

Lawrence County Auditor

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Good afternoon, Chairman Holmes, Vice-Chair Klopfenstein, Ranking Member Glassburn, and esteemed Committee Members,

My name is Paul David Knipp, and I am honored to serve as the Lawrence County Auditor. Today, I stand before you to voice my strong opposition to HB 15. I want to clarify that I am representing Lawrence County alone and not necessarily the County Auditor's Association of Ohio.

While I recognize and appreciate the Legislature's efforts to ensure Ohio's future energy generation capacity, shifting the financial burden onto local governments is not the right approach. HB 15, as currently written, proposes eliminating the Public Utility Personal Property (PUPP) Tax on electric generation properties while increasing the PUPP assessment rate by four percent for electric transmission properties. Despite claims that this change will be revenue-neutral statewide, no formal analysis has been provided to confirm this assertion. From our perspective in Lawrence County, HB 15 is far from revenue-neutral; it will be devastating.

Nearly two decades ago, Lawrence County made significant investments to attract an electric generation plant, using local funds and offering a thirteen-year tax abatement to facilitate its construction. Now, all that effort is at risk of being undone by HB 15.

The generation facility in Lawrence County is located in Hamilton Township, within the Rock Hill Local School District. It currently has a PUPP value of \$219,219,080. By comparison, the total valuation of all transmission facilities in the county is \$181,117,960. A four percent increase in transmission values would raise that figure to \$188,362,680. However, even after this adjustment, the county would suffer a net valuation loss of \$30,856,400.

The consequences extend far beyond this immediate financial loss. Because transmission properties are located across multiple taxing districts, the increased valuation in transmission will not offset the lost generation value within the same communities. Lawrence County has 34 unique taxing districts, comprising 14 townships, 7 school districts, 2 joint vocational school districts, 7 municipalities, the Board of Health, and the county government itself. Due to these complexities, the **Rock Hill Local School District alone stands to lose \$1.9 million annually**—a catastrophic blow. Other affected entities include:

- Lawrence County General Fund: \$95,660
- Lawrence County EMS Fund: \$61,710
- Lawrence County Board of Developmental Disabilities: \$77,140
- Lawrence County Joint Vocational School: \$89,480
- Hamilton Township General Fund: \$14,440
- Hamilton Township Fire Fund: \$121,830
- Hamilton Township Road & Bridge Fund: \$36,550
- Lawrence County Health Department: \$8,640

The total estimated revenue loss exceeds \$2.4 million annually.

Beyond Lawrence County, this legislation will create winners and losers across the state, disproportionately harming communities that host electric generation facilities. HB 15 would effectively redirect tax revenue from generation-heavy counties to those with more transmission infrastructure—without regard to the location-specific needs of local governments and schools.

The impact on our community cannot be overstated. Rock Hill Local School District, which serves many students, will struggle to continue operations with a nearly \$2 million annual funding loss. Cuts to fire, EMS, and emergency management services will undermine public safety. If an emergency occurs at the generation plant, the very agencies responsible for responding may be unable to do so effectively due to lack of funding.

By attempting to prepare for future energy needs, we risk making Ohio's communities undesirable for both businesses and residents. No company or individual wants to invest in an area with underfunded schools and inadequate public safety services. Instead of ensuring long-term growth, HB 15 could lead to stagnation and decline.

I urge you to consider these consequences and reject HB 15 in its current form. Ohio's energy strategy must not come at the expense of our local governments and the essential services they provide. Thank you for your time and consideration. I am happy to answer any questions you may have.