

# AN ACT

To amend sections 133.09, 505.37, 505.50, and 5549.021, and to enact sections 505.267 and 4931.03 of the Revised Code to permit a board of township trustees and boards of trustees of a joint township police district, a township fire district, a joint fire district, or a fire and ambulance district to enter into lease or lease with an option to purchase agreements for real and personal property and to permit a telephone company to construct telegraph or telephone lines upon, along, and beneath the public roads, highways, and waters that are in the unincorporated area of a township.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 133.09, 505.37, 505.50, and 5549.021 be amended and sections 505.267 and 4931.03 of the Revised Code be enacted to read as follows:

Sec. 133.09. (A) Unless it is a township that has adopted a limited home rule government under Chapter 504. of the Revised Code, a township shall not incur net indebtedness that exceeds an amount equal to five per cent of its tax valuation and, except as specifically authorized by section 505.262 of the Revised Code or other laws, shall not incur any net indebtedness unless authorized by vote of the electors.

(B) A township that has adopted a limited home rule government under Chapter 504. of the Revised Code shall not incur net indebtedness that exceeds an amount equal to ten and one-half per cent of its tax valuation, or incur without a vote of the electors net indebtedness that exceeds an amount equal to five and one-half per cent of that tax valuation. In calculating the net indebtedness of a township that has adopted a limited home rule government, none of the following securities shall be considered:

- (1) Self-supporting securities issued for any purpose;
- (2) Securities issued for the purpose of purchasing, constructing,

improving, or extending water or sanitary or surface and storm water sewerage systems or facilities, or a combination of those systems or facilities, to the extent that an agreement entered into with another subdivision requires the other subdivision to pay to the township amounts equivalent to debt charges on the securities;

(3) Securities that are not general obligations of the township;

(4) Voted securities issued for the purposes of redevelopment to the extent that their principal amount does not exceed an amount equal to two per cent of the tax valuation of the township;

(5) Securities issued for the purpose of acquiring or constructing roads, highways, bridges, or viaducts, or for the purpose of acquiring or making other highway permanent improvements, to the extent that the resolution of the board of township trustees authorizing the issuance of the securities includes a covenant to appropriate from money distributed to the township under Chapter 4501., 4503., 4504., or 5735. of the Revised Code a sufficient amount to cover debt charges on and financing costs relating to the securities as they become due;

(6) Securities issued for energy conservation measures under section 505.264 of the Revised Code.

(C) In calculating the net indebtedness of any township, no obligation incurred under division (B) of section 513.17 or under section 505.261, 505.264, 505.265, 505.267, or 505.37 of the Revised Code shall be considered.

Sec. 505.267. (A) As used in this section:

(1) "Lease-purchase agreement" has the same meaning as a lease with an option to purchase.

(2) "Public obligation" has the same meaning as in section 133.01 of the Revised Code.

(B) For any purpose for which a board of township trustees, or a board of trustees of a joint township police district, a township fire district, a joint fire district, or a fire and ambulance district is authorized to acquire real or personal property, that board may enter into a lease-purchase agreement in accordance with this section to acquire the property. The board's resolution authorizing the lease-purchase agreement may provide for the issuance of certificates of participation or other evidences of fractionalized interests in the lease-purchase agreement, for the purpose of financing, or refinancing or refunding, any public obligation that financed or refinanced the acquisition of the property. Sections 9.94, 133.03, and 133.30 of the Revised Code shall apply to any such fractionalized interests.

The lease-purchase agreement shall provide for a series of terms in

which no term extends beyond the end of the fiscal year of the township or district in which that term commences. In total, the terms provided for in the agreement shall be for not more than the useful life of the real or personal property that is the subject of the agreement. A property's useful life shall be determined either by the maximum number of installment payments permitted under the statute that authorizes the board to acquire the property or, if there is no such provision, by the maximum number of years to maturity provided for the issuance of bonds in division (B) of section 133.20 of the Revised Code for that property. If the useful life cannot be determined under either of those statutes, it shall be estimated as provided in division (C) of section 133.20 of the Revised Code.

The lease-purchase agreement shall provide that, at the end of the final term in the agreement, if all obligations of the township or district have been satisfied, the title to the leased property shall vest in the township or district executing the lease-purchase agreement, if that title has not vested in the township or district before or during the lease terms; except that the lease-purchase agreement may require the township or district to pay an additional lump sum payment as a condition of obtaining that title.

(C) A board of trustees that enters into a lease-purchase agreement under this section may do any of the following with the property that is the subject of the agreement:

(1) If the property is personal property, assign the board's rights to that property;

(2) Grant the lessor a security interest in the property;

(3) If the property is real property, grant leases, easements, or licenses for underlying land or facilities under the board's control for terms not exceeding five years beyond the final term of the lease-purchase agreement.

(D) The authority granted in this section is in addition to, and not in derogation of, any other financing authority provided by law.

Sec. 505.37. (A) The board of township trustees may establish all necessary rules to guard against the occurrence of fires and to protect the property and lives of the citizens against damage and accidents, and may, with the approval of the specifications by the prosecuting attorney or, if the township has adopted limited home rule government under ~~chapter~~ Chapter 504~~2~~, of the Revised Code, with the approval of the specifications by the township's law director, purchase, lease, lease with an option to purchase, or otherwise provide any fire apparatus, mechanical resuscitators, or other equipment, appliances, materials, fire hydrants, and water supply for fire-fighting purposes that seems advisable to the board. The board shall provide for the care and maintenance of fire equipment, and, for these

purposes, may purchase, lease, lease with an option to purchase, or construct and maintain necessary buildings, and it may establish and maintain lines of fire-alarm communications within the limits of the township. The board may employ one or more persons to maintain and operate fire-fighting equipment, or it may enter into an agreement with a volunteer fire company for the use and operation of fire-fighting equipment. The board may compensate the members of a volunteer fire company on any basis and in any amount that it considers equitable.

(B) The boards of township trustees of any two or more townships, or the legislative authorities of any two or more political subdivisions, or any combination thereof, may, through joint action, unite in the joint purchase, lease, lease with an option to purchase, maintenance, use, and operation of fire-fighting equipment, or for any other purpose designated in sections 505.37 to 505.42 of the Revised Code, and may prorate the expense of the joint action on any terms that are mutually agreed upon.

(C) The board of township trustees of any township may, by resolution, whenever it is expedient and necessary to guard against the occurrence of fires or to protect the property and lives of the citizens against damages resulting from their occurrence, create a fire district of any portions of the township that it considers necessary. The board may purchase, lease, lease with an option to purchase, or otherwise provide any fire apparatus, appliances, materials, fire hydrants, and water supply for fire-fighting purposes, or may contract for the fire protection for the fire district as provided in section 9.60 of the Revised Code. The fire district so created shall be given a separate name by which it shall be known.

Additional unincorporated territory of the township may be added to a fire district upon the board's adoption of a resolution authorizing the addition. A municipal corporation that is within or adjoining the township may be added to a fire district upon the board's adoption of a resolution authorizing the addition and the municipal legislative authority's adoption of a resolution or ordinance requesting the addition of the municipal corporation to the fire district.

If the township fire district imposes a tax, additional unincorporated territory of the township or a municipal corporation that is within or adjoining the township shall become part of the fire district only after all of the following have occurred:

(1) Adoption by the board of township trustees of a resolution approving the expansion of the territorial limits of the district and, if the resolution proposes to add a municipal corporation, adoption by the municipal legislative authority of a resolution or ordinance requesting the addition of

the municipal corporation to the district;

(2) Adoption by the board of township trustees of a resolution recommending the extension of the tax to the additional territory;

(3) Approval of the tax by the electors of the territory proposed for addition to the district.

Each resolution of the board adopted under division (C)(2) of this section shall state the name of the fire district, a description of the territory to be added, and the rate and termination date of the tax, which shall be the rate and termination date of the tax currently in effect in the fire district.

The board of trustees shall certify each resolution adopted under division (C)(2) of this section to the board of elections in accordance with section 5705.19 of the Revised Code. The election required under division (C)(3) of this section shall be held, canvassed, and certified in the manner provided for the submission of tax levies under section 5705.25 of the Revised Code, except that the question appearing on the ballot shall read:

"Shall the territory within ..... (description of the proposed territory to be added) be added to ..... (name) fire district, and a property tax at a rate of taxation not exceeding ..... (here insert tax rate) be in effect for ..... (here insert the number of years the tax is to be in effect or "a continuing period of time," as applicable)?"

If the question is approved by at least a majority of the electors voting on it, the joinder shall be effective as of the first day of July of the year following approval, and on that date, the township fire district tax shall be extended to the taxable property within the territory that has been added. If the territory that has been added is a municipal corporation and if it had adopted a tax levy for fire purposes, the levy is terminated on the effective date of the joinder.

Any municipal corporation may withdraw from a township fire district created under division (C) of this section by the adoption by the municipal legislative authority of a resolution or ordinance ordering withdrawal. On the first day of July of the year following the adoption of the resolution or ordinance of withdrawal, the municipal corporation withdrawing ceases to be a part of the district, and the power of the fire district to levy a tax upon taxable property in the withdrawing municipal corporation terminates, except that the fire district shall continue to levy and collect taxes for the payment of indebtedness within the territory of the fire district as it was composed at the time the indebtedness was incurred.

Upon the withdrawal of any municipal corporation from a township fire district created under division (C) of this section, the county auditor shall ascertain, apportion, and order a division of the funds on hand, moneys and

taxes in the process of collection except for taxes levied for the payment of indebtedness, credits, and real and personal property, either in money or in kind, on the basis of the valuation of the respective tax duplicates of the withdrawing municipal corporation and the remaining territory of the fire district.

A board of township trustees may remove unincorporated territory of the township from the fire district upon the adoption of a resolution authorizing the removal. On the first day of July of the year following the adoption of the resolution, the unincorporated township territory described in the resolution ceases to be a part of the district, and the power of the fire district to levy a tax upon taxable property in that territory terminates, except that the fire district shall continue to levy and collect taxes for the payment of indebtedness within the territory of the fire district as it was composed at the time the indebtedness was incurred.

(D) The board of township trustees of any township, the board of fire district trustees of a fire district created under section 505.371 of the Revised Code, or the legislative authority of any municipal corporation may purchase, lease, or lease with an option to purchase the necessary fire-fighting equipment, buildings, and sites for the township, fire district, or municipal corporation and issue securities for that purpose with maximum maturities as provided in section 133.20 of the Revised Code. The board of township trustees, board of fire district trustees, or legislative authority may also construct any buildings necessary to house fire-fighting equipment and issue securities for that purpose with maximum maturities as provided in section 133.20 of the Revised Code. ~~The~~

The board of township trustees, board of fire district trustees, or legislative authority may issue the securities of the township, fire district, or municipal corporation, signed by the board or designated officer of the municipal corporation and attested by the signature of the township, fire district, or municipal clerk, covering any deferred payments and payable at the times provided, which securities shall bear interest not to exceed the rate determined as provided in section 9.95 of the Revised Code, and shall not be subject to Chapter 133. of the Revised Code. The legislation authorizing the issuance of the securities shall provide for levying and collecting annually by taxation, amounts sufficient to pay the interest on and principal of the securities. The securities shall be offered for sale on the open market or given to the vendor or contractor if no sale is made.

Section 505.40 of the Revised Code does not apply to any securities issued, or any lease with an option to purchase entered into, in accordance with this division.

(E) A board of township trustees of any township or a board of fire district trustees of a fire district created under section 505.371 of the Revised Code may purchase a policy or policies of liability insurance for the officers, employees, and appointees of the fire department, fire district, or joint fire district governed by the board that includes personal injury liability coverage as to the civil liability of those officers, employees, and appointees for false arrest, detention, or imprisonment, malicious prosecution, libel, slander, defamation or other violation of the right of privacy, wrongful entry or eviction, or other invasion of the right of private occupancy, arising out of the performance of their duties.

When a board of township trustees cannot, by deed of gift or by purchase and upon terms it considers reasonable, procure land for a township fire station that is needed in order to respond in reasonable time to a fire or medical emergency, the board may appropriate land for that purpose under sections 163.01 to 163.22 of the Revised Code. If it is necessary to acquire additional adjacent land for enlarging or improving the fire station, the board may purchase, appropriate, or accept a deed of gift for the land for these purposes.

(F) As used in this division, "emergency medical service organization" has the same meaning as in section 4766.01 of the Revised Code.

A board of township trustees, by adoption of an appropriate resolution, may choose to have the Ohio ambulance licensing board license any emergency medical service organization it operates. If the board adopts such a resolution, Chapter 4766. of the Revised Code, except for sections 4766.06 and 4766.99 of the Revised Code, applies to the organization. All rules adopted under the applicable sections of that chapter also apply to the organization. A board of township trustees, by adoption of an appropriate resolution, may remove its emergency medical service organization from the jurisdiction of the Ohio ambulance licensing board.

Sec. 505.50. The board of township trustees may purchase, lease, lease with an option to purchase, or otherwise acquire any police apparatus, equipment, including a public communications system, or materials that the township police district requires and may build, purchase, lease, or lease with an option to purchase any building or buildings and site of the building or buildings that are necessary for the operations of the district.

The boards of trustees of any two or more contiguous townships, may, by joint agreement, unite in the joint purchase, lease, lease with an option to purchase, maintenance, use, and operation of police equipment; for any other police purpose designated in sections 505.48 to 505.55 of the Revised Code, and to prorate the expense of ~~such~~ that joint action on ~~such~~ terms as

~~are~~ mutually agreed upon by the trustees in each affected township.

The board of trustees of any township may enter into a contract with one or more townships, a municipal corporation, a park district created pursuant to section 511.18 or 1545.01 of the Revised Code, or the county sheriff upon any terms that are mutually agreed upon for the provision of police protection services or additional police protection services either on a regular basis or for additional protection in times of emergency. The contract shall be agreed to in each instance by the respective board or boards of township trustees, the board of county commissioners, the board of park commissioners, or the legislative authority of the municipal corporation involved. ~~Such~~ The contract may provide for a fixed annual charge to be paid at the time agreed upon in the contract.

Chapter 2744. of the Revised Code, insofar as it is applicable to the operation of police departments, applies to the contracting political subdivisions and police department members when ~~such~~ the members are serving outside their own political subdivision pursuant to such a contract. Police department members acting outside the political subdivision in which they are employed may participate in any pension or indemnity fund established by their employer and are entitled to all the rights and benefits of Chapter 4123. of the Revised Code, to the same extent as as while performing services within the political subdivision.

Sec. 4931.03. (A) A telegraph or telephone company may do either of the following in the unincorporated area of the township:

(1) Construct telegraph or telephone lines upon and along any of the public roads and highways and across any waters within that area by the erection of the necessary fixtures, including posts, piers, or abutments for sustaining the cords or wires of those lines. Those lines shall be constructed so as not to incommode the public in the use of the roads or highways, or endanger or injuriously interrupt the navigation of the waters.

(2) Construct telegraph or telephone lines and the fixtures necessary for containing and protecting those lines beneath the surface of any of the public roads and highways and beneath any waters within that area. Those lines shall be constructed so as not to incommode the public in the use of the roads or highways, or endanger or injuriously interrupt the navigation of the waters.

(B)(1) This section does not authorize the construction of a bridge across any waters within the state.

(2) Construction under this section is subject to section 5571.16 of the Revised Code, as applicable, and any other applicable law, including, but not limited to, any law requiring approval of the legislative authority, the

county engineer, or the director of transportation.

Sec. 5549.021. (A) A board of township trustees may purchase machinery, tools, trucks, and other equipment for use in constructing, maintaining, and repairing roads and, subject to Chapter 133. of the Revised Code, may issue for that purpose general obligation bonds of the township for which the full faith and credit of the township shall be pledged.

(B) A board of township trustees may enter into a lease for machinery, tools, trucks, and other equipment for use in constructing, maintaining, and repairing roads, including a lease with an option to purchase. Any lease with an option to purchase shall require the board to pay a cash down payment of at least three-twentieths of the total cost. If the board sells used equipment as part of a lease with option to purchase, the cash down payment may be reduced by the amount of the selling price of the used equipment. A lease with an option to purchase may be entered into only with the lowest responsive and responsible bidder of the equipment after advertising for bids in the manner provided in section 5575.01 of the Revised Code.

SECTION 2. That existing sections 133.09, 505.37, 505.50, and 5549.021 of the Revised Code are hereby repealed.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

Sub. H. B. No. 97

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The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the  
\_\_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_