Chair Roegner, Vice Chair Gavarone, Ranking Member Blackshear, and members of the Senate General Government Committee, thank you for the opportunity to provide opponent testimony on Senate Bill 88, the Ohio Property Protection Act.

The Ohio Property Protection Act, seeks to restrict certain governments, businesses, and individuals—particularly those associated with foreign adversaries—from acquiring specific types of real property in the state. While the bill's intent to protect national security is understandable, there are significant concerns regarding its broader economic, legal, and community impacts,

First, SB 88 risks harming Ohio's economic growth by targeting companies with foreign ownership, even if they have long-standing operations in the state. Many such companies have "onshored" to Ohio, invested heavily in local infrastructure, and employ thousands of Ohioans. Forcing these businesses to shut down or divest due to their ownership structure would not only disrupt local economies but also jeopardize the jobs and livelihoods of Ohio families and the stability of local supply chains<u>8</u>. Grandfathering existing companies could mitigate some of these harms, but as currently written, the bill lacks such provisions.

Second, the bill's broad restrictions could deter future investment in Ohio. International companies considering expansion or relocation may view SB 88 as a sign that Ohio is not open to global business, pushing them to invest in other states with more balanced approaches. This would undermine Ohio's competitiveness in attracting new industries and high-quality jobs, particularly in advanced manufacturing and technology sectors that rely on global capital and partnerships<u>8</u>.

Third, SB 88 introduces legal and administrative complexities for Ohio's real estate market. Real estate professionals and businesses may face increased compliance burdens and uncertainty regarding which transactions are permissible. While the bill provides some liability protections for brokers and agents, the overall climate of uncertainty could slow property transactions, reduce market liquidity, and inadvertently penalize innocent parties <u>10</u>. Such outcomes would be especially damaging in regions already struggling with economic development.

Fourth, the bill's approach may have unintended consequences for Ohio communities. Many foreign-owned companies are deeply integrated into their local areas, supporting not only direct employment but also local suppliers, schools, and civic organizations. Disrupting these relationships could erode community stability, reduce tax revenues, and harm public services that depend on a healthy business environment<u>8</u>. The bill's one-sizefits-all restrictions do not account for these local realities. Finally, the area covered by the "within 25 miles of critical infrastructure" provision is extraordinarily vast. According to the Legislative Service Commission and the bill's fiscal note, the definition of critical infrastructure includes a wide array of facilities: electric generation and transmission lines, water and wastewater treatment plants, telecommunications infrastructure, ports, freight terminals, railroads, chemical and manufacturing plants, bank and more. Given the density and distribution of such facilities across Ohio, the area covered by these restrictions would cover nearly all of the state and all of any major metropolitan area. It is not immediately clear how restricting property ownership on so much area so far from such infrastructure accomplishes the stated goals of this bill.

In summary, while the goals of SB 88 are understandable, its current form poses significant risks to Ohio's economy, legal environment, and communities. Lawmakers should reconsider the bill's scope, seek targeted solutions, and ensure that Ohio remains a welcoming place for investment, innovation, and growth.

Thank you for your consideration.

Sincerely,

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