



## Ohio Revised Code

Section 5703.95 [Repealed effective 4/3/2023 by H.B. 66, 134th General Assembly] Tax expenditure review committee.

Effective: March 27, 2020

Legislation: House Bill 197

---

(A) As used in this section, "tax expenditure" has the same meaning as in section 5703.48 of the Revised Code.

(B) There is hereby created the tax expenditure review committee, consisting of seven members, composed of the following:

(1) Three members of the house of representatives appointed by the speaker of the house of representatives in consultation with the minority leader of the house of representatives. Members described in division (B)(1) of this section shall not all be members of the same party and should be members of the house of representatives committee that deals primarily with tax legislation;

(2) Three members of the senate appointed by the president of the senate in consultation with the minority leader of the senate. Members described in division (B)(2) of this section shall not all be members of the same party and should be members of the senate committee that deals primarily with tax legislation;

(3) The tax commissioner or the tax commissioner's designee. The member described in division (B)(3) of this section shall be a nonvoting member.

The speaker of the house of representatives and the president of the senate shall make initial appointments to the committee not later than thirty days after March 21, 2017. Thereafter, the terms of the office for appointed members shall be the same as the term of each general assembly.

Members may be reappointed, provided the member continues to meet all other eligibility requirements. Vacancies shall be filled in the manner provided for original appointments. Any member appointed to fill a vacancy before the expiration of the term for which the predecessor was appointed shall hold office as a member for the remainder of that term. Appointed members of the committee serve at the pleasure of the member's appointing authority and may be removed only by



the appointing authority.

(C) The tax expenditure review committee shall hold its first meeting within ninety days after March 21, 2017. At the first meeting, the members shall elect a chairperson, who shall be one of the members described in division (B)(1) or (2) of this section. Thereafter, the committee shall meet at least once during the first year of each fiscal biennium to review existing tax expenditures pursuant to division (D) of this section, provided the committee shall hold, for any such expenditure, at least one meeting at which a person may present to the committee evidence or testimony related to that expenditure. Any person may submit to the chairperson a request that the committee meet to accept evidence or testimony on a tax expenditure. The committee is a public body for the purposes of section 121.22 of the Revised Code.

The chairperson of the committee shall serve until the thirty-first day of December of each even-numbered year. Thereafter, members shall elect a new chairperson. If the preceding chairperson was a member described in division (B)(1) of this section, the new chairperson shall be a member described in division (B)(2) of this section. If the preceding chairperson was a member described in division (B)(2) of this section, the new chairperson shall be a member described in division (B)(1) of this section.

A vacancy on the committee does not impair the right of the other members to exercise all the functions of the committee. The presence of a majority of the voting members of the committee constitutes a quorum for the conduct of business of the committee. The concurrence of at least a majority of the voting members of the committee is necessary for any action to be taken by the committee.

Upon the committee's request, the department of taxation, development services agency, office of budget and management, or other state agency shall provide any information in its possession that the committee requires to perform its duties.

The staff of the legislative service commission shall assist the committee as directed by the committee.

(D) The committee shall establish a schedule for review for each tax expenditure so that each



expenditure is reviewed at least once every eight years. The schedule may provide for the review of each tax expenditure in the order the expenditures were enacted or modified, beginning with the least recently enacted or modified tax expenditure. Alternatively, the review schedule may group tax expenditures by the individuals or industries benefiting from the expenditures, the objectives of each expenditure, or the policy rationale of each expenditure. In its review, the committee shall make recommendations as to whether each tax expenditure should be continued without modification, modified, scheduled for further review at a future date to consider repealing the expenditure, or repealed outright. For each expenditure reviewed, the committee may recommend accountability standards for the future review of the expenditure. The committee may consider, when reviewing a tax expenditure, any of the relevant factors described in division (E) of this section.

(E) In conducting reviews pursuant to division (D) of this section, the committee may consider the following factors:

- (1) The number and classes of persons, organizations, businesses, or types of industries that would receive the direct benefit or consequences of the tax expenditure;
- (2) The fiscal impact of the tax expenditure on state and local taxing authorities, including any past fiscal effects and expected future fiscal impacts of the tax expenditure in the following eight-year period;
- (3) Public policy objectives that might support the tax expenditure. In researching such objectives, the committee may consider the expenditure's legislative history, the tax expenditure's sponsor's intent in proposing the tax expenditure, or the extent to which the tax expenditure encourages or would encourage business growth or relocation into the state, promotes or would promote growth or retention of high-wage jobs in the state, or aids or would aid community stabilization.
- (4) Whether the tax expenditure successfully accomplishes any of the objectives identified in division (E)(3) of this section;
- (5) Whether the objectives identified in division (E)(3) of this section would or could have been accomplished successfully in the absence of the tax expenditure or with less cost to the state or local governments;



(6) Whether the objectives identified in division (E)(3) of this section could have been accomplished successfully through a program that requires legislative appropriations for funding;

(7) The extent to which the tax expenditure may provide unintended benefits to an individual, organization, or industry other than those the general assembly or sponsor intended or creates an unfair competitive advantage for its recipient with respect to other businesses in the state;

(8) The extent to which terminating the tax expenditure may have negative effects on taxpayers that currently benefit from the tax expenditure;

(9) The extent to which terminating the tax expenditure may have negative or positive effects on the state's employment and economy;

(10) The feasibility of modifying the tax expenditure to provide for adjustment or recapture of the proceeds of the tax expenditure if the objectives of the tax expenditure are not fulfilled by the recipient of the tax expenditure.

(F) The committee shall prepare a report of its determinations under division (D) of this section and, not later than the first day of July of each even-numbered year, submit a copy of the report to the governor, the speaker of the house of representatives, the president of the senate, the minority leader of the house of representatives, and the minority leader of the senate. The first report shall be submitted either in 2017 or 2018. If the committee maintains a web site, the committee shall cause a copy of the report to be posted on the web site in a form enabling access to the report by the public within thirty days after the report is submitted under this division. If the committee does not maintain a web site, the committee shall request that the president of the senate and the speaker of the house of representatives cause the report to be posted on the web site of the general assembly.

(G) Any bill introduced in the house of representatives or the senate that proposes to enact or modify one or more tax expenditures should include a statement explaining the objectives of the tax expenditure or its modification and the sponsor's intent in proposing the tax expenditure or its modification.