

As Introduced

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

S. B. No. 257

Senators Daniels, Kearney

Cosponsors: Senators Obhof, Seitz, Balderson, Burke, Tavares, Beagle

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A B I L L

To amend sections 189.01, 189.03, 189.05, 189.06, 1
189.07, 189.08, and 189.10 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, 189.05, 189.06, 7
189.07, 189.08, and 189.10 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 any body corporate and politic that is responsible for 48
governmental activities only in a geographic area smaller than the 49
state. 50~~

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

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

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

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

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

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

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

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

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

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

(9) One member recommended by the Ohio chamber of commerce, appointed by the governor;

(10) One member recommended by the Ohio school boards association, appointed by the governor;

(11) One member, appointed by the governor, who is 80
recommended by an Ohio-based advocacy group selected by the 81
governor; 82

(12) One member, appointed by the governor, who is 83
recommended by an Ohio-based foundation selected by the governor; 84

(13) One member ~~with expertise in local government issues,~~ 85
appointed by the governor, who is recommended by the chancellor of 86
the board of regents. 87

(C) Initial appointments to the council shall be made not 88
later than September 30, 2011. Of the governor's initial 89
appointees, three shall serve an initial term of one year, two 90
shall serve an initial term of two years, and two shall serve an 91
initial term of three years. Thereafter, each member appointed by 92
the governor shall serve a four-year term, or a term ending when 93
the council ceases to exist, whichever occurs first. The remaining 94
members of the council shall be appointed for four-year terms, or 95
terms ending when the council ceases to exist, whichever occurs 96
first. Members may be reappointed to the council. 97

Vacancies on the council shall be filled in the same manner 98
as the original appointments. 99

(D) At its first meeting, the council shall select a 100
chairperson from among its members. After the first meeting, the 101
council shall meet at the call of the chairperson or upon the 102
request of a majority of the council's members. A majority of the 103
council constitutes a quorum. 104

(E) The department of development shall provide 105
administrative assistance to the council. 106

(F) Council members shall receive no compensation but shall 107
be reimbursed for actual and necessary expenses incurred in the 108
performance of council duties. 109

Sec. 189.05. Funds for awards made by the local government 110
innovation council shall be made from the local government 111
innovation fund, which is hereby created in the state treasury. 112
The fund shall consist of moneys appropriated to it, repayments of 113
principal and interest on loans made from the fund, and any grants 114
or donations received from nonpublic entities. Interest earned on 115
the money in the fund shall be credited to the fund. 116

Sec. 189.06. (A) All political subdivisions of the state are 117
eligible to apply for awards under the local government innovation 118
program. The Applications shall be submitted to the department of 119
development on a form specified by the director of development. 120
The department shall provide the application to the local 121
government innovation council for evaluation and selection. 122

The local government innovation council shall award loans and 123
grants under the program in accordance with a competitive process 124
to be developed by the council. 125

(B) Not later than December 31, 2011, the council shall 126
establish criteria for evaluating proposals and making awards to 127
political subdivisions. The criteria shall be developed in 128
consultation with nonpublic entities involved in local government 129
issues, state institutions of higher education, and the department 130
of development, as determined by the council. The criteria shall 131
include a requirement that at least one of the political 132
subdivisions that is a party to the proposal provide matching 133
funds. The matching funds may be provided by a nonpublic entity. 134
The criteria for evaluating proposals may include the following 135
provisions: 136

(1) The expected return on investment, based on the ratio of 137
expected savings; 138

(2) The number of participating entities in the proposal; 139

(3) The probability of the proposal's success;	140
(4) The percentage of local matching funds available;	141
(5) The ability to replicate the proposal in other political subdivisions;	142 143
(6) Whether the proposal is part of a larger consolidation effort by the applicant or applicants;	144 145
(7) Whether the proposal is to implement performance audit <u>or other audit</u> recommendations under section 117.462 of the Revised Code;	146 147 148
(8) Whether the applicant has successfully completed an innovation project in the past.	149 150
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. <u>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.</u>	151 152 153 154 155 156 157 158 159 160
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.	161 162 163 164 165 166
(B) After making the first round of awards, the council shall evaluate proposals and make awards on a quarterly basis, or on	167 168

another schedule determined by the council, with the council 169
determining the funding levels for each round of awards. 170

(C) When making awards from the local government innovation 171
fund created in section 189.05 of the Revised Code, the funds 172
available for each round of awards shall be divided into the 173
following tiers: 174

(1) At least thirty per cent to political subdivisions that 175
are not counties and have a population of less than ~~50,000~~ 20,000 176
residents as determined in the decennial census conducted in 2010 177
or counties with a population of less than ~~130,000~~ 235,000 178
residents as determined in the decennial census conducted in 2010; 179

(2) At least thirty per cent to political subdivisions that 180
are not counties and have a population of ~~50,000~~ 20,000 residents 181
or more as determined in the decennial census conducted in 2010 or 182
counties with a population of ~~130,000~~ 235,000 residents or more as 183
determined in the decennial census conducted in 2010. 184

If a proposal includes participants from both ~~division~~ 185
divisions (C)(1) and (2) of this section, the award may be drawn 186
from either or both tiers in the local government innovation fund. 187

Sec. 189.10. The local government innovation council shall 188
cease to exist on ~~December 31, 2015~~ June 30, 2018. 189

Section 2. That existing sections 189.01, 189.03, 189.05, 190
189.06, 189.07, 189.08, and 189.10 of the Revised Code are hereby 191
repealed. 192

Section 3. That Sections 261.10 and 261.20.93 of Am. Sub. 193
H.B. 153 of the 129th General Assembly be amended to read as 194
follows: 195

Sec. 261.10. DEV DEPARTMENT OF DEVELOPMENT 196

		General Revenue Fund					197
GRF	195401	Thomas Edison Program	\$	14,820,354	\$	0	198
GRF	195402	Coal Development Office	\$	260,983	\$	261,205	199
GRF	195404	Small Business Development	\$	1,565,770	\$	0	200
GRF	195405	Minority Business Enterprise Division	\$	1,118,528	\$	0	201
GRF	195407	Travel and Tourism	\$	5,000,000	\$	0	202
GRF	195412	Rapid Outreach Grants	\$	9,000,000	\$	0	203
GRF	195415	Strategic Business Investment Division and Regional Offices	\$	4,500,000	\$	0	204
GRF	195416	Governor's Office of Appalachia	\$	3,700,000	\$	3,700,000	205
GRF	195422	Technology Action	\$	547,341	\$	0	206
GRF	195426	Clean Ohio Implementation	\$	468,365	\$	0	207
GRF	195432	Global Markets	\$	3,500,000	\$	0	208
GRF	195434	Industrial Training Grants	\$	10,000,000	\$	0	209
GRF	195497	CDBG Operating Match	\$	1,015,000	\$	0	210
GRF	195501	Appalachian Local Development Districts	\$	391,482	\$	391,482	211
GRF	195502	Appalachian Regional Commission Dues	\$	195,000	\$	195,000	212
GRF	195528	Economic Development Projects	\$	0	\$	26,943,518	213
GRF	195901	Coal Research & Development General Obligation Debt Service	\$	7,861,100	\$	5,577,700	214
GRF	195905	Third Frontier	\$	29,323,300	\$	63,640,300	215

		Research &				
		Development General				
		Obligation Debt				
		Service				
GRF	195912	Job Ready Site	\$	9,859,200	\$	15,680,500
		Development General				216
		Obligation Debt				
		Service				
TOTAL GRF	General Revenue Fund		\$	103,126,423	\$	116,389,705
						217
		General Services Fund Group				218
1350	195684	Supportive Services	\$	11,700,000	\$	11,700,000
						219
4W10	195646	Minority Business	\$	2,500,000	\$	2,500,000
		Enterprise Loan				220
5AD0	195633	Legacy Projects	\$	15,000,000	\$	15,000,000
						221
5AD0	195677	Economic Development	\$	10,000,000	\$	0
		Contingency				222
5W50	195690	Travel and Tourism	\$	50,000	\$	50,000
		Cooperative Projects				223
6850	195636	Direct Cost Recovery	\$	750,000	\$	750,000
		Expenditures				224
TOTAL GSF	General Services Fund					225
Group			\$	40,000,000	\$	30,000,000
						226
		Federal Special Revenue Fund Group				227
3080	195602	Appalachian Regional	\$	475,000	\$	475,000
		Commission				228
3080	195603	Housing and Urban	\$	6,000,000	\$	6,000,000
		Development				229
3080	195605	Federal Projects	\$	85,028,606	\$	85,470,106
						230
3080	195609	Small Business	\$	6,438,143	\$	5,511,381
		Administration				231
3080	195618	Energy Federal Grants	\$	38,000,000	\$	3,400,000
						232
3350	195610	Energy Conservation	\$	1,100,000	\$	1,100,000
						233

		and Emerging Technology				
3AE0	195643	Workforce Development Initiatives	\$	16,300,000	\$	16,300,000 234
3DB0	195642	Federal Stimulus - Energy Efficiency & Conservation Block Grants	\$	3,000,000	\$	42,485 235
3EG0	195608	Federal Energy Training	\$	5,000,000	\$	1,344,056 236
3K80	195613	Community Development Block Grant	\$	76,795,818	\$	65,210,000 237
3K90	195611	Home Energy Assistance Block Grant	\$	115,743,608	\$	115,743,608 238
3K90	195614	HEAP Weatherization	\$	22,000,000	\$	22,000,000 239
3L00	195612	Community Services Block Grant	\$	27,240,217	\$	27,240,217 240
3V10	195601	HOME Program	\$	40,000,000	\$	40,000,000 241
TOTAL FED		Federal Special Revenue				242
Fund Group			\$	443,121,392	\$	389,836,853 243
State Special Revenue Fund Group						244
4500	195624	Minority Business Bonding Program Administration	\$	160,110	\$	159,069 245
4510	195625	Economic Development Financing Operating	\$	3,000,000	\$	3,000,000 246
4F20	195639	State Special Projects	\$	180,437	\$	180,436 247
4F20	195676	Marketing Initiatives	\$	5,000,000	\$	0 248
4F20	195699	Utility Provided Funds	\$	500,000	\$	500,000 249

4S00	195630	Tax Incentive Programs	\$	650,800	\$	650,800	250
5CG0	195679	Alternative <u>Alternative</u> Fuel Transportation	\$	750,000	\$	750,000	251
5HJ0	195604	Motion Picture Tax Credit Program	\$	50,000	\$	50,000	252
5HR0	195526	Ohio Workforce Job Training	\$	20,000,000	\$	30,000,000	253
5HR0	195622	Defense Development Assistance	\$	5,000,000	\$	5,000,000	254
5JR0	195656	New Market Tax Credit Program	\$	50,000	\$	50,000	255
5KD0	195621	Brownfield Stormwater Loan	\$	50,000	\$	50,000	256
5KN0	195640	Local Government Innovation	\$	0 <u>175,000</u>	\$	45,000,000 <u>44,825,000</u>	257
5M40	195659	Low Income Energy Assistance	\$	245,000,000	\$	245,000,000	258
5M50	195660	Advanced Energy Programs	\$	8,000,000	\$	0	259
5W60	195691	International Trade Cooperative Projects	\$	160,000	\$	160,000	260
6170	195654	Volume Cap Administration	\$	94,397	\$	92,768	261
6460	195638	Low- and Moderate-Income Housing Trust Fund	\$	53,000,000	\$	53,000,000	262
TOTAL SSR State Special Revenue							263
Fund Group			\$	341,645,744	\$	383,643,073	264
				<u>341,820,744</u>		<u>383,468,073</u>	
Facilities Establishment Fund Group							265
5S90	195628	Capital Access Loan	\$	1,500,000	\$	1,500,000	266

		Program				
7009	195664	Innovation Ohio	\$	15,000,000	\$	15,000,000 267
7010	195665	Research and Development	\$	22,000,000	\$	22,000,000 268
7037	195615	Facilities Establishment	\$	50,000,000	\$	50,000,000 269
TOTAL 037 Facilities						270
Establishment Fund Group			\$	88,500,000	\$	88,500,000 271
Clean Ohio Revitalization Fund						272
7003	195663	Clean Ohio Operating	\$	950,000	\$	950,000 273
TOTAL 7003 Clean Ohio			\$	950,000	\$	950,000 274
Revitalization Fund						
Third Frontier Research & Development Fund Group						275
7011	195686	Third Frontier Operating	\$	1,149,750	\$	1,149,750 276
7011	195687	Third Frontier Research & Development Projects	\$	183,850,250	\$	133,850,250 277
7014	195620	Third Frontier Operating - Tax	\$	1,700,000	\$	1,700,000 278
7014	195692	Research & Development Taxable Bond Projects	\$	38,300,000	\$	38,300,000 279
TOTAL 011 Third Frontier Research & Development Fund Group			\$	225,000,000	\$	175,000,000 280
Job Ready Site Development Fund Group						281
7012	195688	Job Ready Site Operating	\$	800,000	\$	800,000 282
TOTAL 012 Job Ready Site Development Fund Group			\$	800,000	\$	800,000 283
Tobacco Master Settlement Agreement Fund Group						284
M087	195435	Biomedical Research	\$	1,999,224	\$	1,999,224 285

and Technology

Transfer

TOTAL TSF Tobacco Master Settlement Agreement Fund Group	\$	1,999,224	\$	1,999,224	286
TOTAL ALL BUDGET FUND GROUPS	\$	1,245,142,783	\$	1,187,118,855	287
		<u>1,245,317,783</u>		<u>1,186,943,855</u>	

Sec. 261.20.93. LOCAL GOVERNMENT INNOVATION FUND 289

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

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

Section 4. That existing Sections 261.10 and 261.20.93 of Am. Sub. H.B. 153 of the 129th General Assembly are hereby repealed.

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