

Columbus Office
Vern Riffe Center
77 S. High Street
Columbus, Ohio 43215-6111
(614) 466-3819
(800) 282-0253
(614) 719-0000 (Fax)
Rep83@ohiohouse.gov
www.ohiohouse.gov



Ohio House of Representatives

Jon Cross
State Representative

Jay Edwards
State Representative

Chairman Stephens, Vice-Chair Stewart, Ranking Member Weinstein and members of the House Energy and Natural Resources Committee. Thank you for allowing me and Rep. Edwards to testify of H.B. 685, The “Energize Ohio” Bill.

H.B. 685 will create “ENERGIZEOhio Zones” to incentivize the location and construction of energy infrastructure. This bill is designed to help communities and counties that are negatively affected by economic growth because of little to no natural gas infrastructure. A county, municipality, or township may petition the Department of Development to designate an EnergizeOhio zone.

- To request the designation, the subdivision must adopt an ordinance or resolution outlining the zone’s boundaries. Once approved, an EnergizeOhio zone designation lasts for five years. A zone can be renewed for an additional five years, if the subdivision requests the renewal and the Director finds that a lack of natural gas infrastructure continues to adversely affect the area economy.

The incentives that H.B. 685 offer these communities are...

- **ENERGIZEOhio Zone Tax Abatement Program:** By expanding and/or building new gas pipelines within a qualified EnergizeOhio Zone, the true value of new “qualifying property” would receive 75% of the ad valorem tax abated for 10 years on new pipeline expansion and/or qualified upgrades. Abatements in excess of 75% could be granted only with local school board approval.

- **ENERGIZEOhio Zone Accelerated Depreciation:** New pipelines would be granted an accelerated tax depreciation schedule. Thus, in year 11 after a new pipeline goes into service, it would be taxed at the year 30 depreciation schedule rate.
- **ENERGIZEOhio Corridor Easements:** Creates a new Pipeline Easement Revolving Fund to allow eligible applicants to purchase or lease pipeline easements on property within an EnergizeOhio Zone. \$20 million would be appropriated from the Ohio Facilities Establishment Fund into the new Pipeline Easement Revolving Fund.
- **ENERGIZEOhio Infrastructure Development Rider:** Within an EnergizeOhio Zone, the PUCO may implement an Infrastructure Development Rider (IDR) to fund approved infrastructure development.
- **ENERGIZEOhio Enhanced Rate of Return:** Provide an enhanced rate of return of up to 12 percent to gas companies to encourage new investment projects within an EnergizeOhio Zone.

While the state has existing energy infrastructure and abundance of energy resources in Ohio, there are communities all over the state that are locked out of job growth because the infrastructure to deliver energy isn't there and is prohibitively expensive to construct. This bill will help those underserved areas by providing the energy infrastructure to make their communities ones that will help this state's economy grow even more as we move forward and as Ohio continues to grow.