STATEHOUSE REPORT

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CCAO requests veto on sports facility sales tax exemption provision

In last week's *Statehouse Report*, we provided an overview of county provisions passed out of the General Assembly during the final week of Lame Duck. One of them, included in House Bill 315 (Representatives Thomas Hall and Bill Seitz), follows:

Sports Facility Sales Tax Exemption – HB 315 expands a sales tax exemption for construction materials incorporated into the original construction of a sports facility for a professional major league team. The new language allows the exemption to be utilized for renovations and expands the scope of the exemption to include all tangible personal property incorporated into the facility. The provision also allows a company that leases a county-owned facility to provide and sign a sales tax exemption certificate on behalf of the county.

CCAO has formally requested that Governor Mike DeWine use his executive line-item veto authority to remove this provision from the bill.

CCAO objects to the provision on two grounds. First, it expands the scope of the exemption to include "tangible personal property" in place of the term "building and construction materials" designated in current law. The new terminology thus includes business fixtures that would not otherwise be eligible for an exemption, leading to greater potential revenue losses for the county.

Second, the new language in RC 5739.03(B)(7) provides that the lessee of a county-owned facility may provide and sign a sales tax exemption certificate on behalf of the county. This provision creates an illogical process in which a private entity makes decisions regarding the taxation of projects at a county-owned facility, paid for with taxpayer dollars, without the agreement of the county's elected representatives.

CCAO is also concerned that this provision, which was intended to address a situation in Hamilton County, will create an unfortunate precedent for other professional sports facilities in other counties. Proponents of this amendment did not consult with CCAO, and the provision did not receive any public hearings before it was included in the Conference Committee report.

We appreciate the DeWine-Husted Administration's support for county government over the last six years on many policy issues, and we have respectfully submitted this request for their consideration.

We also want to thank our members for their advocacy on county issues throughout the year, truly embodying Tuscarawas County Commissioner and CCAO President Chris Abbuhl's theme of Teamwork for a Better Tomorrow.

If you have any questions about provisions passed this year, please reach out to us at policy@ccao.org.