill including the tax commissioner and have not receive any negative comments thus far.

Mr. Chairman and members of the committee, I thank you for the opportunity to testify on this piece of legislation that adds additional transparency as it relates to property tax exemptions. I'd be happy to answer any questions.