



WRITTEN TESTIMONY TO THE HOUSE WAYS AND MEANS COMMITTEE

PROPONENT TESTIMONY

SB 225

April 5, 2022

Chair Merrin, Vice Chair Riedel, Ranking Member Sobecki, and members of the House Ways and Means Committee, thank you for the opportunity to write in support of SB 225.

SB 225 would help medium and smaller municipalities invest in their local communities through economic development projects by increasing the Ohio Historic Preservation Tax Credit (HPTC) cap for rehabilitation tax credits from \$60 million per year to \$120 million annually for fiscal years 2022 and 2023 . The bill also increases available funding through the Ohio Opportunity Zone Tax Credit from \$50 million to \$100 million.

The bill would also increase the tax credit for smaller municipalities with populations under 71,000 from 25% to 35% to ensure that smaller communities get their fair share of projects. The bill also maintains the current provision in the HPTC law that requires the project to generate a net revenue gain in state and local taxes.

As Sen. Schuring stated in his sponsor testimony, the HTCP has resulted in \$7 billion in investments since the program was created in 2007. Cities and villages across the state have utilized the HTCP to revitalize downtown areas in their communities. These revitalization efforts enable municipalities to continue to attract residents and businesses alike by breathing new life into existing structures. As municipalities navigate the ongoing economic fallout the COVID-19 pandemic, it is critical to recognize that development and revitalization projects will play a key role in the continuing economic recovery of Ohio's local communities.

SB 225 will create a greater investment in smaller cities and villages for the redevelopment of their downtowns by increasing access to a tax credit that has been proven to generate more in tax revenues than the cost of the initial expenditure from the state. Increasing the HPTC and the Opportunity Zone Tax Credit will generate economic development and job creation that will in turn benefit the overall economic health of the state.

We appreciate Sen. Schuring's dedication to ensuring cities and villages across Ohio have access to economic development opportunities that will strengthen not only local and regional

economies, but Ohio's economy statewide. Thank you for your consideration, and we urge for your favorable passage of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Scarrett', with a stylized flourish at the end.

Kent Scarrett
Executive Director
Ohio Municipal League