



Ohio House Finance Committee  
Opponent Testimony, Substitute House Bill 147 (Lorenz)  
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Toledo-Lucas County Port Authority  
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Chair Hoops, Vice Chair Lorenz, Ranking Member Brownlee, and members of the House Finance Committee:

I am writing on behalf of the Toledo-Lucas County Port Authority to express my strong opposition to the proposed legislation, HB 147 “Exempt from sales and use tax certain port authority materials,” that would grant sales tax exemptions for projects exceeding \$25 million without requiring local input. Particularly, the bill would exempt building and construction materials for major construction projects from sales tax.

As a traditional maritime port, many of you are already aware of the work that the Toledo-Lucas County Port Authority does to connect the Ohio economy to the world whether shipping pig iron into the state for steel manufacturing or exporting 828,469 tons of grain from Ohio farmers to global markets through the St. Lawrence Seaway. However, an equally important part of our mission is to use our bonding authority to finance projects across northwest Ohio in counties, such as Williams, Henry, Fulton, Wood, Ottawa, Paulding, Allen, and Van Wert – all outside the borders of Lucas County. In fact, TLCPA funding was the primary source for the Central Mutual Insurance project in Van Wert and the Lima Towers Apartments project in Lima.

As extensions of local and state government, 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.

Local port authorities currently offer capital lease financing and sales tax exemption on building materials to projects that meet the goals, objectives, and values of the respective community. Since 2018, the Toledo-Lucas County Port Authority has supported 12 projects totaling \$374 million of investments through capital lease financing and sales tax exemptions. Local input is essential to ensure that development projects align with the needs and priorities of the communities they impact. By removing this critical step, the legislation risks sidelining the voices of residents, local businesses, Local Economic Development Organizations, and elected officials who are best positioned to understand the unique challenges and opportunities within their regions.

While we understand the intent to encourage large-scale investments and coordination on infrastructure, the practical result of this change would be to give counties and local governments



fewer tools for encouraging economic development and less control over what gets built locally. A developer would be able to claim this statutory sales tax exemption with little to no involvement from public authorities, which would allow developers to take this tax break for granted. Developers would not have to negotiate for this project subsidy because any reasonably savvy developer could take steps to qualify for the exemption.

Additionally, local Port Authorities receive a fee from the capital lease financing deals. This fee funds various economic development activities and programs in the community that ultimately grow investment and jobs. With nearly 60 local Port Authorities throughout Ohio, removing capital lease financing deals as a revenue source could substantially constrain numerous economic development programs.

Thank you for your attention to this matter, and I hope you will take these concerns into account as you deliberate on this legislation. I am happy to answer any questions.