

As Introduced

**128th General Assembly
Regular Session
2009-2010**

S. B. No. 121

Senators Niehaus, Cafaro

Cosponsors: Senators Wagoner, Schuring, Strahorn, Morano, Kearney

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A B I L L

To amend sections 5501.03, 5501.311, 5531.09, and 1
5531.18 and to enact sections 5539.01, 5539.02, 2
5539.03, 5539.031, 5539.04, 5539.05, 5539.06, 3
5539.07, 5539.08, 5539.09, 5539.10, and 5539.11 of 4
the Revised Code to authorize the creation of 5
transportation innovation authorities by specified 6
governmental entities and to establish the powers 7
and duties of such authorities. 8

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

Section 1. That sections 5501.03, 5501.311, 5531.09, and 9
5531.18 be amended and sections 5539.01, 5539.02, 5539.03, 10
5539.031, 5539.04, 5539.05, 5539.06, 5539.07, 5539.08, 5539.09, 11
5539.10, and 5539.11 of the Revised Code be enacted to read as 12
follows: 13

Sec. 5501.03. (A) The department of transportation shall: 14

(1) Exercise and perform such other duties, powers, and 15
functions as are conferred by law on the director, the department, 16
the assistant directors, the deputy directors, or on the divisions 17
of the department; 18

(2) Coordinate and develop, in cooperation with local, 19

regional, state, and federal planning agencies and authorities, 20
comprehensive and balanced state policy and planning to meet 21
present and future needs for adequate transportation facilities in 22
this state, including recommendations for adequate funding of the 23
implementation of such planning; 24

(3) Coordinate its activities with those of other appropriate 25
state departments, public agencies, and authorities, and enter 26
into any contracts with such departments, agencies, and 27
authorities as may be necessary to carry out its duties, powers, 28
and functions; 29

(4) Cooperate with and assist the public utilities commission 30
in the commission's administration of sections 4907.47 to 4907.476 31
of the Revised Code, particularly with respect to the federal 32
highway administration; 33

(5) Cooperate with and assist the Ohio power siting board in 34
the board's administration of Chapter 4906. of the Revised Code; 35

(6) Give particular consideration to the development of 36
policy and planning for public transportation facilities, and to 37
the coordination of associated activities relating thereto, as 38
prescribed under divisions (A)(2) and (3) of this section; 39

(7) Conduct, in cooperation with the Ohio legislative service 40
commission, any studies or comparisons of state traffic laws and 41
local traffic ordinances with model laws and ordinances that may 42
be required to meet program standards adopted by the United States 43
department of transportation pursuant to the "Highway Safety Act 44
of 1966," 80 Stat. 731, U.S.C.A. 401; 45

(8) Prepare, print, distribute, and advertise books, maps, 46
pamphlets, and other information that, in the judgment of the 47
director, will inform the public and other governmental 48
departments, agencies, and authorities as to the duties, powers, 49
and functions of the department; 50

(9) In its research and development program, consider 51
technologies for improving roadways, including construction 52
techniques and materials to prolong project life, being used or 53
developed by other states that have geographic, geologic, or 54
climatic features similar to this state's, and collaborate with 55
those states in that development. 56

(B) Nothing contained in division (A)(1) of this section 57
shall be held to in any manner affect, limit, restrict, or 58
otherwise interfere with the exercise of powers relating to 59
transportation facilities by appropriate agencies of the federal 60
government, or by counties, municipal corporations, or other 61
political subdivisions or special districts in this state 62
authorized by law to exercise such powers. 63

(C) The department may use all appropriate sources of revenue 64
to assist in the development and implementation of rail service as 65
defined by division (C) of section 4981.01 of the Revised Code. 66

(D) The director of transportation may enter into contracts 67
with public agencies including political subdivisions, other state 68
agencies, boards, commissions, regional transit authorities, 69
county transit boards, ~~and~~ port authorities, transportation 70
innovation authorities, and any corporation organized under the 71
laws of Ohio, to administer the design, qualification of bidders, 72
competitive bid letting, construction inspection, and acceptance 73
of any projects administered by the department, provided the 74
administration of such projects is performed in accordance with 75
all applicable state and federal laws and regulations with 76
oversight by the department. 77

Sec. 5501.311. (A) Notwithstanding sections 123.01 and 127.16 78
of the Revised Code the director of transportation may lease or 79
lease-purchase all or any part of a transportation facility to or 80
from one or more persons, one or more governmental agencies, a 81

transportation improvement district, transportation innovation 82
authority, or any combination thereof, and may grant leases, 83
easements, or licenses for lands under the control of the 84
department of transportation. The director may adopt rules 85
necessary to give effect to this section. 86

(B) Plans and specifications for the construction of a 87
transportation facility under a lease or lease-purchase agreement 88
are subject to approval of the director and must meet or exceed 89
all applicable standards of the department. 90

(C) Any lease or lease-purchase agreement under which the 91
department is the lessee shall be for a period not exceeding the 92
then current two-year period for which appropriations have been 93
made by the general assembly to the department, and such agreement 94
may contain such other terms as the department and the other 95
parties thereto agree, notwithstanding any other provision of law, 96
including provisions that rental payments in amounts sufficient to 97
pay bond service charges payable during the current two-year lease 98
term shall be an absolute and unconditional obligation of the 99
department independent of all other duties under the agreement 100
without set-off or deduction or any other similar rights or 101
defenses. Any such agreement may provide for renewal of the 102
agreement at the end of each term for another term, not exceeding 103
two years, provided that no renewal shall be effective until the 104
effective date of an appropriation enacted by the general assembly 105
from which the department may lawfully pay rentals under such 106
agreement. Any such agreement may include, without limitation, any 107
agreement by the department with respect to any costs of 108
transportation facilities to be included prior to acquisition and 109
construction of such transportation facilities. Any such agreement 110
shall not constitute a debt or pledge of the faith and credit of 111
the state, or of any political subdivision of the state, and the 112
lessor shall have no right to have taxes or excises levied by the 113

general assembly, or the taxing authority of any political 114
subdivision of the state, for the payment of rentals thereunder. 115
Any such agreement shall contain a statement to that effect. 116

(D) A municipal corporation, township, or county may use 117
service payments in lieu of taxes credited to special funds or 118
accounts pursuant to sections 5709.43, 5709.75, and 5709.80 of the 119
Revised Code to provide its contribution to the cost of a 120
transportation facility, provided such facility was among the 121
purposes for which such service payments were authorized. The 122
contribution may be in the form of a lump sum or periodic 123
payments. 124

(E) Pursuant to the "Telecommunications Act of 1996," 110 125
Stat. 152, 47 U.S.C. 332 note, the director may grant a lease, 126
easement, or license in a transportation facility to a 127
telecommunications service provider for construction, placement, 128
or operation of a telecommunications facility. An interest granted 129
under this division is subject to all of the following conditions: 130
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(1) The transportation facility is owned in fee simple or 132
easement by this state at the time the lease, easement, or license 133
is granted to the telecommunications provider. 134

(2) The lease, easement, or license shall be granted on a 135
competitive basis in accordance with policies and procedures to be 136
determined by the director. The policies and procedures may 137
include provisions for master leases for multiple sites. 138

(3) The telecommunications facility shall be designed to 139
accommodate the state's multi-agency radio communication system, 140
the intelligent transportation system, and the department's 141
communication system as the director may determine is necessary 142
for highway or other departmental purposes. 143

(4) The telecommunications facility shall be designed to 144

accommodate such additional telecommunications equipment as may 145
feasibly be co-located thereon as determined in the discretion of 146
the director. 147

(5) The telecommunications service providers awarded the 148
lease, easement, or license, agree to permit other 149
telecommunications service providers to co-locate on the 150
telecommunications facility, and agree to the terms and conditions 151
of the co-location as determined in the discretion of the 152
director. 153

(6) The director shall require indemnity agreements in favor 154
of the department as a condition of any lease, easement, or 155
license granted under this division. Each indemnity agreement 156
shall secure this state and its agents from liability for damages 157
arising out of safety hazards, zoning, and any other matter of 158
public interest the director considers necessary. 159

(7) The telecommunications service provider fully complies 160
with any permit issued under section 5515.01 of the Revised Code 161
pertaining to land that is the subject of the lease, easement, or 162
license. 163

(8) All plans and specifications shall meet with the 164
director's approval. 165

(9) Any other conditions the director determines necessary. 166

(F) In accordance with section 5501.031 of the Revised Code, 167
to further efforts to promote energy conservation and energy 168
efficiency, the director may grant a lease, easement, or license 169
in a transportation facility to a utility service provider that 170
has received its certificate from the Ohio power siting board or 171
appropriate local entity for construction, placement, or operation 172
of an alternative energy generating facility service provider as 173
defined in section 4928.64 of the Revised Code. An interest 174
granted under this division is subject to all of the following 175

conditions:	176
(1) The transportation facility is owned in fee simple or in	177
easement by this state at the time the lease, easement, or license	178
is granted to the utility service provider.	179
(2) The lease, easement, or license shall be granted on a	180
competitive basis in accordance with policies and procedures to be	181
determined by the director. The policies and procedures may	182
include provisions for master leases for multiple sites.	183
(3) The alternative energy generating facility shall be	184
designed to provide energy for the department's transportation	185
facilities with the potential for selling excess power on the	186
power grid, as the director may determine is necessary for highway	187
or other departmental purposes.	188
(4) The director shall require indemnity agreements in favor	189
of the department as a condition of any lease, easement, or	190
license granted under this division. Each indemnity agreement	191
shall secure this state from liability for damages arising out of	192
safety hazards, zoning, and any other matter of public interest	193
the director considers necessary.	194
(5) The alternative energy service provider fully complies	195
with any permit issued by the Ohio power siting board under	196
Chapter 4906. of the Revised Code and complies with section	197
5515.01 of the Revised Code pertaining to land that is the subject	198
of the lease, easement, or license.	199
(6) All plans and specifications shall meet with the	200
director's approval.	201
(7) Any other conditions the director determines necessary.	202
(G) Money the department receives under divisions (E) and (F)	203
of this section shall be deposited into the state treasury to the	204
credit of the highway operating fund.	205

(H) A lease, easement, or license granted under division (E) 206
or (F) of this section, and any telecommunications facility or 207
alternative energy generating facility relating to such interest 208
in a transportation facility, is hereby deemed to further the 209
essential highway purpose of building and maintaining a safe, 210
energy-efficient, and accessible transportation system. 211

Sec. 5531.09. (A) The state infrastructure bank shall consist 212
of the highway and transit infrastructure bank fund, the aviation 213
infrastructure bank fund, the rail infrastructure bank fund, ~~and~~ 214
the infrastructure bank obligations fund, and the new generation 215
infrastructure bank funds, which are hereby created as funds of 216
the state treasury, to be administered by the director of 217
transportation and used for the purposes described in division (B) 218
of this section. The highway and transit infrastructure bank fund, 219
the aviation infrastructure bank fund, and the rail infrastructure 220
bank fund shall consist of federal grants and awards or other 221
assistance received by the state and eligible for deposit therein 222
under applicable federal law, payments received by the department 223
in connection with providing financial assistance for qualifying 224
projects under division (B) of this section, and such other 225
amounts as may be provided by law. The infrastructure bank 226
obligations fund shall consist of such amounts of the proceeds of 227
obligations issued under section 5531.10 of the Revised Code as 228
the director of transportation determines with the advice of the 229
director of budget and management; and such other amounts as may 230
be provided by law. The new generation infrastructure bank funds 231
shall consist of such other assistance received by the state as 232
may be provided by law. The director of budget and management, 233
upon the request of the director of transportation, may transfer 234
amounts between the funds created in this division, except the 235
infrastructure bank obligations fund. The investment earnings of 236
each fund created by this division shall be credited to such fund. 237

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(B)(1) The director of transportation shall use the state
infrastructure bank, except the new generation infrastructure bank
funds, to encourage public and private investment in
transportation facilities that contribute to the multi-modal and
intermodal transportation capabilities of the state, develop a
variety of financing techniques designed to expand the
availability of funding resources and to reduce direct state
costs, maximize private and local participation in financing
projects, and improve the efficiency of the state transportation
system by using and developing the particular advantages of each
transportation mode to the fullest extent. In furtherance of these
purposes, the director shall use the state infrastructure bank to
provide financial assistance to public or private entities for
qualified projects. Such assistance shall be in the form of loans,
loan guarantees, letters of credit, leases, lease-purchase
agreements, interest rate subsidies, debt service reserves, and
such other forms as the director determines to be appropriate. All
fees, charges, rates of interest, payment schedules, security for,
and other terms and conditions relating to such assistance shall
be determined by the director.

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(2) The director shall use the new generation infrastructure
bank funds to encourage transportation innovation authorities
created under Chapter 5539. of the Revised Code to invest in
transportation facilities that contribute to the multi-modal and
intermodal transportation capabilities of the state, develop a
variety of financing techniques designed to expand the
availability of funding resources and to reduce direct state
costs, maximize transportation innovation authorities'
participation in financing projects, and improve the efficiency of
the state transportation system by using and developing the
particular advantages of each transportation mode to the fullest

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extent. In furtherance of these purposes, the director shall use 270
the new generation infrastructure bank funds to provide financial 271
assistance to transportation innovation authorities for qualified 272
projects. Such assistance shall be in the form of loans, loan 273
guarantees, letters of credit, leases, lease-purchase agreements, 274
interest rate subsidies, debt service reserves, and such other 275
forms of assistance as the director determines to be appropriate. 276
All fees, charges, rates of interest, payment schedules, security 277
for, and other terms and conditions relating to such assistance 278
shall be determined by the director. 279

(C) The director of transportation shall adopt rules 280
establishing guidelines necessary for the implementation and 281
exercise of the authority granted by this section, including rules 282
for receiving, reviewing, evaluating, and selecting projects for 283
which financial assistance may be approved. 284

(D) As used in this section and in section 5531.10 of the 285
Revised Code, "qualified project" means any public or private 286
transportation project as determined by the director of 287
transportation, including, without limitation, planning, 288
environmental impact studies, engineering, construction, 289
reconstruction, resurfacing, restoring, rehabilitation, or 290
replacement of public or private transportation facilities within 291
the state, studying the feasibility thereof, and the acquisition 292
of real or personal property or interests therein; any highway, 293
public transit, aviation, rail, or other transportation project 294
eligible for financing or aid under any federal or state program; 295
and any project involving the maintaining, repairing, improving, 296
or construction of any public or private highway, road, street, 297
parkway, public transit, aviation, or rail project, and any 298
related rights-of-way, bridges, tunnels, railroad-highway 299
crossings, drainage structures, signs, guardrails, or protective 300
structures. 301

(E) The general assembly finds that state infrastructure projects, as defined in division (A)(8) of section 5531.10 of the Revised Code, and the state infrastructure bank, will materially contribute to the economic revitalization of areas of the state and result in improving the economic welfare of all the people of the state. Accordingly, it is declared to be the public purpose of the state, through operations under sections 5531.09 and 5531.10 of the Revised Code, and other applicable laws adopted pursuant to Section 13 of Article VIII, Ohio Constitution, and other authority vested in the general assembly, to assist in and facilitate the purposes set forth in division (B) of section 5531.10 of the Revised Code, and to assist and cooperate with any governmental agency in achieving such purposes.

Sec. 5531.18. The director of transportation shall establish a procedure whereby a political subdivision or other governmental agency or agencies may submit a written application to the director in accordance with Chapter 5539. of the Revised Code requesting the department of transportation to construct and operate a toll project within the boundaries of the subdivision, agency, or agencies making the request. The procedure shall include a requirement that the director send a written reply to the subdivision, agency, or agencies explaining the disposition of the request. The procedure established pursuant to this section shall not become effective unless it is approved by the Ohio transportation finance commission created under section 5531.12 of the Revised Code.

Sec. 5539.01. As used in this chapter:

"Governmental agency" means a county, township, or municipal corporation, and any agency thereof; any other political subdivision; any county transit system, regional transit authority, or regional transit commission created under Chapter

306. of the Revised Code; any new community authority organized 333
under Chapter 349. of the Revised Code; one or more municipal 334
corporations and one or more townships acting pursuant to a 335
cooperative economic development agreement entered into under 336
section 701.07 of the Revised Code; any joint economic development 337
zone or joint economic development district organized under 338
Chapter 715. of the Revised Code; any metropolitan planning 339
organization; any port authority created under Chapter 4582. of 340
the Revised Code; any transportation improvement district created 341
under Chapter 5540. of the Revised Code; the Ohio rail development 342
commission created under Chapter 4981. of the Revised Code; any 343
other public corporation, agency, or commission established 344
pursuant to state law; and any combination of the above. 345

"Multimodal and intermodal transportation system" means a 346
system of roads and highways, rail lines, water ports, airports, 347
bicycle paths, pedestrian walkways, or public transit systems, 348
including connections between them, and related facilities. 349

"Passenger rail service" means passenger railroad service 350
that connects two or more urbanized areas. 351

"Public transit system" means a system of local 352
transportation of passengers and their incidental baggage on 353
scheduled routes by means of a conveyance on an individual 354
passenger fare-paying basis, and excluding transportation by a 355
sightseeing bus, taxi, or any vehicle not operated on a scheduled 356
route basis. 357

"Transportation innovation authority" means a body corporate 358
and politic created pursuant to section 5539.03 of the Revised 359
Code. 360

"Transportation project" means a project constructed, 361
improved, operated, or managed under this chapter, including the 362
construction, reconstruction, alteration, repair, improvement, 363

operation, or management of any road, highway, bridge, or other 364
transportation facility as defined in section 5501.01 of the 365
Revised Code; any multimodal and intermodal systems; any public 366
transit system; and any freight or intercity passenger rail 367
system. 368

Sec. 5539.02. (A) The director of transportation is hereby 369
authorized to establish a transportation innovation authority 370
pilot project and shall approve not more than four transportation 371
innovation authorities pursuant to division (B) of section 5539.03 372
of the Revised Code and shall report to the general assembly 373
pursuant to division (C) of section 5539.07 of the Revised Code. 374

(B) The purpose of a transportation innovation authority 375
established under this chapter is to foster and encourage the 376
investment of public and private resources in the planning and 377
implementation of innovative transportation projects to enhance 378
the efficiency of the state's transportation system, enhance 379
intermodal and multimodal systems to streamline the transportation 380
of goods and persons, and encourage the improvement and 381
development of public transit systems and intercity passenger rail 382
service throughout the state. A transportation innovation 383
authority shall assist governmental agencies in the identification 384
of transportation needs that will foster growth and economic 385
development in the region conducive to the transportation projects 386
and shall assist in funding priority projects through cooperative 387
arrangements involving public and private partnerships. 388

Sec. 5539.03. (A) Subject to approval by the director of 389
transportation under division (B) of this section, any 390
governmental agency, by resolution, ordinance, or other formal 391
action by the appropriate legislative authority of such 392
governmental agency, as applicable, may enter into an agreement 393
with one or more other governmental agencies proposing to form a 394

transportation innovation authority. The agreement between all 395
participating governmental agencies, at a minimum, shall do all of 396
the following: 397

(1) Identify all members of the authority; 398

(2) Designate the geographical area to be included in the 399
jurisdiction of the authority; 400

(3) Specify the role and voting rights of the authority's 401
board of directors from among the governmental agencies that are 402
not counties, townships, or municipal corporations; 403

(4) Identify the transportation needs of the geographical 404
area covered by the authority and define the transportation 405
projects necessary to meet such needs; 406

(5) Provide for the planning, construction, operation, and 407
maintenance of transportation projects proposed to be undertaken 408
by the authority; 409

(6) Establish the dates for the existence and operation of 410
the authority, which shall include a date of creation, the means 411
for determining when the authority shall cease to exist, how the 412
authority may expand its membership, and how a member may end its 413
membership; 414

(7) Allow for and establish the terms of funding arrangements 415
for the identified projects through any combination of funding 416
sources authorized by this chapter or otherwise authorized by law; 417

(8) Subject to section 5539.031 of the Revised Code, require 418
all political subdivisions participating as members of the 419
authority to agree, in a time and manner specified in the 420
agreement, to adopt zoning and land use policies and laws that are 421
consistent with and that complement the transportation innovation 422
authority priorities, objectives, and identified projects; 423

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(9) Designate how its members shall provide the authority with any clerical, legal, and other staff assistance necessary to implement the agreement and pay for copying, mailing, and any other such expenses incurred by the authority in meeting the requirements imposed by sections 5539.01 to 5539.11 of the Revised Code;

(10) Specify the process by which the boards or legislative authorities of member governmental agencies may ratify a transportation project and the funding thereof as recommended by the authority. The ratification process may specify the adoption by all governmental agencies, a majority of governmental agencies, the governmental agencies of the most populous jurisdictions participating in the authority, or other acceptable process.

(B) Upon entering into an agreement, a proposed transportation innovation authority shall provide a copy of the agreement to the director of transportation, who shall approve or disapprove the agreement or suggest modifications to ensure consistency with the purposes of this chapter. Each member shall be notified of the director's approval, disapproval, or suggested modifications, with a deadline for any action that is required to be taken. If the authority has not adopted an agreement on or before the deadline, the authority shall cease to exist.

(C) A transportation innovation authority is deemed to be created upon the adoption by each participating governmental agency, acting by resolution, ordinance, or other formal action, as applicable, of an agreement approved by the director.

Sec. 5539.031. (A) As soon as practicable after approval of an agreement under division (C) of section 5539.03 of the Revised Code and before engaging in any transportation project development, a transportation innovation authority shall develop a proposed land use plan for the area within the authority that

includes recommended changes to current land use and zoning 456
policies and other measures that promote land use consistent with 457
the authority's proposed transportation projects. The proposed 458
land use plan shall be submitted to each member governmental 459
agency and the department of transportation. The plan shall 460
include a document that specifically details the changes required 461
of each such governmental agency to that agency's current land use 462
and zoning policies. Upon receipt of the proposed land use plan, 463
the appropriate legislative authority of the governmental agency, 464
in the time and manner specified in the agreement adopted under 465
section 5539.03 of the Revised Code, shall express its intent to 466
take action to change its land use policies and regulations. 467

(B) Upon approval of a proposed land use plan, the authority 468
shall develop a transportation project, including proposed funding 469
sources for the project. The authority shall submit a draft of its 470
proposed plan to the board of directors for approval. If approved, 471
the members of the authority shall submit the proposed plan to 472
their respective boards or legislative authorities, which shall 473
take appropriate action to ratify or disapprove the proposed plan. 474
Each such board or legislative authority shall notify the 475
transportation innovation authority in writing of its ratification 476
or disapproval of the proposed plan. 477

Sec. 5539.04. (A) A transportation innovation authority shall 478
be governed by a board of directors, the membership of which shall 479
be established by the governmental agencies comprising the 480
authority; provided, that there shall be an equal number of board 481
members representing each governmental agency comprising the 482
authority. Each member of the board serves at the pleasure of the 483
member's appointing authority, and the appointing authority may 484
remove an appointee the appointing authority has appointed at any 485
time and for any reason. Members of the board shall receive no 486

compensation but may be reimbursed for their necessary and actual 487
expenses incurred in the course of duties as board members. The 488
affirmative vote of a majority of the board is necessary to 489
transact business. 490

(B) An authority shall adopt bylaws for the regulation of its 491
affairs and the conduct of its business and shall provide for 492
public notice and opportunity for public comment on the 493
identification of transportation projects and plans for funding 494
the construction, operation, and maintenance of such projects. 495

(C) A transportation innovation authority is a body both 496
corporate and politic. The exercise by it of the powers conferred 497
by this chapter are considered to be essential governmental 498
functions and shall be governed by all applicable state and 499
federal laws in the planning, construction, operation, and 500
maintenance of transportation projects proposed to be undertaken 501
by the authority. 502

(D) Membership on the board of directors of a transportation 503
innovation authority is not the holding of a public office or 504
employment within the meaning of any section of the Revised Code 505
or any municipal charter provision prohibiting the holding of 506
other public office or employment. Membership on such a board is 507
not a direct or indirect interest in an agreement or expenditure 508
of money by a governmental agency with which a member may be 509
affiliated. Notwithstanding any provision of law or a municipal 510
charter to the contrary, no member of a board of directors of a 511
transportation innovation authority shall forfeit or be 512
disqualified from holding any public office or employment by 513
reason of membership on the board. 514

(E) The board of directors of a transportation innovation 515
authority is a public body for the purposes of section 121.22 of 516
the Revised Code. Chapter 2744. of the Revised Code applies to 517

such a board and the transportation innovation authority. 518

Sec. 5539.05. A transportation innovation authority may: 519

(A) Sue and be sued in its own name, plead, and be impleaded; 520
provided, any actions against the authority shall be brought in 521
the court of common pleas in the county in which the authority is 522
headquartered or in the court of common pleas of the county in 523
which the cause of action arose, and all summonses and notices of 524
any kind shall be served on the authority by leaving a copy 525
thereof at its headquarters; 526

(B) Purchase, construct, maintain, repair, sell, exchange, 527
police, operate, or lease a project as defined by this chapter; 528

(C) Make and enter into all contracts and agreements 529
necessary or incidental to the performance of its functions in 530
designing, planning, and implementing a project and the execution 531
of its powers under this chapter; 532

(D) Employ, retain, or contract for the services of 533
consultants, engineers, construction and accounting experts, 534
financial advisers, trustees, attorneys, or other employees, 535
independent contractors, or agents as are necessary in its 536
judgment for the exercise of its powers and performance of its 537
duties under this chapter; 538

(E) Acquire, hold, and dispose of property in the exercise of 539
its powers and the performance of its duties under this chapter; 540

(F) Direct its agents or employees, when properly identified 541
in writing and after reasonable notice, to enter upon lands within 542
its jurisdiction to make surveys and examinations preliminary to 543
the location and construction of projects for the authority, 544
without liability of the authority or its agents or employees 545
except for actual damages arising solely out of such entry; 546

(G) Enter into contracts, agreements, or any other 547

partnerships with private entities, where appropriate, to 548
streamline and enhance the planning and implementation and funding 549
of identified projects; 550

(H) Do all acts necessary and proper to carry out the powers 551
expressly granted in this chapter. 552

Sec. 5539.06. The board and members of a transportation 553
innovation authority created under this chapter shall encourage 554
the participation of all political subdivisions within the 555
geographic jurisdiction of the authority. An authority shall 556
invite the participation of any new community authority, county 557
transit system, regional transit authority, regional transit 558
commission, joint economic development zone or joint economic 559
development district, transportation improvement district, port 560
authority, or metropolitan planning organization whose 561
jurisdiction is within or substantially within the jurisdiction 562
identified by an authority. 563

Sec. 5539.07. (A) The director of transportation may provide 564
grants for planning and project development, funding from the 565
state infrastructure bank under section 5531.09 of the Revised 566
Code, and support for the priority transportation projects 567
identified by a transportation innovation authority. 568

(B) In accordance with Chapter 119. of the Revised Code, the 569
director may adopt rules to assist in the creation and operation 570
of transportation innovation authorities consistent with the 571
purposes of this chapter. 572

(C) The director shall issue an annual report to the general 573
assembly summarizing the effectiveness of the authorities created 574
under this chapter in identifying and funding the transportation 575
needs of the state. 576

Sec. 5539.08. (A) A transportation innovation authority shall 577
hold and apply such funds as it considers necessary to carry out 578
the powers and duties conferred by this chapter and as set forth 579
in the agreement adopted by the authority. 580

(B) An authority shall adopt an operating budget to hire 581
employees, contract for services, and conduct normal business 582
functions. All funding for such operating budget shall be paid 583
from contributions from each governmental agency constituting the 584
authority. No state funds shall be used for the operating budget 585
of an authority. 586

(C) An authority shall submit an annual audited financial 587
report to the general assembly and the director of transportation 588
setting forth all sources and uses of funds obtained or otherwise 589
generated by the authority and a detailed breakdown of the 590
different classes of expenditures made by the authority during 591
each calendar year of operation. Such report also shall contain 592
two-year budget projections for the operating expenses for the 593
authority and specific transportation project funding. 594

Sec. 5539.09. (A) A transportation innovation authority may 595
acquire by purchase, lease, lease-purchase, lease with option to 596
purchase, or otherwise, and in such manner and for such 597
consideration as it considers proper, any public or private 598
property necessary, convenient, or proper for the construction, 599
maintenance, repair, or operation of a transportation project. 600
Title to real and personal property shall be held in the name of 601
the authority. Except as otherwise agreed to by the owner, full 602
compensation shall be paid for public property taken. 603

(B) A governmental agency may exercise the power of eminent 604
domain to acquire property necessary for or in connection with a 605
transportation project, but only to the extent such power is 606

granted to the governmental agency individually. In any 607
proceedings for appropriation, the procedure to be followed shall 608
be in accordance with that provided in sections 163.01 to 163.22 609
of the Revised Code or as otherwise provided by law for the 610
governmental agency. Nothing in this chapter shall be construed as 611
permitting a transportation innovation authority to exercise the 612
power of eminent domain as a collective entity to acquire property 613
necessary for or in connection with a transportation project. 614

(C) This section does not authorize an authority to take or 615
disturb property or facilities belonging to any public utility or 616
to a common carrier engaged in interstate commerce if the property 617
or facilities are required for the proper and convenient operation 618
of the public utility or common carrier unless provision is made 619
for the restoration, relocation, replication, or duplication of 620
the property or facilities elsewhere at the sole cost of the 621
authority. 622

(D) Except as otherwise provided in this chapter, disposition 623
of real property shall be by sale, lease-purchase agreement, lease 624
with option to purchase, or otherwise in such manner and for such 625
consideration as the authority determines if to a governmental 626
agency or to a private entity involved in the transportation 627
project funding, and otherwise in the manner provided in section 628
5501.45 of the Revised Code for the disposition of property by the 629
director of transportation. Disposition of personal property shall 630
be in such manner and for such consideration as the authority 631
determines. 632

Sec. 5539.10. The board of directors of a transportation 633
innovation authority may acquire real property in fee simple in 634
the name of the authority in connection with, but in excess of 635
that needed for, a project, by any method other than appropriation 636
and hold the property for such period of time as the board 637

determines. All right, title, and interest of the authority in the 638
property may be sold at public auction or otherwise, as the board 639
considers in the best interests of the authority, but in no event 640
shall the property be sold for less than two-thirds of its 641
appraised value. Sale at public auction shall be undertaken only 642
after the board advertises the sale in a newspaper of general 643
circulation in the area of the jurisdiction of the authority for 644
at least two weeks prior to the date set for the sale. 645

Sec. 5539.11. (A) A governmental agency may fund or assist in 646
funding a transportation project as set forth in this chapter 647
using the authority granted to any governmental agency 648
participating as a member of a transportation innovation 649
authority, but only to the extent such power is granted to the 650
governmental agency individually. Nothing in this section shall be 651
construed as permitting a transportation innovation authority or 652
granting such authority the right to levy any fee, assessment, 653
payment, or tax as a collective entity. 654

(B) Projects identified by a transportation innovation 655
authority under this chapter may be funded through any combination 656
of revenue generated under the authority granted by this chapter 657
or under the authority granted to any governmental agency 658
participating as a member of an authority. Subject to the 659
following limitations, such funding sources may include special 660
fees and assessments levied by a governmental agency, fair share 661
payments, payments in lieu of property tax on improvements, cash 662
payments by private participants, dedicated portions of local 663
sales tax and local income tax receipts, loans or grants from 664
local, state, or federal sources, implementation of tolling 665
arrangements or other charges as authorized and governed by 666
section 5531.12 of the Revised Code, or any other revenue raising 667
or tax incentive authority available to an authority or any 668

governmental agency acting as a member of an authority: 669

(1) A transportation innovation authority may participate in 670
the levy of special assessments by a governmental agency to assist 671
in the payment of costs for the construction, reconstruction, 672
alteration, repair, improvement, operation, or management of an 673
identified transportation project if the authority determines that 674
the project will benefit the geographic area where the project 675
will be constructed, reconstructed, altered, repaired, improved, 676
operated, or maintained. 677

(2) When it is determined that a project will benefit both a 678
single political subdivision and the jurisdiction covered by an 679
authority as a whole, any governmental agency participating as a 680
member of a transportation innovation authority may exercise its 681
taxing authority on income, sales, or property under Title LVII of 682
the Revised Code, or provide for payments in lieu of property tax 683
on improvements, to benefit the entire jurisdiction covered by the 684
authority. 685

(3) A transportation innovation authority may obtain loans or 686
grants from local, state, or federal sources. Loans or grants from 687
federal or state sources may be used for funding transportation 688
projects and may not be applied to the operating expenses of an 689
authority. 690

(4) An authority may issue bonds to pay for all or part of 691
the cost of an identified project. 692

(5) When it is determined that a project will benefit both a 693
single political subdivision and the jurisdiction covered by an 694
authority as a whole, each governmental agency participating as a 695
member of the authority may issue bonds for a portion of the cost 696
of any project if Chapter 133. of the Revised Code would authorize 697
the issuance of those bonds as if the governmental agency alone 698
were undertaking the project, subject to the same conditions and 699

restrictions. 700

(6) Any governmental agency participating as a member of an authority may appropriate money available to the agency to pay costs incurred by the authority in the exercise of its powers and duties. 701
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(7) An authority may enter into agreements with private entities to assist with the construction, improvement, operation, or management of transportation projects. Such agreements may include fair share payments to be made by the private entities to fund the projects. 705
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(8) An authority may charge tolls or fees for the use of its transportation projects or facilities pursuant to section 5531.12 of the Revised Code. The authority may retain a portion of the fees charged as its administrative fee, provided the amount of the fee is reviewed and approved by the director of transportation on an annual basis. All other revenues shall be utilized to support construction, improvement, repair, maintenance, administration, and operation costs for transportation projects within the geographical jurisdiction of the authority. All projects for which a toll or fee is proposed to be charged shall be subject to the review and approval of the transportation review advisory council in accordance with Chapter 5512. of the Revised Code. 710
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(C) The exercise of the powers granted by this chapter is in all respects for the benefit of the people of the state, for the improvement of their safety, convenience, and welfare, and for the enhancement of their residential, agricultural, recreational, economic, commercial, and industrial opportunities and is a public purpose. As the operation and maintenance of transportation innovation projects constitute the performance of essential governmental functions, a transportation innovation authority shall not be required to pay any taxes or assessments upon any 722
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transportation innovation project, or upon any property acquired 732
or used by the authority under this chapter, or upon the income 733
therefrom. The transfer to or from the transportation innovation 734
authority of title or possession of any transportation innovation 735
project, part thereof, or item included or to be included in any 736
such project, is not subject to the taxes levied pursuant to 737
Chapters 5739. and 5741. of the Revised Code, and any bonds and 738
notes, their transfer, and the income therefrom, including any 739
gain made on the sale thereof, shall at all times be free from 740
taxation within the state. 741

Section 2. That existing sections 5501.03, 5501.311, 5531.09, 742
and 5531.18 of the Revised Code are hereby repealed. 743