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Ohio House Development Committee
Opponent Testimony, Substitute House Bill 147 (Lorenz)
Ohio Council of Port Authorities
February 24, 2026

Chair Hoops, Vice Chair Lorenz, Ranking Member Brownlee, and members of the House Development Committee:

The Ohio Council of Port Authorities (OCPA), representing the 67 port authorities across the State of Ohio, writes to express strong opposition to Substitute House Bill 147, “Exempt from sales and use tax certain port authority materials.”

Port authorities play a critical role in spurring economic development and growth across Ohio through disciplined public finance practice. Port authority participation brings experienced financial structuring that aligns project goals, secures favorable terms, and coordinates all components of a complex transaction to protect the public interest. As quasi-public entities, port authorities fill an essential role in funding transformative projects while ensuring fiscal stewardship and careful consideration of broader public policy implications.

Sub. H.B. 147 would fundamentally alter that framework. The bill allows a developer to request a sales tax exemption from the Ohio Tax Credit Authority (TCA) if a port authority fails to execute an agreement within 30 days of a proposal. By imposing an arbitrary deadline, the bill permits a developer to bypass the port authority and seek relief from the TCA before meaningful local review can occur. Evaluating incentive need, fiscal impact, and alignment with economic development goals requires careful analysis and negotiation. Complex development agreements cannot always be responsibly completed within such a compressed timeline.

This process would apply to any project with a construction contract price of \$25 million or more if the property owner is “bound by a separate agreement to finance or assist in the completion of public infrastructure improvements in the surrounding area.” That threshold is routinely satisfied by developer obligations under development agreements and even standard building permit requirements. Further, if a municipality has committed a Tax Increment Financing (TIF) to a project, the public infrastructure is financed through a public incentive mechanism. In those cases, the property owner is not financing the improvements with private capital. The bill does not account for this distinction but still permits access to the TCA process.

While the use of public finance tools in private sector projects, including structured leases and sales tax exemptions, is evaluated on a case-by-case basis, the underlying statutory framework is consistent statewide. Port authorities apply that framework through fiscal analysis, incentive stacking considerations, and local economic priorities. Differences in outcomes reflect variations in project structure and overall incentive packages, not a lack of standards.

Sub. H.B. 147 removes that locally accountable discretion and shifts decision-making authority away from publicly appointed boards to a state-level body that is not directly accountable for the fiscal and community impacts within the affected local jurisdiction. Granting exemptions without local oversight creates real risk. It may increase strain on public resources, limit the ability to negotiate community-responsive outcomes, and weaken accountability. By inserting an independent board into a process currently governed locally and transparently, the bill fundamentally undermines the governance structure established for port authorities under Ohio law.

For these primary reasons, the Ohio Council of Port Authorities respectfully urges the Committee to oppose Substitute House Bill 147.

Thank you for your time and consideration. We welcome the opportunity to further discuss the potential impacts of this legislation.

Sincerely,

Harry Eadon

Harry Eadon
Executive Director
Ohio Council of Port Authorities