



## Fairfield County Port Authority

4465 Coonpath Rd. NW, Carroll, OH 43112

March 24, 2026

### RE: Opposition to House Bill 147

Dear Development Committee,

The Board of the Fairfield County Port Authority is writing to express our strong opposition to **House Bill 147**, which seeks to amend sections of the Ohio Revised Code to **exempt from sales and use tax building materials sold to contractors under contracts valued at \$25 million or more for projects in areas with a port authority**.

This bill would take decision making on economic development projects out of the hands of local officials. While we applaud the committee's effort to try to make a common development experience across various jurisdictions of the State of Ohio, each community is unique. The sales tax exemption that Port Authorities can provide is a great tool that allows local officials to determine whether a project meets the needs of the community and if so, how some of those savings can be redirected to help drive more economic development.

Our Board requests you to consider the following concerns:

- **Unfair Advantage for Large Corporations:** By limiting tax exemptions to contracts worth \$25 million or more, HB 147 disproportionately benefits massive corporations and developers, while leaving small and mid-sized businesses—who are the backbone of Ohio's economy—at a disadvantage.
- **Loss of Critical Revenue and Economic Development:** Port Authorities derive revenue from granting Sales Tax Exemptions through Lease / Leaseback deals. These revenues are used to support continued Economic Development in our communities. In a number of cases, Port Authorities are the Local Economic Development Organization (LEDO) supporting various counties, municipalities and townships throughout Ohio. The Bill compromises the benefit derived by Port Authorities which could dramatically affect the viability and effectiveness of the organizations; and, ultimately negatively impact economic development in local communities throughout Ohio.
- **Questionable Community Benefit:** Though there is no guarantee that the tax breaks will translate into meaningful benefits for Ohio residents, often such incentives enrich developers without ensuring good-paying jobs, affordable housing, long-term community investment, and meeting community values and goals. **But Port Authorities provide local control and strategic direction for projects within their communities as described below.**
  - **Lost Local Control and Direction:** Port Authorities are created and their Boards appointed by local government. Therefore, Port Authorities are responsive to the elected representatives that in fact created them. Allowing an automatic sales tax exemption for select projects will remove any local control of development and allow for projects to be incentivized without considering the community benefit as outlined above.
  - **Precedent for Future Loopholes:** HB 147 sets a troubling precedent by carving out special tax privileges for select industries. This opens the door for further exemptions that erode Ohio's tax base and weaken fiscal responsibility.



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- **Furthermore, please consider this local example in District 73:** The Fairfield County Port Authority currently has a project in Canal Winchester and Violet Township where improvements are needed along Basil-Western Road to help make it an industrial corridor. The road improvements include the addition of a center turn lane and a roundabout to help truck traffic. These road improvements will bring thousands of jobs to Fairfield County. Companies developing along the corridor are reinvesting 42% of their sales tax savings into infrastructure, or an estimated \$2.8 million. Without these savings, the county and City of Canal Winchester would have to move funds from other critical services or increase taxes to improve these roads. Removing the ability for Port Authorities to leverage this development tool to help local communities will put a further burden on local taxpayers and would reduce development

Ohio needs policies that **support all businesses fairly, strengthen local communities, and protect public revenue streams**. HB 147 does the opposite by prioritizing corporate interests over taxpayers and small businesses.

Our Board urges you to reject HB 147 and instead leave in place the legislation that fosters inclusive economic growth, ensures accountability for developers, protects local control, and maintains a strong and equitable tax system.

Thank you for your consideration of our concerns. I look forward to seeing you stand with local communities and allow them to determine the best projects for their neighborhoods by opposing HB 147.

Respectfully,

Rick Szabrak

Executive Director

Fairfield County Port Authority