



Ohio Legislative Service Commission

Final Analysis

Joe McDaniels

Am. S.B. 112

130th General Assembly
(As Passed by the General Assembly)

Sens. Beagle, LaRose, Lehner, Seitz, Uecker, Schaffer, Coley, Eklund, Hite, Oelslager, Patton, Peterson, Widener

Reps. R. Adams, Anielski, Antonio, Ashford, Barborak, Barnes, Beck, Bishoff, Blessing, Brown, Budish, Burkley, Carney, Celebrezze, Conditt, Dovilla, Driehaus, Fedor, Gerberry, Green, Grossman, Hackett, C. Hagan, Hall, Hayes, Heard, Henne, Huffman, Johnson, Letson, McClain, McGregor, Milkovich, O'Brien, Pelanda, Pillich, Reece, Rogers, Romanchuk, Ruhl, Scherer, Smith, Sprague, Stinziano, Terhar, Winburn, Batchelder

Effective date: October 11, 2013

ACT SUMMARY

- Extends the time during which local governments may enter enterprise zone agreements with businesses by two years, to October 15, 2015.
- Establishes an enterprise zone program review council to evaluate and make recommendations with respect to the effectiveness of enterprise zone agreements.

CONTENT AND OPERATION

Enterprise zone agreement extension

Under continuing law, counties and municipal corporations may designate areas within the county or municipal corporation as "enterprise zones." After designating an area as an enterprise zone, the county or municipal corporation must petition the Director of Development Services for certification of the designated enterprise zone. If the Director certifies a designated enterprise zone, the county or municipal corporation may then enter into enterprise zone agreements with businesses for the purpose of fostering economic development in the enterprise zone. Under an enterprise zone agreement, the business agrees to establish or expand within the enterprise zone or to relocate its operations to the zone in exchange for property tax exemptions and other incentives.

Prior law authorized local governments to enter into enterprise zone agreements through October 15, 2013. The act extends the time during which local governments may enter into these agreements to October 15, 2015.¹

Enterprise zone program review council

The act establishes an enterprise zone program review council to evaluate and make recommendations with respect to the effectiveness of allowing counties and municipal corporations to enter into enterprise zone agreements. The council consists of six members of the General Assembly. Two members of the House of Representatives are appointed by the Speaker of the House and one House member is appointed by the House Minority Leader. Two members of the Senate are appointed by the President of the Senate and one Senate member is appointed by the Minority Leader of the Senate.

The act requires the council to review "the positive and negative impacts" of the enterprise zone program and evaluate its effectiveness in achieving its initial goals and in generating "a positive return on investment" for counties and municipal corporations. The council must produce a report that makes recommendations as to whether to continue the enterprise zone program and, if so, whether any changes should be made to the program. The report must be delivered to the Governor, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate by August 31, 2015. Upon delivery of the report, the council dissolves by operation of law.²

HISTORY

ACTION	DATE
Introduced	04-23-13
Reported, S. Workforce & Economic Development	05-15-13
Passed Senate (31-2)	05-15-13
Reported, H. Economic Development & Regulatory Reform	06-19-13
Passed House (94-3)	06-25-13
Senate concurred in House amendments (31-1)	06-27-13

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¹ R.C. 5709.62, 5709.63, and 5709.632.

² Section 3 of the act.

