



**House Ways & Means Committee
Interested Party Testimony, Sub. Senate Bill 212 (Schuring)
Jason Warner – Director of Strategic Engagement, Greater Ohio Policy Center
December 8, 2020**

Chair Merrin, Ranking Member Rogers and members of the House Ways and Means Committee, Greater Ohio Policy Center (GOPC) appreciates the opportunity to provide further Interested Party Testimony regarding Senate Bill 212, and the proposed Sub Bill (I_133_1591-7), a bill which would create a Neighborhood Development Area (NDA) to provide property tax incentives for the construction of new homes or the renovation of existing homes.

There are two specific changes that are included in the proposed substitute bill that we wish to address today – one which we support, and one which we oppose.

First, we applaud the change to extend the exemptions to all new or remodeled single **or multi-family building**, so long as the building is comprised solely of dwellings (referred to in the bill as a “residential structure”). We believe this change expanding the scope of the bill by not limiting the type of housing that can be developed is something that can be used both for existing neighborhoods for infill as well as new development to ensure a greater balance of housing-type. This also matches with identified trends in housing development nationwide. By expanding the scope of SB212 to include multi-unit housing is a major step forward for residential development and ensure Ohio stays at the forefront of national trends in housing and economic development.

The change proposed in the substitute bill that GOPC opposes is a provision which is similar to a proposal which was added in conference committee to the main operating budget (HB166) and then vetoed. We oppose the provisions that begins the exemption for residential development property when the property is first subdivided, possibly before roads and utilities have been put in or construction of the residential structure begins. While there are arguments to be made for a 75-100% property tax exemption being put in place while a residential property is under development, **it is difficult to justify such as exemption on a parcel that could sit unimproved and vacant, without any improvements being made, for a possible indefinite period of time.**

In our work around the state in smaller communities we regularly learn about tracts of land that were purchased or re-zoned more than a decade ago, with the intention of being developed into a subdivision. Some have utilities underground, some have utilities and roads. Many have been subdivided on paper only. To offer the tax exemption when the land is sub-divided means the local government could forego property tax revenues for years, or even decades.

Including such a new, and significant, policy provision at this stage of the bill does not sit well with us; especially in light of the previous opposition to the provision.

We strongly encourage the members of the committee to remove this provision from the bill.

Thank you for your consideration of our thoughts on SB212.