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Cheryl Subler, Executive Director

OHIO HOUSE WAYS AND MEANS COMMITTEE

House Bill 123 – Interested Party Testimony

March 9, 2021

Jon Honeck
Senior Policy Analyst

Chair Merrin, Vice Chair Riedel, Ranking Member Sobecki, and Members of the House Ways and Means Committee:

Thank you for the opportunity to share the views of the County Commissioners Association of Ohio (CCAO) on House Bill 123. Since the inception of the Community Reinvestment Area program, counties have been able to use this form of tax abatement to stimulate commercial, industrial, and residential development in the unincorporated areas of a county. The CRA program is a valuable economic development tool for counties. We commend the bill sponsors, Representatives Frazier and Cross, for bringing the legislation forward and for starting a discussion about streamlining and modernizing the administrative requirements of the program. However, we are not yet able to support the bill due to concerns about the following provisions:

- Repeal of the relocation notification provision in RC 3735.673. CCAO would like to see this provision remain in the law in order to minimize “poaching” of economic development projects.
- The omission of job creation and investment metrics in the list of mandatory elements in the ODSA model agreement (lines 323 – 364). CCAO members felt strongly that these metrics should be included, while allowing the local government discretion to determine specific targets on a case-by-case basis.
- The removal of the administrative fees that are currently in the mandatory agreement (RC 3735.671(D)). These fees help to defray the administrative costs of oversight and our members feel that most businesses view them as minimal. Current law allows these fees to be waived or reduced by the legislative authority.
- Reduction of the amount of time required to transpire between the discontinuation of a CRA commercial or industrial project, and when the project’s owner may obtain an



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enterprise zone tax exemption or another CRA exemption from 5 to 2 years. Our members believe that this change discourages accountability. They would like the waiting period to remain at the current level of 5 years.

We believe that these changes to the bill will preserve the accountability and transparency of the CRA program while maintaining the core reforms included in the bill. CCAO is actively engaged in discussions with the bill sponsors about these issues and we are hopeful that they will be resolved. For now, CCAO will remain an interested party on the bill, but if these concerns are addressed our members will consider changing their position to support the legislation.



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