[INSERT DISTRICT LOGO OR PRINT ON DISTRICT LETTERHEAD]

Senate Ways and Means Committee
HB 123 Opposition Testimony

[School District Name], [County or Counties]
[Your Name], [Title]

[October __], 2022

Chair Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to testify in opposition to House Bill (HB) 123.

My name is [Your Name] and I serve as the [Title] for the [School District Name] in [County or Counties]. The [School District Name] . . . . [***provide any relevant details on size, number of students served, etc***.]

As required by the Ohio Constitution, school districts must raise a portion of the funds to education the students in its community. This is often referred to as a school district's "local share." Most districts raise their local share by levying voted property taxes. Due to the operation of the tax reduction factors in the Ohio Constitution, the total amount of tax revenue from a voter-approved levy cannot increase due to rising valuation of existing property. This means that new property and renovations to existing property are the main sources of increases in tax revenue for a voter-approved levy.

Ohio's current law governing community reinvestment areas (CRAs) allows for economic development to occur, while striking a balance between encouraging development and protecting our schools. We understand that economic development tools, like a CRA, encourage development in communities that might not otherwise happen without certain incentives. However, to protect the school districts in these communities and the students they serve, it is important that the use of tax abatements and other economic development incentives be implemented carefully.

The current CRA law allows for the elected boards of education of the impacted school districts to speak on behalf of their communities when a proposed exemption exceeds this 50% threshold, requiring them to evaluate the impact of abating an approved tax to stimulate development. Increasing this threshold from 50% to 75%, as proposed in HB 123, disrupts this necessary dialogue and balance between incentivizing development and the need to provide the necessary resources to educate the children in the impacted communities.

In our district, [***Insert details of your district's economic development, CRA's, etc. Tell you district's story. Please include details related to the positive discussions you have had with other city officials and developers when negotiating***.].

We also have serious concerns with the proposed change to increase the threshold that triggers the sharing of payroll taxes under current law. The statutory authority for the municipality or county that established the CRA to enter into a compensation agreement with the school district is necessary. The school district is foregoing property tax revenue due to the CRA abatement and the sharing of payroll taxes applies to make the district whole. This authority provides each community the flexibility to find the right balance between incentivizing the development and meeting the needs of the impacted school district. In our district, [***note any specifics that apply to your district; for example, whether the revenue sharing agreement "makes the district whole" when taking into account the property taxes foregone***].

Mr. Chairman, this concludes our testimony. **We urge you to oppose HB 123**. Thank you for your consideration. We are happy to address your questions.

[Two things to keep in mind: 1) Re-word content to meet your own speaking style, it will flow more naturally for you as you speak. Also, we don't want everyone's testimony to look like a cut-and-paste. 2) Add any other relevant information you think will strengthen the arguments.]