



BATAVIA LOCAL SCHOOL DISTRICT

House Bill 113
Proponent Testimony
House Local Government Committee
April 30, 2025

Chairperson King, Vice Chair Kishman, Ranking Member Sims, and members of the Local Government Committee, thank you for the opportunity to provide proponent testimony and comments on the proposed changes to tax exemptions, annexations, and territory transfers contained within HB 113. My name is Keith Millard, and I serve as the Superintendent of the Batavia Local School District in Clermont County, located in southwest Ohio.

During my ten years as Superintendent in Batavia, an issue that has continued to arise for my school district community has been the use of annexations and the subsequent use of tax abatements in the form of CRA's by our local Village. The effect to date is the development of two single housing neighborhoods and one high density apartment complex, which will, when fully built out, add over 1000 dwelling units to territory served by the school district, with no accompanying tax dollars flowing to the school district for the life of the 15 year tax abatement agreements on the improvements to the properties that the Village has entered into with the developers.

On two of these three projects, the Village made no attempt to enter into any type of compensation agreement with the District for revenue lost by their use tax abatements, and on the third project, the discussion was half hearted at best. Given the challenging funding environment school districts across Ohio find themselves in, the ability for local governments and developers to enter into agreements that completely bypass the local school district creates significant issues. It is unfair to the existing taxpayers to have to ask them to shoulder an additional tax responsibility in order to fund students from tax abated areas. Having local governments and developers redirect tax dollars in order to profit off the backs of taxpayers is wrong, and HB 113 takes a step in the right direction towards fixing this issue.

While I understand the importance of tax incentives as an economic development tool, I believe as a taxpayer that tax incentives for development should be targeted in scope, and should not be used at the total expense of school districts that provide a variety of essential services to entire communities. Therefore, while I believe that the 75% threshold for seeking District agreement on CRA's for residential projects is a good start, I would urge the committee to consider a lower limit, and would recommend that municipalities must seek school district approval for any tax incentive that exceeds 50%.

In addition to limits on CRAs, this legislation puts in place significant guardrails necessary to ensure that the general good of the community is truly considered as part of the annexation approval process.

In the fall of 2023, a Type I annexation was brought forth for consideration by the Clermont County Board of Commissioners, and was ultimately rejected, as the annexation and proposed development on the annexed land did not meet the public good. The proposed neighborhood contained over 700 housing units on just over 100 acres of land, and was located adjacent to the Clermont County Airport, which created incompatible land use issues that could interfere with the operations of the airport.

Less than nine months later, an expedited Type II annexation was brought forth for the same project, and due to the limits placed on the County Commissioners related to their ability to reject annexations brought under Type II, the project was approved. This approval came despite significant public opposition to this project.

The detrimental effects this project will have on the airport and all public entities, including the school district, which will forgo tax revenue due to a proposed 100 percent tax abatement via a CRA, are well documented. The sheer number of homes in this particular project will create logistical issues for the school district, which must plan for increased enrollment on top of the three developments already mentioned, as well as issues for adjacent property owners.

Yet, despite all of the evidence that this annexation and proposed development are bad for the community as a whole, the annexation laws, as currently written, did not give the County Commissioners any oversight to reign in actions from local governments that run counter to the good of the entire community. HB 113 goes a long way towards rectifying this issue moving forward.

Overall, HB 113 contains common sense reforms that provide the guardrails necessary to continue to allow for annexations that make sense, while preventing annexations that create harm within communities. The requirement for school district approval of residential CRA's beyond 75% is also a favorable reform for taxpayers. Again, I would urge the committee to consider lowering this amount to at least 50%, as the redistribution of property taxes through CRA's has adverse effects on non tax abated property owners who shoulder the disproportionate burden of tax abatements within communities where CRA's are used extensively.

Finally, when considering this bill I would urge the members of the committee to remove the language regarding transfers of school district territory. As a school district, we have carefully planned for the current and projected enrollment of students who could possibly attend our schools within the current district boundaries as they exist. To subject school districts to sudden swings in enrollment based on annexations would be harmful to both the receiving and sending school districts, as there are significant staffing and classroom space considerations that must be addressed.

Thank you for the opportunity to speak before you today, for your attention to these important matters, and for the work you do on behalf of the citizens of Ohio and Ohio's school children.

Respectfully,

Keith Millard
Superintendent