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Lower fees for new business take effect in September

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Starting a business will soon become less expensive in Ohio.

With the signing of House Bill 3 last week, filing fees for new small businesses will be 21 percent lower, a move that could save Ohio businesses about \$2 million annually. New small businesses will pay a \$99 filing fee as of Sept. 25.

For the past several years Ohio has increased new business filings every year, and from 2009 (75,584) through 2014 (93,775) those filings have increased by more than 24 percent. And filings are projected to increase this year, according to the Ohio Secretary of State's office. Through May 2015, the latest available data, more than 42,300 new business have been formed, which is a 1.85 percent increase over the first five months of 2014.

With the reduction in business filing fees, Ohio Secretary of State Jon Husted estimates the cuts will save businesses about \$2 million a year, according to testimony he provided to the Ohio House Economic and Workforce Development Committee.

"This is the easiest state in the region to start a business," said Joshua Eck, spokesman for Husted's office.

Rick Pearce, president and CEO of the Chamber Serving Middletown, Monroe and Trenton, said any reduction in a government fee for small businesses "is a step in the right direction."

Pearce said the move is an example of using technology for the benefit of taxpayers because "as government agencies start to use technology more, I think more costs can be reduced."

While it's unknown the impact this cost-savings move will have on new business growth, Pearce sees it as another tool for the state.

"I hope we can see business growth and expansion, but this might just be one of the piece of the process to help entice someone," Pearce said.

As states are constantly trying to attract new businesses in order to increase the number of available jobs, this bill makes Ohio that much more competitive than neighboring states, said State Rep. Tim Derickson, R-Hanover Twp., who co-sponsored House Bill 3.

"When you have 90,000-plus new start-ups in a given year, that's pretty significant," Derickson said. "They may not all survive, but that entrepreneurial spirit and willingness to take that risk is what makes Ohio's economy strong."

While a reduction in business filing fees is one piece of the business growth puzzle, Derickson said another part of it is reducing red tape which can vary among types of businesses.

"You tend to feel controlled by government regulations, and that historically is what's held back a number of start-ups," Derickson said.

More on House Bill 3

In addition to cutting business filing fees with the Ohio Secretary of State's Office, House Bill 3 also makes changes to the state's OhioMeansJobs' website.

The current website is not available for all Ohio-based companies, specifically for staffing companies which are prohibited from using some functions of the site. State Reps. Tim Derickson, R-Hanover Twp., and Mark Romanchuk, R-Ontario, jointly sponsored the bill.

"Every Ohio company in good standing with the state should have access to the same functions as all the other Ohio companies. The state should not be in the business of creating business classes for the reason of picking winners and losers," Romanchuk said. "As a state, we should not be limiting the number of pathways available to job seekers."

Derickson said the state has created one of the largest placement agencies in Ohio with changes it made to the agency in the 130th General Assembly with House Bills 1 and 2 signed into law in 2013.

"When businesses are looking toward Ohio to start a business, one of the most important factors they can consider is the creation of a workforce," Derickson said "It allows them to see the pool of available workers here in the state and allows them to see their qualifications, or the training that our folks need before these employers will hire them."

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