

Chairman Swearingen, Vice-Chair Santucci, Ranking Member Upchurch and members of the House Economic & Workforce Development Committee, I would like to thank you for the opportunity to provide sponsor testimony on House Bill 349 or ENERGIZE Ohio.

HB 349 seeks to use a tried-and-true economic development strategy to bring increased access to natural gas to areas of the state that do not have the necessary infrastructure to provide natural gas at a level suitable to attract investments from businesses. Since natural gas helps generate enough electricity to power many different types of businesses, a lack of it can end projects and discourage investment in these areas. Once an area receives the EnergizeOhio designation, this designation lasts for 5 years, and can be renewed for an additional 5 years if the Department of Development determines additional infrastructure is still needed. This will bring jobs to parts of the state, including the Appalachian region, which are in desperate need of them.

This is accomplished through a two-fold incentive program. The first is a revolving loan program, funded at \$20M, in which the Department of Development administers loans to counties, municipalities and townships, as well as port authorities, economic development boards and other economic development engines provided they operate in at least 5 counties. The second is a tax easement program that will tax the personal property of Natural Gas companies at the true property value (purchase price) with an accelerated depreciation table and an overall reduction of 75%.

The counterargument to these programs is often a loss in revenue to local governments. HB 349 structures the loan program so that local governments themselves must apply for the funds. This ensures the loans and tax easements go to areas who have determined, on the local level, that the pros outweigh the cons.

To ensure transparency in this process, the Department of Development is required to publish a map of areas receiving the loan dollars, as well as notify the Tax commissioner of any areas who receive the EnergizeOhio designation.

The United States is currently the number 1 purchaser of Natural Gas. The two largest natural gas companies are owned by Russia and China respectively. In addition to providing necessary infrastructure to aide parts of the State without it in competing for investment dollars, HB 349 creates necessary infrastructure to keep Ohio natural gas in Ohio, and not be reliant on natural gas purchased from Russia and China.

I would like to thank you for allowing me to testify today and will answer any questions.