



Senator Chris Widener
10th Ohio Senate District

FOR IMMEDIATE RELEASE

Wednesday, February 24, 2010
CONTACT: Bradley Ingraham
(614) 466-3780

**WIDENER INTRODUCES BILL TO JUMP START 700 GREEN-COLLAR JOBS ON
RENEWABLE ENERGY PROJECTS**

Columbus – State Senator Chris Widener (R-Springfield), chairman of the Senate Energy & Public Utilities Committee, today introduced legislation that would make Ohio more competitive with surrounding states to attract renewable energy projects and create green-collar jobs in Ohio.

Sen. Widener’s bill would allow companies that are seeking to build renewable energy generation facilities in Ohio to pay an annual fee based on how much they generate, in lieu of tangible personal property taxes, thereby bringing tax rates for these kinds of projects in line with surrounding states.

“This bill will give Ohio that needed edge to attract renewable energy companies in the short-term and fulfill its long-term goal of becoming a leader in the growing renewable energy sector,” Widener said.

Senator Widener noted that with passage of the state energy bill in 2008, Ohio established one of the most aggressive green energy standards in the nation by requiring that 12.5% of Ohio’s electric energy must be generated from renewable sources by the year 2025. This laid the foundation for a robust renewable energy market in Ohio.

Widener’s bill would build upon that foundation by ensuring the state’s tax climate is also encouraging to renewable energy generation projects, like wind and solar power facilities. According to the American Wind Energy Association, Ohio’s current effective tax rate for renewable energy technologies is up to eight times higher than neighboring states, which are competing for the same projects.

The bill introduced today would establish a process to allow companies to apply to the Ohio Air Quality Development Authority for an exemption from the onerous state tangible personal property tax and instead, pay a flat, annual fee of \$6,000 per megawatt of installed capacity for the life of the facility. To be eligible for this arrangement, the company must be under construction by 2011, operational by 2012 and must commit to create jobs in Ohio.

Senator Widener’s bill provides the right balance for keeping tax rates competitive, while ensuring that local governments and school districts will see the benefit of the new economic development. Widener believes that fellow members of the General Assembly will see this as a better approach than a proposal outlined by the Governor in his State of the State address last month. The Governor’s proposal would make it difficult to determine what in a facility will be taxed and how much revenue local jurisdictions can expect to receive. By contrast, Widener’s legislation will implement an assessment on a per megawatt basis that is constant for the life of the facility.

Widener noted that there are currently six commercial scale wind energy projects in the siting process, representing the potential for nearly \$1 billion in wages, salaries, and local economic activity plus 700 direct construction and operations jobs for Ohio. This does not include the significant potential for jobs along the supply chain of Ohio companies whose materials and services would be needed to support these large-scale projects.

“If we don’t act now to change our tax structure, Ohio is in real danger of losing these jobs to other states,” Widener said. “Ohio must seize upon this opportunity to attract and develop these new facilities if we truly want to realize our state’s tremendous potential as a hub for advanced energy technology.”

-30-

Senator Chris Widener currently serves the people of the 10th Senate District, including Clark, Greene, and Madison Counties. Senator Widener serves as Chairman of the Senate Energy & Public Utilities Committee and is a member of the Senate’s Finance, Ways & Means & Economic Development, and Insurance committees.

Highlights of Senate Bill 232

- Allows approved companies seeking to generate renewable energy in Ohio to be exempt from the onerous tangible personal property tax and instead to pay an annual payment in lieu of taxes amounting to \$6,000 per megawatt of installed capacity for the life of the project/facility. This rate will make Ohio’s effective tax rate on renewable energy projects consistent with neighboring states, and provide a transparent, non-depreciating revenue stream for local schools and governments.
- The change will not affect existing tax revenue streams for local taxing jurisdictions. Tax revenue from renewable energy projects developed in compliance with this proposed law will be new, additional revenue.
- The proposed tax treatment will be available for all renewable energy projects which are under construction by 2011 and operational by the end of 2012.
- The projects will be approved and monitored by the Office of Air Quality Development Authority (OAQDA) standards.
- Each project must create a number of construction and operation jobs in Ohio consistent with the Job and Economic Development Impact (JEDI) model published by the U.S. Department of Energy’s National Renewable Energy Laboratory.
- Electrical energy produced by these facilities qualifying for this tax treatment must first be offered to Ohio energy providers that are under a prior legislative mandate from Senate Bill 221 that requires each existing energy provider to supply Ohio with 12.5% of electricity used from renewable energy sources by 2025.
- Project owners must repair all roads impacted by the project construction.
- Project owners must train county fire and emergency responders for potential emergency situations related to the project at the project owner’s expense and reasonably equip local and county emergency responders with proper equipment to address potential emergencies arising from the project.