

June 11, 2025

The Honorable Angie King
Ohio House Local Government Committee
1 Capitol Square
Columbus, OH 43215

RE: House Bill 113 (Regards annexation and financial disclosure forms, tax exemptions)

Chair King, Vice Chair Kishman, Ranking Member Sims, and Members of the House Local Government Committee, thank you for the opportunity to provide opponent testimony to House Bill 113, which amongst other things, seeks to change aspects to the type 2 annexation process.

The Ohio Business Roundtable (OBRT) is a statewide business association comprised of CEOs and Presidents of the top companies in the state. We currently have over 125 members, collectively employing over 600,000 Ohioans and generating revenue of more than \$2.5 trillion, which contributes significantly to Ohio's economy.

Ohio is experiencing significant economic growth, marked by major investments that are reshaping the state's future. Through the leadership of JobsOhio, we have secured transformative projects in key sectors like aerospace, defense, and energy manufacturing, driven by innovators such as GE Aerospace, Joby Aviation, Anduril, and Ultium Cells. As the state continues to experience this growth, driven by economic development initiatives, the Ohio Business Roundtable supports a fair and inclusive annexation process that brings all stakeholders to the table, however, House Bill 113 threatens Ohio's competitiveness by imposing unnecessary restrictions on annexation and CRA processes.

First, we wish to express concern regarding the revised annexation limitations outlined in the bill. By requiring a stricter level of contiguity (20%) and reducing the maximum acreage for annexed areas (500 to 200 acres), House Bill 113 significantly limits municipalities' ability to accommodate growth and expansion. These restrictions will hinder Ohio's capacity to attract new businesses, which rely on the availability of suitable land for expansion. The county's new role as a decision-maker on the "general good" of annexations will also inject uncertainty and subjectivity into the process, creating unnecessary delays



and further increases the risks for businesses—who require clear, predictable pathways for growth—considering Ohio for new investment or expansion.

Furthermore, the bill introduces new school board approval requirements for community reinvestment areas (CRAs) that seek to exempt more than 75% of the projects taxable value. This additional layer of bureaucracy would complicate the development process, making it more difficult for municipalities to independently offer tax incentives to developers. The result will be fewer housing developments, which is especially concerning given the ongoing housing shortage in Ohio. School districts, which often do not directly benefit from residential tax abatements, may reject proposed developments, thereby rendering many housing projects financially unfeasible. This, in turn, will worsen Ohio's housing crisis and discourage businesses from relocating to the state, as workforce availability is a key factor in site selection.

Ohio's pro-business reputation is built on a foundation of flexibility and a streamlined process for economic development. Yet, the state already faces competitive disadvantages, including having over 800 taxing jurisdictions—one of the highest in the nation. Adding new layers of government approval and restrictions, particularly in a state where 85% of counties are losing population according to the last census, will only compound the problem and make Ohio less attractive to job creators and developers. Therefore, HB 113 will discourage investment, reduce housing supply, and create avoidable barriers to economic development.

The Ohio Business Roundtable respectfully urges the committee to reconsider these provisions, which would hinder economic growth and exacerbate the state's housing challenges. We stand ready to work with lawmakers to ensure that Ohio remains an attractive place for business, investment, and families.

Sincerely,

Nick Rhodes
Director of Policy & Special Projects
Ohio Business Roundtable