



---

**PROPONENT TESTIMONY ON SENATE BILL 225**

**Keary McCarthy, Executive Director**

**April 5, 2022**

Chair Merrin, Vice Chair Riedel, Ranking Member Sobecki and members of the House Ways & Means Committee, my name is Keary McCarthy and I am the Executive Director of the Ohio Mayors Alliance, a bipartisan coalition of mayors in Ohio's largest cities and suburbs. Thank you for the opportunity to submit testimony in support of SB 225. The Historic Preservation Tax Credit has helped to promote regional economic growth in Ohio and preserve the rich history of our local communities.

By using tools such as the Historic Preservation Tax Credit, cities and our metropolitan regions are helping to drive Ohio's statewide economic success. According to the US Conference of Mayors' Council on Metro Economies and IHS Markit, Ohio's metro economies were home to 83.8 percent of the state's jobs and 86.2 percent of Ohio's real gross state product (GSP) in 2021. Ohio cities do not stand alone in creating the dynamic regions that make Ohio's metro economies so impactful, but they are a crucial part of the networks of businesses, employers, and local governments that make the Ohio's economy strong.

We are pleased that SB 225 proposes to increase the historic building rehabilitation tax credit from \$60 million to \$120 million for the next two years. Additionally, the bill provides three temporary credit enhancements. They include an increase in the credit amount for projects that are not located in large municipalities, increasing the maximum annual credit that may be claimed for a single project to \$10 million, and allows a full refund of any credit amount exceeding the tax, up to the \$10 million annual limit. These credit enhancements will allow cities both large and small to break ground on redevelopment projects at a scale larger than ever before.

In addition to the temporary credit enhancements, the bill expands the eligibility to receive an Ohio opportunity zone investment income tax credit allocation. This will further incentivize taxpayers in economically distressed areas to invest in redevelopment projects to improve their neighborhoods. This will allow for a larger number of cities to take part in a large wave of redevelopment projects that will help to restore historic and legacy cities.

Local, regional, and statewide collaboration are an important part of Ohio's economic success. We must work together to bring jobs to Ohio and create economic opportunities in regions throughout the state. We believe that expanding the historic preservation tax credit from \$60 million to \$120 million for the next two years is a good example of how state and local leaders can and should work together on proven economic development tools. We urge the committee to vote yes on SB 225 to help us preserve the history of our cities and continue to promote economic opportunity in Ohio.