

As Passed by the House

**129th General Assembly
Regular Session
2011-2012**

Sub. H. B. No. 371

Representatives Amstutz, Weddington

**Cosponsors: Representatives Blair, McClain, Duffey, Anielski, Baker,
Barnes, Beck, Blessing, Combs, Conditt, Derickson, Dovilla, Gonzales,
Goyal, Grossman, Hackett, Hagan, C., Hottinger, Kozlowski, Mallory,
McGregor, Murray, Newbold, Peterson, Schuring, Sprague, Uecker, Winburn,
Young Speaker Batchelder**

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A B I L L

To amend sections 189.01, 189.03, 189.04, 189.05, 1
189.06, 189.07, and 189.08 of the Revised Code and 2
to amend Sections 261.10 and 261.20.93 of Am. Sub. 3
H.B. 153 of the 129th General Assembly regarding 4
the Local Government Innovation Program and to 5
make an appropriation. 6

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

Section 1. That sections 189.01, 189.03, 189.04, 189.05, 7
189.06, 189.07, and 189.08 of the Revised Code be amended to read 8
as follows: 9

Sec. 189.01. As used in sections 189.01 to 189.09 of the 10
Revised Code, "political subdivision" ~~means a municipal~~ 11
~~corporation, township, county, school district, or other body~~ 12
~~corporate and politic responsible for governmental activities in a~~ 13
~~geographic area smaller than that of the state. "Political~~ 14
~~subdivision" includes a county hospital commission appointed under~~ 15

~~section 339.14 of the Revised Code, board of hospital 16
commissioners appointed for a municipal hospital under section 17
749.04 of the Revised Code, board of hospital trustees appointed 18
for a municipal hospital under section 749.22 of the Revised Code, 19
regional planning commission created pursuant to section 713.21 of 20
the Revised Code, county planning commission created pursuant to 21
section 713.22 of the Revised Code, joint planning council created 22
pursuant to section 713.231 of the Revised Code, interstate 23
regional planning commission created pursuant to section 713.30 of 24
the Revised Code, port authority created pursuant to section 25
4582.02 or 4582.26 of the Revised Code or in existence on December 26
16, 1964, regional council established by political subdivisions 27
pursuant to Chapter 167. of the Revised Code, emergency planning 28
district and joint emergency planning district designated under 29
section 3750.03 of the Revised Code, joint emergency medical 30
services district created pursuant to section 307.052 of the 31
Revised Code, fire and ambulance district created pursuant to 32
section 505.375 of the Revised Code, joint interstate emergency 33
planning district established by an agreement entered into under 34
section 3750.03 of the Revised Code, county solid waste management 35
district and joint solid waste management district established 36
under section 343.01 or 343.012 of the Revised Code, community 37
school established under Chapter 3314. of the Revised Code, the 38
county or counties served by a community based correctional 39
facility and program or district community based correctional 40
facility and program established and operated under sections 41
2301.51 to 2301.58 of the Revised Code, a community based 42
correctional facility and program or district community based 43
correctional facility and program that is so established and 44
operated, and the facility governing board of a community based 45
correctional facility and program or district community based 46
correctional facility and program that is so established and 47~~

operated has the same meaning as in section 2744.01 of the Revised Code. 48
49

Sec. 189.03. (A) There is hereby created the local government 50
innovation council to establish criteria for and make loans and 51
awards to political subdivisions for local government innovation 52
projects and take such other actions, in consultation with the 53
department of development, as necessary to implement the local 54
government innovation program established in section 189.02 of the 55
Revised Code. 56

(B) The council shall consist of the following members: 57

(1) The director of development, or the director's designee; 58

(2) The director of budget and management, or the director's 59
designee; 60

(3) The auditor of state, or the auditor's designee; 61

(4) Two members of the senate, one member appointed by the 62
president of the senate and one member appointed by the minority 63
leader of the senate; 64

(5) Two members of the house of representatives, one member 65
appointed by the speaker of the house of representatives and one 66
member appointed by the minority leader of the house of 67
representatives; 68

(6) One member recommended by the Ohio municipal league, 69
appointed by the governor; 70

(7) One member recommended by the county commissioners 71
association of Ohio, appointed by the governor; 72

(8) One member recommended by the Ohio township association, 73
appointed by the governor; 74

(9) One member recommended by the Ohio chamber of commerce, 75

appointed by the governor;	76
(10) One member recommended by the Ohio school boards association, appointed by the governor;	77 78
(11) One member, appointed by the governor, who is recommended by an Ohio-based advocacy group selected by the governor;	79 80 81
(12) One member, appointed by the governor, who is recommended by an Ohio-based foundation selected by the governor;	82 83
(13) One member with expertise in local government issues, appointed by <u>the governor, who is recommended by</u> the chancellor of the board of regents.	84 85 86
(C) Initial appointments to the council shall be made not later than September 30, 2011. Of the governor's initial appointees, three shall serve an initial term of one year, two <u>three</u> shall serve an initial term of two years, and two shall serve an initial term of three years. Thereafter, each member appointed by the governor shall serve a four-year term, or a term ending when the council ceases to exist, whichever occurs first. The remaining members of the council shall be appointed for four-year terms, or terms ending when the council ceases to exist, whichever occurs first. Members may be reappointed to the council.	87 88 89 90 91 92 93 94 95 96
Vacancies on the council shall be filled in the same manner as the original appointments.	97 98
(D) At its first meeting, the council shall select a chairperson from among its members. After the first meeting, the council shall meet at the call of the chairperson or upon the request of a majority of the council's members. A majority of the council constitutes a quorum.	99 100 101 102 103
(E) The department of development shall provide administrative assistance to the council.	104 105

(F) Council members shall receive no compensation but shall 106
be reimbursed for actual and necessary expenses incurred in the 107
performance of council duties. 108

Sec. 189.04. (A) The local government innovation council 109
shall award loans to a qualified political subdivision or a 110
qualified group of political subdivisions to be used for the 111
purchase of equipment, facilities, or systems or for 112
implementation costs. 113

Loans made under division (A) of this section shall be repaid 114
by recipients using savings achieved from the innovation project. 115

(B) Up to twenty per cent of the funds in the local 116
government innovation fund, established in section 189.05 of the 117
Revised Code, may be awarded by the council as grants to political 118
subdivisions for use in process improvement or implementation of 119
innovation project awards. 120

(C) The council shall award, ~~in total grants and loans,~~ not 121
more than one hundred thousand dollars in total grants and not 122
more than one hundred thousand dollars in total loans to an 123
individual political subdivision ~~and not more than five hundred~~ 124
~~thousand dollars~~ per innovation project under this section. For an 125
innovation project involving a qualified group of political 126
subdivisions, the council shall award, in total grants and loans, 127
not more than five hundred thousand dollars, and the average 128
amount per political subdivision shall not exceed one hundred 129
thousand dollars. 130

Sec. 189.05. Funds for awards made by the local government 131
innovation council shall be made from the local government 132
innovation fund, which is hereby created in the state treasury. 133
The fund shall consist of moneys appropriated to it, repayments of 134
principal and interest on loans made from the fund, and any grants 135

or donations received from nonpublic entities. Interest earned on 136
the money in the fund shall be credited to the fund. 137

Sec. 189.06. (A) All political subdivisions of the state are 138
eligible to apply for awards under the local government innovation 139
program. The Applications shall be submitted to the department of 140
development on a form specified by the director of development. 141
The department shall provide the application to the local 142
government innovation council for evaluation and selection. 143

The local government innovation council shall award loans and 144
grants under the program in accordance with a competitive process 145
to be developed by the council. 146

(B) Not later than December 31, 2011, the council shall 147
establish criteria for evaluating proposals and making awards to 148
political subdivisions. The criteria shall be developed in 149
consultation with nonpublic entities involved in local government 150
issues, state institutions of higher education, and the department 151
of development, as determined by the council. The criteria shall 152
include a requirement that at least one of the political 153
subdivisions that is a party to the proposal provide matching 154
funds. The matching funds may be provided by a nonpublic entity. 155
The criteria for evaluating proposals may include the following 156
provisions: 157

(1) The expected return on investment, based on the ratio of 158
expected savings; 159

(2) The number of participating entities in the proposal; 160

(3) The probability of the proposal's success; 161

(4) The percentage of local matching funds available; 162

(5) The ability to replicate the proposal in other political 163
subdivisions; 164

(6) Whether the proposal is part of a larger consolidation effort by the applicant or applicants;

(7) Whether the proposal is to implement performance audit or other audit recommendations under ~~section 117.462~~ Chapter 117. of the Revised Code;

(8) Whether the applicant has successfully completed an innovation project in the past.

Sec. 189.07. ~~A political subdivision seeking an award under the local government innovation program shall submit a proposal to the subdivision's district public works integrating committee. The committee shall submit the proposal to the department of development, with advisory comments. The department shall provide the proposal to the local government innovation council for evaluation and selection~~ The local government innovation council shall develop and implement a means of ensuring local support for each grant or loan application submitted to the department of development under section 189.06 of the Revised Code.

Sec. 189.08. (A) Starting not later than March 1, 2012, the local government innovation council shall begin evaluating proposals received from the department of development for awards to political subdivisions. Not later than July 1, 2012, the council shall make its first round of awards to the political subdivisions.

(B) After making the first round of awards, the council shall evaluate proposals and make awards on a quarterly basis, or on another schedule determined by the council, with the council determining the funding levels for each round of awards.

(C) When making awards from the local government innovation fund created in section 189.05 of the Revised Code, the funds available for each round of awards awarded across all rounds shall

be ~~divided into the following tiers~~ allocated as follows: 195

(1) At least thirty per cent to political subdivisions that 196
are not counties and have a population of less than ~~50,000~~ 20,000 197
residents as determined in the decennial census conducted in 2010 198
or counties with a population of less than ~~130,000~~ 235,000 199
residents as determined in the decennial census conducted in 2010; 200

(2) At least thirty per cent to political subdivisions that 201
are not counties and have a population of ~~50,000~~ 20,000 residents 202
or more as determined in the decennial census conducted in 2010 or 203
counties with a population of ~~130,000~~ 235,000 residents or more as 204
determined in the decennial census conducted in 2010. 205

If a proposal includes participants from both ~~division~~ 206
divisions (C)(1) and (2) of this section, the award may be drawn 207
from either or both tiers in the local government innovation fund. 208

Section 2. That existing sections 189.01, 189.03, 189.04, 209
189.05, 189.06, 189.07, and 189.08 of the Revised Code are hereby 210
repealed. 211

Section 3. The member appointed to the Local Government 212
Innovation Council under division (B)(13) of section 189.03 of the 213
Revised Code, as that section existed prior to the act's effective 214
date, shall be replaced on the Council by the member appointed by 215
the Governor in accordance with the act's amendments to that 216
section. 217

Section 4. That Sections 261.10 and 261.20.93 of Am. Sub. 218
H.B. 153 of the 129th General Assembly be amended to read as 219
follows: 220

Sec. 261.10. DEV DEPARTMENT OF DEVELOPMENT 221
General Revenue Fund 222

GRF	195401	Thomas Edison Program	\$	14,820,354	\$	0	223
GRF	195402	Coal Development Office	\$	260,983	\$	261,205	224
GRF	195404	Small Business Development	\$	1,565,770	\$	0	225
GRF	195405	Minority Business Enterprise Division	\$	1,118,528	\$	0	226
GRF	195407	Travel and Tourism	\$	5,000,000	\$	0	227
GRF	195412	Rapid Outreach Grants	\$	9,000,000	\$	0	228
GRF	195415	Strategic Business Investment Division and Regional Offices	\$	4,500,000	\$	0	229
GRF	195416	Governor's Office of Appalachia	\$	3,700,000	\$	3,700,000	230
GRF	195422	Technology Action	\$	547,341	\$	0	231
GRF	195426	Clean Ohio Implementation	\$	468,365	\$	0	232
GRF	195432	Global Markets	\$	3,500,000	\$	0	233
GRF	195434	Industrial Training Grants	\$	10,000,000	\$	0	234
GRF	195497	CDBG Operating Match	\$	1,015,000	\$	0	235
GRF	195501	Appalachian Local Development Districts	\$	391,482	\$	391,482	236
GRF	195502	Appalachian Regional Commission Dues	\$	195,000	\$	195,000	237
GRF	195528	Economic Development Projects	\$	0	\$	26,943,518	238
GRF	195901	Coal Research & Development General Obligation Debt Service	\$	7,861,100	\$	5,577,700	239
GRF	195905	Third Frontier Research &	\$	29,323,300	\$	63,640,300	240

		Development General				
		Obligation Debt				
		Service				
GRF	195912	Job Ready Site	\$	9,859,200	\$	15,680,500 241
		Development General				
		Obligation Debt				
		Service				
TOTAL GRF		General Revenue Fund	\$	103,126,423	\$	116,389,705 242
		General Services Fund Group				243
1350	195684	Supportive Services	\$	11,700,000	\$	11,700,000 244
4W10	195646	Minority Business	\$	2,500,000	\$	2,500,000 245
		Enterprise Loan				
5AD0	195633	Legacy Projects	\$	15,000,000	\$	15,000,000 246
5AD0	195677	Economic Development	\$	10,000,000	\$	0 247
		Contingency				
5W50	195690	Travel and Tourism	\$	50,000	\$	50,000 248
		Cooperative Projects				
6850	195636	Direct Cost Recovery	\$	750,000	\$	750,000 249
		Expenditures				
TOTAL GSF		General Services Fund				250
Group			\$	40,000,000	\$	30,000,000 251
		Federal Special Revenue Fund Group				252
3080	195602	Appalachian Regional	\$	475,000	\$	475,000 253
		Commission				
3080	195603	Housing and Urban	\$	6,000,000	\$	6,000,000 254
		Development				
3080	195605	Federal Projects	\$	85,028,606	\$	85,470,106 255
3080	195609	Small Business	\$	6,438,143	\$	5,511,381 256
		Administration				
3080	195618	Energy Federal Grants	\$	38,000,000	\$	3,400,000 257
3350	195610	Energy Conservation	\$	1,100,000	\$	1,100,000 258
		and Emerging				

		Technology					
3AE0	195643	Workforce Development	\$	16,300,000	\$	16,300,000	259
		Initiatives					
3DB0	195642	Federal Stimulus -	\$	3,000,000	\$	42,485	260
		Energy Efficiency &					
		Conservation Block					
		Grants					
3EG0	195608	Federal Energy	\$	5,000,000	\$	1,344,056	261
		Training					
3K80	195613	Community Development	\$	76,795,818	\$	65,210,000	262
		Block Grant					
3K90	195611	Home Energy	\$	115,743,608	\$	115,743,608	263
		Assistance Block					
		Grant					
3K90	195614	HEAP Weatherization	\$	22,000,000	\$	22,000,000	264
3L00	195612	Community Services	\$	27,240,217	\$	27,240,217	265
		Block Grant					
3V10	195601	HOME Program	\$	40,000,000	\$	40,000,000	266
TOTAL FED		Federal Special Revenue					267
Fund Group			\$	443,121,392	\$	389,836,853	268
State Special Revenue Fund Group							269
4500	195624	Minority Business	\$	160,110	\$	159,069	270
		Bonding Program					
		Administration					
4510	195625	Economic Development	\$	3,000,000	\$	3,000,000	271
		Financing Operating					
4F20	195639	State Special Projects	\$	180,437	\$	180,436	272
4F20	195676	Marketing Initiatives	\$	5,000,000	\$	0	273
4F20	195699	Utility Provided Funds	\$	500,000	\$	500,000	274
4S00	195630	Tax Incentive Programs	\$	650,800	\$	650,800	275
5CG0	195679	Alterative <u>Alternative</u>	\$	750,000	\$	750,000	276
		Fuel Transportation					
5HJ0	195604	Motion Picture Tax	\$	50,000	\$	50,000	277

		Credit Program				
5HR0	195526	Ohio Workforce Job	\$	20,000,000	\$	30,000,000
		Training				278
5HR0	195622	Defense Development	\$	5,000,000	\$	5,000,000
		Assistance				279
5JR0	195656	New Market Tax Credit	\$	50,000	\$	50,000
		Program				280
5KD0	195621	Brownfield Stormwater	\$	50,000	\$	50,000
		Loan				281
5KN0	195640	Local Government	\$	175,000	\$	45,000,000
		Innovation				<u>44,825,000</u>
5M40	195659	Low Income Energy	\$	245,000,000	\$	245,000,000
		Assistance				283
5M50	195660	Advanced Energy	\$	8,000,000	\$	0
		Programs				284
5W60	195691	International Trade	\$	160,000	\$	160,000
		Cooperative Projects				285
6170	195654	Volume Cap	\$	94,397	\$	92,768
		Administration				286
6460	195638	Low- and Moderate-	\$	53,000,000	\$	53,000,000
		Income Housing Trust				287
		Fund				
TOTAL SSR		State Special Revenue				288
Fund Group			\$	341,645,744	\$	383,643,073
				<u>341,820,744</u>		<u>383,468,073</u>
Facilities Establishment		Fund Group				290
5S90	195628	Capital Access Loan	\$	1,500,000	\$	1,500,000
		Program				291
7009	195664	Innovation Ohio	\$	15,000,000	\$	15,000,000
						292
7010	195665	Research and	\$	22,000,000	\$	22,000,000
		Development				293
7037	195615	Facilities	\$	50,000,000	\$	50,000,000
		Establishment				294

TOTAL 037 Facilities				295
Establishment Fund Group	\$	88,500,000	\$ 88,500,000	296
Clean Ohio Revitalization Fund				297
7003 195663 Clean Ohio Operating	\$	950,000	\$ 950,000	298
TOTAL 7003 Clean Ohio Revitalization Fund	\$	950,000	\$ 950,000	299
Third Frontier Research & Development Fund Group				300
7011 195686 Third Frontier Operating	\$	1,149,750	\$ 1,149,750	301
7011 195687 Third Frontier Research & Development Projects	\$	183,850,250	\$ 133,850,250	302
7014 195620 Third Frontier Operating - Tax	\$	1,700,000	\$ 1,700,000	303
7014 195692 Research & Development Taxable Bond Projects	\$	38,300,000	\$ 38,300,000	304
TOTAL 011 Third Frontier Research & Development Fund Group	\$	225,000,000	\$ 175,000,000	305
Job Ready Site Development Fund Group				306
7012 195688 Job Ready Site Operating	\$	800,000	\$ 800,000	307
TOTAL 012 Job Ready Site Development Fund Group	\$	800,000	\$ 800,000	308
Tobacco Master Settlement Agreement Fund Group				309
M087 195435 Biomedical Research and Technology Transfer	\$	1,999,224	\$ 1,999,224	310
TOTAL TSF Tobacco Master Settlement Agreement Fund Group	\$	1,999,224	\$ 1,999,224	311
TOTAL ALL BUDGET FUND GROUPS	\$	1,245,142,783	\$ 1,187,118,855	312
		<u>1,245,317,783</u>	<u>1,186,943,855</u>	

Sec. 261.20.93. LOCAL GOVERNMENT INNOVATION FUND 314

The foregoing appropriation item 195640, Local Government 315
Innovation, shall be used for the purposes of making loans and 316
grants to political subdivisions under the Local Government 317
Innovation Program in accordance with sections 189.01 to 189.10 of 318
the Revised Code. Of the foregoing appropriation item 195640, 319
Local Government Innovation, up to ~~\$100,000~~ 175,000 in fiscal year 320
2012 and \$175,000 in fiscal year 2013 shall be used for 321
administrative costs incurred by the Department of Development. 322

On the effective date of this amendment, or as soon as 323
possible thereafter, the Director of Budget and Management shall 324
transfer \$175,000 in cash from the General Revenue Fund to the 325
Local Government Innovation Fund (Fund 5KN0). On July 1, 2012, or 326
as soon as possible thereafter, the Director of Budget and 327
Management shall transfer \$44,825,000 in cash from the General 328
Revenue Fund to the Local Government Innovation Fund (Fund 5KN0). 329

Section 5. That existing Sections 261.10 and 261.20.93 of Am. 330
Sub. H.B. 153 of the 129th General Assembly are hereby repealed. 331
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