



STATE SENATOR
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**Senate Finance Committee
Sponsor Testimony – Senate Bill 213
June 19, 2018**

Good afternoon Chairman Oelslager, Vice Chair Manning, Ranking Member Skindell, and members of the Senate Finance Committee. Thank you for allowing me to present sponsor testimony on Senate Bill 213. This bill will invest in various areas of Ohio's economy in order to foster job growth and economic development.

Expanding economic recovery, fostering job growth, making investments, and increasing competition are all ideas that everyone can get behind. Here in Ohio, some of our colleagues thought that the solution to our job growth and crumbling infrastructure was to pass a small-business tax-cut. From this tax-cut, Ohio has seen virtually no increase in opportunities or competition, and it is costing the state more than \$1 billion in tax revenue.

By making targeted investments in our communities while still benefitting the state's businesses, we will finally be able to put the lost revenue to proper use. SB 213 would allow small businesses to apply for the job retention tax credit. The Tax Credit Authority would no longer set minimum employment requirements, which means all businesses that can display a plan to increase employment opportunities within the state may apply. By changing this requirement, family-run businesses will be able to receive tax credits that have so far been going to big corporations. This bill will also make the grant to foster job creation available to businesses that have less than 500 employees.

This bill would also help our veterans in the state. This legislation offers businesses incentives to hire disabled veterans through tax credits. Additionally, completely disabled veterans would qualify for a complete exemption of property taxation. The additional tax revenue gain from the one loophole closure would be enough to cover the lost revenue for local governments and transit authorities. Additionally, \$50 million dollars in each fiscal year will be appropriated through this legislation for road and bridge infrastructure repair, while another \$50 million

would be appropriated each fiscal year for public transportation needs. People must have reliable transportation to and from work to remain self-sufficient.

SB 213 also has numerous provisions to assist small businesses with expansion. The bill would allow small businesses to bid or enter into a contract with the state, a political subdivision, or any instrumentality of either, without being required to provide a bond. This bond requirement at times can hinder a business's ability to enter into certain contracts and thus, limiting their ability to compete. This legislation also establishes the Small Business Microloan Revolving Loan Program and appropriates \$10 million per fiscal year for that purpose. Under the program, small businesses can receive a maximum of \$2 million per loan in each fiscal year for the purposes of expanding operations, creating jobs, and meeting capitalization requirements.

Beyond the scope of small businesses, this bill makes targeted investments into our communities and Ohio's workforce. Under this bill, homeowners of distressed properties that are residential or commercial can receive a tax exemption from improvements made on the property for up to five years if the improvements occur within one year of acquiring the title. This provision will incentivize developers to come into underdeveloped areas and make improvements. The bill also creates the neighborhood Assistance program with the goal of promoting community participation and collaborations among the residents, nonprofits, and businesses while producing outcomes by assisting a distressed area or the low income population in a neighborhood. Each community has different needs and this will allow the citizens to have a seat at the table because they know better than anyone what they need in their community. Under the program, the director of Development will identify distressed neighborhoods and authorize tax credits for businesses that make certified donations to projects administered by neighborhood organizations within those neighborhoods.

The last few pieces of this legislation were created to address the workforce shortages and assist low income and urban youth in finding gainful employment. The bill provides grants and financial awards to non-profit organizations for the purpose of carrying out urban jobs programs. These programs offer comprehensive services to eligible youth in urban communities to provide them with a pathway to employment. Another competitive grant program created under the bill would be available to nonprofit and for-profit organizations to fund programs that provide summer employment opportunities for individuals between ages 16 and 21 who reside in an area of high poverty. And lastly, it creates a grant for low income individuals to help with the costs associated with union apprenticeship programs.

We need to identify workforce needs so we make sure the next generation is trained for in-demand jobs that fill workforce shortages. Because of this, the bill requires the Office of

Workforce Development to assist local workforce policy boards in identifying local skill shortages and working with educational agencies to develop programs to meet workforce demands.

Passing this bill is the first step in giving back to Ohio in ways that one tax-cut failed to do. We can open up the doors for small businesses to grow and prosper, while making sure Ohioans are getting back to work. We can honor our service men and women by making it easier for them to get a job, and invest in our young people by funding aid to distressed communities and carrying out urban job programs. When we target our investments to our young people, our veterans, our impoverished, and our jobless, then we can begin to see the prosperity Ohio has so desperately craved since the Recession. Thank you for the opportunity to testify and I am happy to answer any questions the committee may have.