

As Reported by the Senate Agriculture Committee

127th General Assembly

Regular Session

2007-2008

Sub. H. B. No. 233

Representative Reinhard

Cosponsors: Representatives Bupp, Collier, DeWine, Evans, Fende, Goodwin, Goyal, Huffman, Latta, McGregor, J., Schlichter, Seitz, Setzer, Webster, Zehringer, Wolpert, Hagan, J., Hagan, R., Reinhard, Schindel, Wagner, Heard, Williams, B., DeBose, Chandler, Lundy, Celeste, Stebelton, Otterman, Mallory, Adams, Aslanides, Bacon, Batchelder, Blessing, Bolon, Brown, Budish, Carmichael, Core, Daniels, Dodd, Domenick, Dyer, Flowers, Garrison, Gibbs, Harwood, Healy, Hite, Hughes, Koziura, Letson, Luckie, Mandel, Miller, Oelslager, Okey, Patton, Sayre, Schneider, Uecker, Ujvagi, Wachtmann, Wagoner, Widener

Senators Faber, Carey, Schuring, Mumper

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A B I L L

To enact sections 122.23, 122.24, 122.25, 122.26, and 1
122.27 of the Revised Code and to amend Sections 2
384.10 and 757.03 of Am. Sub. H.B. 119 of the 3
127th General Assembly to revive the Rural 4
Industrial Parks Loan Program, to make changes 5
regarding the Local Government Service 6
Collaboration Grant Fund Program, and to create 7
the Ohio Agriculture to Chemicals, Polymers, and 8
Advanced Materials Task Force. 9

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 122.23, 122.24, 122.25, 122.26, and 10

122.27 of the Revised Code be enacted to read as follows: 11

Sec. 122.23. As used in sections 122.23 to 122.27 of the 12
Revised Code: 13

(A) "Distressed area" means a county with a population of 14
less than one hundred twenty-five thousand that meets at least two 15
of the following criteria of economic distress: 16

(1) Its average rate of unemployment, during the most recent 17
five-year period for which data are available, is equal to at 18
least one hundred twenty-five per cent of the average rate of 19
unemployment for the United States for the same period. 20

(2) It has a per capita income equal to or below eighty per 21
cent of the median county per capita income of the United States 22
as determined by the most recently available figures from the 23
United States census bureau. 24

(3) In intercensal years, the county has a ratio of transfer 25
payment income to total county income equal to or greater than 26
twenty-five per cent. 27

(B) "Eligible applicant" means any of the following that is 28
designated by the governing body of an eligible area as provided 29
in division (B)(1) of section 122.27 of the Revised Code: 30

(1) A port authority as defined in division (A) of section 31
4582.01 or division (A) of section 4582.21 of the Revised Code; 32

(2) A community improvement corporation as defined in section 33
1724.01 of the Revised Code; 34

(3) A community-based organization or action group that 35
provides social services and has experience in economic 36
development; 37

(4) Any other nonprofit economic development entity; 38

(5) A private developer that previously has not received 39

financial assistance under section 122.24 of the Revised Code and 40
that has experience and a successful history in industrial 41
development. 42

(C) "Eligible area" means a distressed area, a labor surplus 43
area, or a situational distress area, as designated annually by 44
the director of development pursuant to division (A) of section 45
122.25 of the Revised Code. 46

(D) "Labor surplus area" means an area designated as a labor 47
surplus area by the United States department of labor. 48

(E) "Official poverty line" has the same meaning as in 49
division (A) of section 3923.51 of the Revised Code. 50

(F) "Situational distress area" means a county that has a 51
population of less than one hundred twenty-five thousand, or a 52
municipal corporation in such a county, that has experienced or is 53
experiencing a closing or downsizing of a major employer that will 54
adversely affect the county's or municipal corporation's economy. 55
In order to be designated as a situational distress area for a 56
period not to exceed thirty-six months, the county or municipal 57
corporation may petition the director of development. The petition 58
shall include documentation that demonstrates all of the 59
following: 60

(1) The number of jobs lost by the closing or downsizing; 61

(2) The impact that the job loss has on the county's or 62
municipal corporation's unemployment rate as measured by the 63
director of job and family services; 64

(3) The annual payroll associated with the job loss; 65

(4) The amount of state and local taxes associated with the 66
job loss; 67

(5) The impact that the closing or downsizing has on the 68
suppliers located in the rural county or municipal corporation. 69

(G) "Governing body" means, in the case of a county, the board of county commissioners; in the case of a municipal corporation, the legislative authority; and in the case of a township, the board of township trustees.

(H) "Infrastructure improvements" includes site preparation, including building demolition and removal; retention ponds and flood and drainage improvements; streets, roads, bridges, and traffic control devices; parking lots and facilities; water and sewer lines and treatment plants; gas, electric, and telecommunications hook-ups; and waterway and railway access improvements.

(I) "Private developer" means any individual, firm, corporation, or entity, other than a nonprofit entity, limited profit entity, or governmental entity.

Sec. 122.24. To promote economic development in rural areas and to improve the economic welfare of the people of the state, the director of development shall administer the rural industrial park loan program, which is hereby established in accordance with Ohio Constitution, Article VIII, Section 13, to assist eligible applicants in financing the development and improvement of industrial parks by providing financial assistance in the form of loans and loan guarantees for land acquisition; constructing, reconstructing, rehabilitating, remodeling, renovating, enlarging, or improving industrial park buildings; and infrastructure improvements.

This program shall not be used to compete against existing Ohio industrial parks.

An eligible applicant receiving assistance under the rural industrial park program is not precluded from further participation in this or any other department of development financial program, except that a private developer that previously

has received financial assistance under this section is precluded 101
from further participation in the rural industrial park loan 102
program. 103

Sec. 122.25. (A) In administering the program established 104
under section 122.24 of the Revised Code, the director of 105
development shall do all of the following: 106

(1) Annually designate, by the first day of January of each 107
year, the entities that constitute the eligible areas in this 108
state as defined in section 122.23 of the Revised Code; 109

(2) Inform local governments and others in the state of the 110
availability of the program and financial assistance established 111
under sections 122.23 to 122.27 of the Revised Code; 112

(3) Report to the governor, president of the senate, speaker 113
of the house of representatives, and minority leaders of the 114
senate and the house of representatives by the thirtieth day of 115
June of each year on the activities carried out under the program 116
during the preceding calendar year. The report shall include the 117
number of loans made that year and the amount and recipient of 118
each loan. 119

(4) Work in conjunction with conventional lending 120
institutions, local revolving loan funds, private investors, and 121
other private and public financing sources to provide loans or 122
loan guarantees to eligible applicants; 123

(5) Establish fees, charges, interest rates, payment 124
schedules, local match requirements, and other terms and 125
conditions for loans and loan guarantees provided under the 126
program; 127

(6) Require each applicant to demonstrate the suitability of 128
any site for the assistance sought; that the site has been 129
surveyed, that the site has adequate or available utilities, and 130

<u>that there are no zoning restrictions, environmental regulations,</u>	131
<u>or other matters impairing the use of the site for the purpose</u>	132
<u>intended;</u>	133
<u>(7) Require each applicant to provide a marketing plan and</u>	134
<u>management strategy for the project;</u>	135
<u>(8) Adopt rules establishing all of the following:</u>	136
<u>(a) Forms and procedures by which eligible applicants may</u>	137
<u>apply for assistance;</u>	138
<u>(b) Criteria for reviewing, evaluating, and ranking</u>	139
<u>applications, and for approving applications that best serve the</u>	140
<u>goals of the program;</u>	141
<u>(c) Reporting requirements and monitoring procedures;</u>	142
<u>(d) Guidelines regarding situations in which industrial parks</u>	143
<u>would be considered to compete against one another for the</u>	144
<u>purposes of division (B)(2) of section 122.27 of the Revised Code;</u>	145
<u>(e) Any other rules necessary to implement and administer the</u>	146
<u>program.</u>	147
<u>(B) The director may adopt rules establishing requirements</u>	148
<u>governing the use of any industrial park site receiving assistance</u>	149
<u>under section 122.24 of the Revised Code, such that a certain</u>	150
<u>portion of the site must be used for manufacturing, distribution,</u>	151
<u>high technology, research and development, or other businesses</u>	152
<u>wherein a majority of the product or service produced is exported</u>	153
<u>out of the state.</u>	154
<u>(C) As a condition of receiving assistance under section</u>	155
<u>122.24 of the Revised Code, and except as provided in division (D)</u>	156
<u>of this section, an applicant shall agree, for a period of five</u>	157
<u>years, not to permit the use of a site that is developed or</u>	158
<u>improved with such assistance to cause the relocation of jobs to</u>	159
<u>that site from elsewhere in the state.</u>	160

(D) A site developed or improved with assistance under section 122.24 of the Revised Code may be the site of jobs relocated from elsewhere in the state if the director of development does all of the following: 161
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(1) Makes a written determination that the site from which the jobs would be relocated is inadequate to meet market or industry conditions, expansion plans, consolidation plans, or other business considerations affecting the relocating employer; 165
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(2) Provides a copy of the determination required by division (D)(1) of this section to the members of the general assembly whose legislative districts include the site from which the jobs would be relocated; 169
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(3) Determines that the governing body of the area from which the jobs would be relocated has been notified in writing by the relocating company of the possible relocation. 173
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(E) The director of development shall obtain the approval of the controlling board for any loan or loan guarantee provided under sections 122.23 to 122.27 of the Revised Code. 176
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Sec. 122.26. The rural industrial park loan fund is hereby created in the state treasury for the purposes of the program established under section 122.24 of the Revised Code. The director of development shall deposit money received for the purposes of that section to the credit of the fund. The amount of the fund shall not exceed ten million dollars. 179
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Sec. 122.27. (A) In order to be eligible for financial assistance under section 122.24 of the Revised Code, an applicant shall demonstrate to the director of development the applicant's capacity to undertake and oversee the project, as evidenced by documentation of the applicant's past performance in economic development projects. 185
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(B) In order for an applicant to be eligible for financial assistance under section 122.24 of the Revised Code, both of the following apply: 191
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(1) The governing body of the entity that has been designated as an eligible area by the director of development under division (A) of section 122.25 of the Revised Code, by resolution or ordinance, shall designate the applicant that will carry out the project for the purposes described in section 122.24 of the Revised Code and specify the eligible area's financial participation in the project. 194
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(2) The board of county commissioners of a county that has been designated as an eligible area by the director of development under division (A)(1) of section 122.25 of the Revised Code shall certify, by resolution, that no existing industrial park is located in the county that would compete against an industrial park that would be developed and improved in the county through the use of financial assistance provided to the applicant under the rural industrial park loan program. Guidelines regarding situations in which industrial parks would be considered to compete against one another shall be established by rule in accordance with division (A)(8)(d) of section 122.25 of the Revised Code. 201
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(C) Solely for the purpose of applying for assistance for infrastructure improvements, a governing body may designate itself as an eligible applicant. 213
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Section 2. (A) There is hereby created the Ohio Agriculture to Chemicals, Polymers, and Advanced Materials Task Force, which shall consist of thirteen members as follows: 216
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(1) Three members of the House of Representatives appointed by the Speaker of the House of Representatives, two of whom shall be members of the majority party and one of whom shall be a member 219
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of the minority party;	222
(2) Three members of the Senate appointed by the President of the Senate, two of whom shall be members of the majority party and one of whom shall be a member of the minority party;	223 224 225
(3) A representative of the Ohio Chemistry Technology Council appointed by the Speaker of the House of Representatives;	226 227
(4) A representative of Polymer Ohio appointed by the Speaker of the House of Representatives;	228 229
(5) A representative of the Ohio BioProducts Innovation Center appointed by the President of the Senate;	230 231
(6) A representative of the Ohio Farm Bureau Federation appointed by the President of the Senate;	232 233
(7) A representative of the Department of Agriculture appointed by the Director of Agriculture;	234 235
(8) A representative of the Department of Development appointed by the Director of Development;	236 237
(9) The energy advisor to the Governor appointed by the Governor.	238 239
Appointments shall be made, and the Task Force shall hold its first meeting, not later than fifteen days after the effective date of this section. The representative of the Department of Agriculture shall appoint a chairperson, and the Task Force shall elect from its members a vice-chairperson.	240 241 242 243 244
(B) Not later than four months after the effective date of this section, the Ohio Agriculture to Chemicals, Polymers, and Advanced Materials Task Force shall submit a report to the General Assembly and the Governor. The report shall do all of the following:	245 246 247 248 249
(1) Provide an overview of the agriculture industry and the specialty chemicals and polymer industry in this state;	250 251

(2) Describe the conditions of and trends in those industries in this state;	252 253
(3) Identify and describe potential alignments between the agricultural industry and the specialty chemicals and polymer industry in this state;	254 255 256
(4) Include recommendations to the General Assembly for expanding the agriculture industry and the specialty chemicals and polymer industry in this state and for providing methods to increase alignments between those industries.	257 258 259 260
Following submission of the report, the Task Force shall cease to exist.	261 262
Section 3. That sections 384.10 and 757.03 of Am. Sub. H.B. 119 of the 127th General Assembly be amended to read as follows:	263 264
Sec. 384.10. LOCAL GOVERNMENT SERVICES COLLABORATION GRANT PROGRAM	265 266
(A) The Director of Development shall administer a Local Government Services Collaboration Grant Program. The Director may adopt rules under section 111.15 of the Revised Code and do all things necessary for that purpose.	267 268 269 270
(B) There is hereby created in the State Treasury the Local Government Services Collaboration Grant Fund (Fund 088). The fund shall consist of all cash deposited into it pursuant to Section 757.03 of this act <u>Section 5 of Sub. H.B. 233 of the 127th General</u> <u>Assembly</u> . The fund shall be used by the Director of Development in administering the Local Government Services Collaboration Grant Program.	271 272 273 274 275 276 277
(C) The foregoing appropriation item 110-900, Local Government Services Collaboration, shall be used by the Director of Development to administer the Local Government Services	278 279 280

Collaboration Grant Program. Moneys shall be used to provide 281
grants to counties, municipal corporations, and townships that are 282
interested in combining the provision of local government services 283
with those of other counties, municipal corporations, or 284
townships. Individual grant awards shall be used solely for the 285
cost of conducting a feasibility study that addresses whether, and 286
in what manner, counties, municipal corporations, and townships 287
may combine their respective provision of local government 288
services. 289

Individual grants shall be available on a competitive basis 290
to a county, municipal corporation, or township that proposes to 291
combine its provision of local government services with those of 292
at least two other counties, municipal corporations, or townships, 293
or with any combination of at least two other counties, municipal 294
corporations, or townships. Grants shall be awarded according to 295
the following formula: 296

(1) For a total of, or for any combination of, three 297
counties, municipal corporations, or townships, the grant shall be 298
equal to fifty per cent of the total cost of the feasibility 299
study, or not more than \$30,000; 300

(2) For a total of, or for any combination of, four counties, 301
municipal corporations, or townships, the grant shall be equal to 302
sixty per cent of the total cost of the feasibility study, or not 303
more than \$40,000; 304

(3) For a total of, or for any combination of, five counties, 305
municipal corporations, or townships, the grant shall be equal to 306
seventy per cent of the total cost of the feasibility study, or 307
not more than \$50,000; 308

(4) For a total of, or for any combination of, six counties, 309
municipal corporations, or townships, the grant shall be equal to 310
eighty per cent of the total cost of the feasibility study, or not 311

more than \$60,000; 312

(5) For a total of, or for any combination of, seven 313
counties, municipal corporations, or townships, the grant shall be 314
equal to ninety per cent of the total cost of the feasibility 315
study, or not more than \$70,000; 316

(6) For a total of, or for any combination of, eight or more 317
counties, municipal corporations, or townships, the grant shall be 318
equal to the total cost of the feasibility study, or not more than 319
\$80,000. 320

(D) Of the foregoing appropriation item 110-900, Local 321
Government Services Collaboration, not more than \$100,000 over the 322
biennium may be used by the Department of Development for 323
operating expenditures in administering the Local Government 324
Services Collaboration Grant Program. 325

(E) Applicants for funding under the Local Government 326
Services Collaboration Grant Program are encouraged to utilize the 327
services of state-funded colleges and universities to conduct the 328
feasibility studies referenced under this section. 329

(F) As used in this section, "local government services" 330
means services typically provided by a county, municipal 331
corporation, or township for the health, safety, and well-being of 332
community residents and includes, but is not limited to, police 333
and fire protection, 9-1-1 emergency service, trash collection, 334
snow removal, road repair, and the provision of public utilities 335
such as water and sewer services. 336

(G) On or before June 30, 2008, the unencumbered balance of 337
the foregoing appropriation item 110-900, Local Government 338
Services Collaboration, for fiscal year 2008 is hereby 339
appropriated for the same purpose for fiscal year 2009. 340

Sec. 757.03. (A) Beginning in July 2007 and ending in 341

November 2007, on or before the seventh day of each month, the Tax 342
Commissioner shall determine and certify to the Director of Budget 343
and Management the amount to be credited from each tax source 344
under divisions (B), (C), and (D) of this section to the Local 345
Government Fund, the Library and Local Government Support Fund, 346
and the Local Government Revenue Assistance Fund. 347

(B) Notwithstanding sections 5727.45, 5727.84, 5733.12, 348
5739.21, 5741.03, and 5747.03 of the Revised Code or any other 349
provision of law to the contrary, for each month in the period 350
beginning July 1, 2007, and ending November 30, 2007, tax revenues 351
credited to the Local Government Fund, the Library and Local 352
Government Support Fund, and the Local Government Revenue 353
Assistance Fund under those sections shall instead be credited as 354
follows: 355

(1) An amount shall first be credited to the Local Government 356
Fund as prescribed under division (C) of this section; 357

(2) An amount shall next be credited to the Local Government 358
Revenue Assistance Fund as prescribed under division (C) of this 359
section; 360

(3) An amount shall next be credited to the Library and Local 361
Government Support Fund as prescribed under division (D) of this 362
section. 363

~~In December 2007, an amount totaling \$1,000,000 shall be 364
credited from amounts otherwise scheduled to be credited to the 365
Local Government Fund to the Local Government Services 366
Collaboration Grant Fund established under section 384.10 of this 367
act. 368~~

(C) Receipts from the corporation franchise, sales and use, 369
public utility excise, kilowatt-hour, and personal income taxes 370
shall be credited to the Local Government Fund and the Local 371

Government Revenue Assistance Fund as follows:	372
(1) In July 2007, the amount that was credited in July 2006;	373
(2) In August 2007, the amount that was credited in August 2006;	374 375
(3) In September 2007, the amount that was credited in September 2006;	376 377
(4) In October 2007, the amount that was credited in October 2006;	378 379
(5) In November 2007, the amount that was credited in November 2006.	380 381
(D) Receipts from the personal income tax shall be credited to the Library and Local Government Support Fund as follows:	382 383
(1) In July 2007, the amount that was credited in July 2006;	384
(2) In August 2007, the amount that was credited in August 2006;	385 386
(3) In September 2007, the amount that was credited in September 2006;	387 388
(4) In October 2007, the amount that was credited in October 2006;	389 390
(5) In November 2007, the amount that was credited in November 2006, except that the amount credited to the Local Government Fund from personal income tax revenue shall be reduced by an additional \$1,000,000 and this reduction shall be borne entirely by the countywide nontownship and nonvillage distribution in January 2008.	391 392 393 394 395 396
(E)(1) To the extent the amounts required to be credited to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund under divisions (C) and (D) of this section exceed the amounts	397 398 399 400

that otherwise would have been credited to those funds under 401
sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 402
of the Revised Code, amounts required to be credited to the 403
General Revenue Fund under those sections shall be reduced 404
accordingly. 405

(2) To the extent the amounts required to be credited to the 406
Local Government Fund, the Library and Local Government Support 407
Fund, and the Local Government Revenue Assistance Fund under 408
divisions (C) and (D) of this section are less than the amounts 409
that otherwise would have been credited to those funds under 410
sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 411
of the Revised Code, amounts required to be credited to the 412
General Revenue Fund under those sections shall be increased 413
accordingly. 414

(F) The total amount credited each month under this section 415
to the Local Government Fund, the Library and Local Government 416
Support Fund, and the Local Government Revenue Assistance Fund 417
shall be distributed on or before the tenth day of the immediately 418
succeeding month as follows: 419

(1) Each county undivided Local Government Fund shall receive 420
a distribution from the Local Government Fund that is based upon 421
its proportionate share of the total amount received by it from 422
the fund in the same month during the preceding calendar year. 423

(2) Each municipal corporation receiving a direct 424
distribution from the Local Government Fund shall receive a 425
distribution that is based upon its proportionate share of the 426
total amount received by it from the fund in the same month during 427
the preceding calendar year. 428

(3) Each county undivided Local Government Revenue Assistance 429
Fund shall receive a distribution from the Local Government 430
Revenue Assistance Fund that is based upon its proportionate share 431

of the total amount received by it from the fund in the same month 432
during the preceding calendar year. 433

(4) Each county undivided Library and Local Government 434
Support Fund shall receive a distribution from the Library and 435
Local Government Support Fund that is based upon its proportionate 436
share of the total amount received by it from the fund in the same 437
month during the preceding calendar year. 438

(G) Distributions shall not be made in accordance with 439
sections 5747.47 and 5747.50 of the Revised Code until January 1, 440
2008. 441

(H) Notwithstanding section 5747.47 of the Revised Code, the 442
Tax Commissioner is not required to issue the certification 443
required by that section to be made in December 2007 for calendar 444
year 2007. The Tax Commissioner may, as the Commissioner considers 445
appropriate, provide to each county auditor additional revised 446
estimates or other information relating to distributions in 2007, 447
2008, or 2009 at any time during the period beginning July 1, 448
2007, and ending June 30, 2009. 449

(I)(1) Notwithstanding division (A) of section 131.51 of the 450
Revised Code, on or before January 5, 2008, the Director of Budget 451
and Management shall credit to the Local Government Fund an amount 452
equal to three and sixty-eight one-hundredths per cent of total 453
tax revenues credited to the General Revenue Fund during December 454
2007. ~~In determining the total tax revenues credited to the~~ 455
~~General Revenue Fund during that month, transfers made from the~~ 456
~~General Revenue Fund during that month to the Local Government~~ 457
~~Fund, the Local Government Revenue Assistance Fund, and the~~ 458
~~Library and Local Government Support Fund shall be disregarded.~~ 459
Moneys credited to the Local Government Fund under division (I)(1) 460
of this section shall be distributed in January 2008 in accordance 461
with section 5747.50 of the Revised Code. 462

(2) Notwithstanding division (B) of section 131.51 of the Revised Code, on or before January 5, 2008, the Director of Budget and Management shall credit to the Library and Local Government Support Fund an amount equal to two and twenty-two one-hundredths per cent of total tax revenues credited to the General Revenue Fund during December 2007. ~~In determining the total tax revenues credited to the General Revenue Fund during that month, transfers made from the General Revenue Fund during that month to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund shall be disregarded.~~ Moneys credited to the Library and Local Government Support Fund under division (I)(2) of this section shall be distributed in January 2008 in accordance with section 5747.47 of the Revised Code.

Section 4. That existing sections 384.10 and 757.03 of Am. Sub. H.B. 119 of the 127th General Assembly are hereby repealed.

Section 5. Notwithstanding division (A) of section 133.51 of the Revised Code, in January 2008, an amount totaling \$1,000,000 shall be credited from amounts otherwise scheduled to be credited to the Local Government Fund to the Local Government Services Collaboration Grant Fund established under section 384.10 of Am. Sub. H.B. 119 of the 127th General Assembly.

Section 6. The amendment by this act of sections 384.10 and 757.03 of Am. Sub. H.B. 119 of the 127th General Assembly and Sections 5 and 6 of this act, and the items of law of which they are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendment and the sections, and the items of law of which they are composed, go into immediate effect when this act becomes law.