

As Reported by the Senate Finance Committee

130th General Assembly

Regular Session

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Sub. H. B. No. 289

Representative Schuring

**Cosponsors: Representatives Beck, Brenner, Grossman, Henne, Hood,
McGregor, Hackett, Amstutz, Blair, Boose, Brown, Burkley, Duffey, Green,
Hagan, C., Hayes, Hottinger, Huffman, Letson, McClain, O'Brien, Romanchuk,
Ruhl, Scherer, Sheehy, Smith, Thompson Speaker Batchelder**

Senator Coley

—

A B I L L

To amend sections 9.482, 715.691, and 715.771, to 1
enact sections 715.692 and 715.84, and to repeal 2
section 715.69 of the Revised Code to terminate 3
the authority to create new alternative joint 4
economic development zones (JEDZs) or 5
substantially modify existing alternative JEDZs 6
after December 31, 2014, to require the creation 7
of review councils to approve the economic 8
development plans for alternative JEDZs created or 9
substantially amended before that date, to 10
eliminate municipal-only JEDZs, to authorize 11
municipal corporations to create municipal utility 12
districts (MUDs) for economic development 13
purposes, to allow existing municipal-only JEDZs 14
to continue operating as MUDs, and to declare an 15
emergency. 16

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

Section 1. That sections 9.482, 715.691, and 715.771 be 17
amended and sections 715.692 and 715.84 of the Revised Code be 18
enacted to read as follows: 19

Sec. 9.482. (A) As used in this section, "political 20
subdivision" has the meaning defined in section 2744.01 of the 21
Revised Code. 22

(B) When authorized by their respective legislative 23
authorities, a political subdivision may enter into an agreement 24
with another political subdivision whereby a contracting political 25
subdivision agrees to exercise any power, perform any function, or 26
render any service for another contracting recipient political 27
subdivision that the contracting recipient political subdivision 28
is otherwise legally authorized to exercise, perform, or render. 29

In the absence in the agreement of provisions determining by 30
what officer, office, department, agency, or other authority the 31
powers and duties of a contracting political subdivision shall be 32
exercised or performed, the legislative authority of the 33
contracting political subdivision shall determine and assign the 34
powers and duties. 35

An agreement shall not suspend the possession by a 36
contracting recipient political subdivision of any power or 37
function that is exercised or performed on its behalf by another 38
contracting political subdivision under the agreement. 39

A political subdivision shall not enter into an agreement to 40
levy any tax or to exercise, with regard to public moneys, any 41
investment powers, perform any investment function, or render any 42
investment service on behalf of a contracting subdivision. Nothing 43
in this paragraph prohibits a political subdivision from entering 44
into an agreement to collect, administer, or enforce any tax on 45
behalf of another political subdivision or to limit the authority 46

of political subdivisions to create and operate joint economic 47
development zones ~~or~~ as provided in section 715.691, joint 48
economic development districts as provided in sections ~~715.69~~ 49
715.70 to 715.83, or municipal utility districts as provided in 50
section 715.84 of the Revised Code. 51

(C) No county elected officer may be required to exercise any 52
power, perform any function, or render any service under an 53
agreement entered into under this section without the written 54
consent of the county elected officer. No county may enter into an 55
agreement under this section for the exercise, performance, or 56
rendering of any statutory powers, functions, or services of any 57
county elected officer without the written consent of the county 58
elected officer. 59

(D) No power shall be exercised, no function shall be 60
performed, and no service shall be rendered by a contracting 61
political subdivision pursuant to an agreement entered into under 62
this section within a political subdivision that is not a party to 63
the agreement, without first obtaining the written consent of the 64
political subdivision that is not a party to the agreement and 65
within which the power is to be exercised, a function is to be 66
performed, or a service is to be rendered. 67

(E) Chapter 2744. of the Revised Code, insofar as it applies 68
to the operation of a political subdivision, applies to the 69
political subdivisions that are parties to an agreement and to 70
their employees when they are rendering a service outside the 71
boundaries of their employing political subdivision under the 72
agreement. Employees acting outside the boundaries of their 73
employing political subdivision while providing a service under an 74
agreement may participate in any pension or indemnity fund 75
established by the political subdivision to the same extent as 76
while they are acting within the boundaries of the political 77
subdivision, and are entitled to all the rights and benefits of 78

Chapter 4123. of the Revised Code to the same extent as while they 79
are performing a service within the boundaries of the political 80
subdivision. 81

Sec. 715.691. (A) As used in this section: 82

(1) "Contracting party" means a municipal corporation that 83
has entered into a joint economic development zone contract or any 84
party succeeding to the municipal corporation, or a township that 85
entered into a joint economic development zone contract with a 86
municipal corporation. 87

(2) "Zone" means a joint economic development zone designated 88
under this section. 89

(3) "Substantial amendment" means an amendment to a joint 90
economic development zone contract that increases the rate of 91
municipal income tax that may be imposed within the zone, changes 92
the purposes for which municipal income tax revenue derived from 93
the zone may be used, or changes the area or areas included in the 94
zone. 95

(B) This section provides ~~alternative~~ procedures and 96
requirements for creating and operating a joint economic 97
development zone ~~to those set forth in section 715.69 of the~~ 98
~~Revised Code.~~ This section applies only if one of the contracting 99
parties to the zone does not levy a municipal income tax under 100
Chapter 718. of the Revised Code. ~~A municipal corporation that~~ 101
~~does not levy a municipal income tax may enter into an agreement~~ 102
~~to create and operate a joint economic development zone under this~~ 103
~~section or under section 715.69 of the Revised Code.~~ 104

~~Two~~ At any time before January 1, 2015, two or more municipal 105
corporations or one or more townships and one or more municipal 106
corporations may enter into a contract whereby they agree to share 107
in the costs of improvements for an area or areas located in one 108

or more of the contracting parties that they designate as a joint 109
economic development zone for the purpose of facilitating new or 110
expanded growth for commercial or economic development in the 111
state. The contract and zone shall meet the requirements of 112
divisions (B) to (J) of this section. 113

(C) The contract shall set forth each contracting party's 114
contribution to the joint economic development zone. The 115
contributions may be in any form that the contracting parties 116
agree to, and may include, but are not limited to, the provision 117
of services, money, or equipment. The contract may be amended, 118
renewed, or terminated with the consent of the contracting 119
parties, subject to division (K) of this section. The contract 120
shall continue in existence throughout the term it specifies and 121
shall be binding on the contracting parties and on any entities 122
succeeding to the contracting parties. If the contract is approved 123
by the electors of any contracting party under division (F) of 124
this section or substantially amended after the effective date of 125
H.B. 289 of the 130th general assembly, the contracting parties 126
shall include within the contract or the amendment to the contract 127
an economic development plan for the zone, a schedule for the 128
implementation or provision of any new, expanded, or additional 129
services, facilities, or improvements within the zone or in the 130
area surrounding the zone, and any provisions necessary for the 131
contracting parties to create a joint economic development review 132
council in compliance with section 715.692 of the Revised Code. 133

(D) Before the legislative authority of any of the 134
contracting parties enacts an ordinance or resolution approving a 135
contract to designate a joint economic development zone, the 136
legislative authority of each of the contracting parties shall 137
hold a public hearing concerning the contract and zone. Each 138
legislative authority shall provide at least thirty days' public 139
notice of the time and place of the public hearing in a newspaper 140

of general circulation in the municipal corporation or township. 141
During the thirty-day period prior to the public hearing, all of 142
the following documents shall be available for public inspection 143
in the office of the clerk of the legislative authority of a 144
municipal corporation that is a contracting party and in the 145
office of the fiscal officer of a township that is a contracting 146
party: 147

(1) A copy of the contract designating the zone; 148

(2) A description of the area or areas to be included in the 149
zone, including a map in sufficient detail to denote the specific 150
boundaries of the area or areas; 151

(3) An economic development plan for the zone that includes a 152
schedule for the provision of any new, expanded, or additional 153
services, facilities, or improvements. 154

A public hearing held under division (D) of this section 155
shall allow for public comment and recommendations on the contract 156
and zone. The contracting parties may include in the contract any 157
of those recommendations prior to approval of the contract. 158

(E) After the public hearings required under division (D) of 159
this section have been held and the economic development plan has 160
been approved under division (D) of section 715.692 of the Revised 161
Code, and before January 1, 2015, each contracting party may enact 162
an ordinance or resolution approving the contract to designate a 163
joint economic development zone. After each contracting party has 164
enacted an ordinance or resolution, the clerk of the legislative 165
authority of a municipal corporation that is a contracting party 166
and the fiscal officer of a township that is a contracting party 167
shall file with the board of elections of each county within which 168
a contracting party is located a copy of the ordinance or 169
resolution approving the contract and shall direct the board of 170
elections to submit the ordinance or resolution to the electors of 171

the contracting party on the day of the next general, primary, or 172
special election occurring at least ninety days after the 173
ordinance or resolution is filed with the board of elections. If 174
any of the contracting parties is a township, however, then only 175
the township or townships shall submit the resolution to the 176
electors. The board of elections shall not submit an ordinance or 177
resolution filed under this division to the electors at any 178
election occurring on or after January 1, 2015. 179

(F)(1) If a vote is required to approve a municipal 180
corporation as a contracting party to a joint economic development 181
zone under this section, the ballot shall be in the following 182
form: 183

"Shall the ordinance of the legislative authority of the 184
(city or village) of (name of contracting party) approving the 185
contract with (name of each other contracting party) for the 186
designation of a joint economic development zone be approved? 187

	FOR THE ORDINANCE AND CONTRACT	
	AGAINST THE ORDINANCE AND CONTRACT	"

(2) If a vote is required to approve a township as a 192
contracting party to a joint economic development zone under this 193
section, the ballot shall be in the following form: 194

"Shall the resolution of the board of township trustees of 195
the township of (name of contracting party) approving the contract 196
with (name of each other contracting party) for the designation of 197
a joint economic development zone be approved? 198

	FOR THE RESOLUTION AND CONTRACT	
	AGAINST THE RESOLUTION AND CONTRACT	"

202

If a majority of the electors of each contracting party 203
voting on the issue vote for the ordinance or resolution and 204
contract, the ordinance or resolution shall become effective 205
immediately and the contract shall go into effect immediately or 206
in accordance with its terms. 207

(G)(1) A board of directors shall govern each joint economic 208
development zone created under this section ~~715.691 of the Revised~~ 209
~~Code~~. The members of the board shall be appointed as provided in 210
the contract. Each of the contracting parties shall appoint three 211
members to the board. Terms for each member shall be for two 212
years, each term ending on the same day of the month of the year 213
as did the term that it succeeds. A member may be reappointed to 214
the board. 215

(2) Membership on the board is not the holding of a public 216
office or employment within the meaning of any section of the 217
Revised Code or any charter provision prohibiting the holding of 218
other public office or employment. Membership on the board is not 219
a direct or indirect interest in a contract or expenditure of 220
money by a municipal corporation, township, county, or other 221
political subdivision with which a member may be affiliated. 222
Notwithstanding any provision of law or a charter to the contrary, 223
no member of the board shall forfeit or be disqualified from 224
holding any public office or employment by reason of membership on 225
the board. 226

(3) The board is a public body for the purposes of section 227
121.22 of the Revised Code. Chapter 2744. of the Revised Code 228
applies to the board and the zone. 229

(H) The contract may grant to the board of directors 230
appointed under division (G) of this section the power to adopt a 231
resolution to levy an income tax within the zone. The income tax 232

shall be used for the purposes of the zone and for the purposes of 233
the contracting parties pursuant to the contract. Not less than 234
fifty per cent of the revenue from the tax shall be used solely to 235
provide the new, expanded, or additional services, facilities, or 236
improvements specified in the economic development plan until all 237
such services, facilities, or improvements have been completed as 238
specified in that plan. The income tax may be levied in the zone 239
based on income earned by persons working within the zone and on 240
the net profits of businesses located in the zone. The income tax 241
is subject to Chapter 718. of the Revised Code, except that a vote 242
shall be required by the electors residing in the zone to approve 243
the rate of income tax unless a majority of the electors residing 244
within the zone, as determined by the total number of votes cast 245
in the zone for the office of governor at the most recent general 246
election for that office, submit a petition to the board 247
requesting that the election provided for in division (H)(1) of 248
this section not be held. If no electors reside within the zone, 249
then division (H)(3) of this section applies. The rate of the 250
income tax shall be no higher than the highest rate being levied 251
by a municipal corporation that is a party to the contract. 252

(1) The board of directors may levy an income tax at a rate 253
that is not higher than the highest rate being levied by a 254
municipal corporation that is a party to the contract, provided 255
that the rate of the income tax is first submitted to and approved 256
by the electors of the zone at the succeeding regular or primary 257
election, or a special election called by the board, occurring 258
subsequent to ninety days after a certified copy of the resolution 259
levying the income tax and calling for the election is filed with 260
the board of elections. If the voters approve the levy of the 261
income tax, the income tax shall be in force for the full period 262
of the contract establishing the zone. No election shall be held 263
under this section if a majority of the electors residing within 264
the zone, determined as specified in division (H) of this section, 265

submit a petition to that effect to the board of directors. Any 266
increase in the rate of an income tax by the board of directors 267
shall be approved by a vote of the electors of the zone and shall 268
be in force for the remaining period of the contract establishing 269
the zone. 270

(2) Whenever a zone is located in the territory of more than 271
one contracting party, a majority vote of the electors in each of 272
the several portions of the territory of the contracting parties 273
constituting the zone approving the levy of the tax is required 274
before it may be imposed under division (H) of this section. 275

(3) If no electors reside in the zone, no election for the 276
approval or rejection of an income tax shall be held under this 277
section, provided that where no electors reside in the zone, the 278
rate of the income tax shall be no higher than the highest rate 279
being levied by a municipal corporation that is a party to the 280
contract. 281

(4) The board of directors of a zone levying an income tax 282
shall enter into an agreement with one of the municipal 283
corporations that is a party to the contract to administer, 284
collect, and enforce the income tax on behalf of the zone. 285

(5) The board of directors of a zone shall publish or post 286
public notice within the zone of any resolution adopted levying an 287
income tax in the same manner required of municipal corporations 288
under sections 731.21 and 731.25 of the Revised Code. 289

(I)(1) If for any reason a contracting party reverts to or 290
has its boundaries changed so that it is classified as a township 291
that is the entity succeeding to that contracting party, the 292
township is considered to be a municipal corporation for the 293
purposes of the contract for the full period of the contract 294
establishing the joint economic development zone, except that if 295
that contracting party is administering, collecting, and enforcing 296

the income tax on behalf of the district as provided in division 297
(H)(4) of this section, the contract shall be amended to allow one 298
of the other contracting parties to administer, collect, and 299
enforce that tax. 300

(2) Notwithstanding any other section of the Revised Code, if 301
there is any change in the boundaries of a township so that a 302
municipal corporation once located within the township is no 303
longer so located, the township shall remain in existence even 304
though its remaining unincorporated area contains less than 305
twenty-two square miles, if the township has been or becomes a 306
party to a contract creating a joint economic development zone 307
under this section or the contract creating that joint economic 308
development zone under this section is terminated or repudiated 309
for any reason by any party or person. The township shall continue 310
its existing status in all respects, including having the same 311
form of government and the same elected board of trustees as its 312
governing body. The township shall continue to receive all of its 313
tax levies and sources of income as a township in accordance with 314
any section of the Revised Code, whether the levies and sources of 315
income generate millage within the ten-mill limitation or in 316
excess of the ten-mill limitation. The name of the township may be 317
changed to the name of the contracting party appearing in the 318
contract creating a joint economic development zone under this 319
section, so long as the name does not conflict with any other name 320
in the state that has been certified by the secretary of state. 321
The township shall have all of the powers set out in sections 322
715.79, 715.80, and 715.81 of the Revised Code. 323

(J) If, after creating and operating a joint economic 324
development zone under this section, a contracting party that did 325
not levy a municipal income tax under Chapter 718. of the Revised 326
Code levies such a tax, the tax shall not apply to the zone for 327
the full period of the contract establishing the zone, if the 328

board of directors of the zone has levied an income tax as 329
provided in division (H) of this section. 330

(K) No substantial amendment may be made to any joint 331
economic development zone contract after December 31, 2014. 332

Sec. 715.692. (A) As used in this section: 333

(1) "Assessed value" means the assessed value of a parcel 334
listed on the most recent tax list and duplicate or, if the parcel 335
is exempted from taxation, the list of exempt property, compiled 336
by the county auditor under section 319.28 or 5713.08 of the 337
Revised Code. 338

(2) "Business" means a sole proprietorship, a corporation for 339
profit, a pass-through entity as defined in section 5733.04 of the 340
Revised Code, the federal government, the state, the state's 341
political subdivisions, a nonprofit organization, or a school 342
district. 343

(3) "Contracting party" means a municipal corporation, 344
county, or township that is a party to a joint economic 345
development zone contract under section 715.691 of the Revised 346
Code or, if the contract has not yet taken effect, will be a party 347
to such a contract. 348

(4) A business "operates within" a zone if the net profits of 349
the business or the income of employees of the business would be 350
subject to an income tax levied within the zone. 351

(5) "Economic development plan" means the economic 352
development plan required to be included in a joint economic 353
development zone contract under division (C) of section 715.691 of 354
the Revised Code. 355

(6) "Owner" means a partner of a partnership, a member of a 356
limited liability company, a majority shareholder of an S 357
corporation, a person with a majority ownership interest in a 358

pass-through entity, or any officer, employee, or agent with 359
authority to make decisions legally binding upon a business. 360

(7) "Record owner" means the person or persons in whose name 361
a parcel is listed on the tax list or exempt list compiled by the 362
county auditor under section 319.28 or 5713.08 of the Revised 363
Code. 364

(8) "Substantial amendment" has the same meaning as in 365
section 715.691 of the Revised Code. 366

(B) Before enacting ordinances or resolutions to approve a 367
joint economic development zone contract under section 715.691 of 368
the Revised Code or adopting a substantial amendment to such a 369
contract, the contracting parties shall create a joint economic 370
development review council. The purpose of the council is to 371
review the economic development plan included in the joint 372
economic development zone contract or amendment to the contract, 373
and either approve the plan or disapprove the plan and provide 374
recommendations to the contracting parties for ways in which the 375
plan may be modified to meet the approval of the council. 376

The council is a public body for the purposes of section 377
121.22 of the Revised Code, and it is a public office for the 378
purposes of section 149.43 of the Revised Code. Members of the 379
council shall not be considered to be holding a direct or indirect 380
interest in a contract or expenditure of money by a contracting 381
party because of their affiliation with the council. 382

(C)(1) The county auditor of the county in which the largest 383
portion of the territory of the zone is located shall serve as 384
chairperson of the joint economic development council. The auditor 385
shall continue in the office of chairperson until the council is 386
dissolved under division (G) of this section or the boundaries of 387
the joint economic development zone are reconfigured by the 388
contracting parties in such a way that a different county contains 389

the largest portion of the territory of the zone. 390

(2) The contracting parties shall appoint the other members 391
of the council as follows: 392

(a) One appointed member shall be a person affiliated with an 393
economic development organization that provides services for, or 394
advocates on behalf of, businesses operating within the zone or, 395
if there are no businesses currently operating within the zone, 396
businesses operating in the area surrounding the zone. 397

(b) One appointed member shall be a member of the public 398
appointed by joint agreement of the contracting parties. 399

(c) Except as provided by division (C)(2)(d) of this section, 400
four appointed members shall be owners of businesses operating 401
within the zone or an individual designated by such an owner. The 402
contracting parties shall first appoint the owners of the four 403
businesses that employ the most persons within the zone. If one or 404
more of these owners is unwilling or unable to serve as a member 405
of the council or to designate an individual to serve in the 406
owner's place, the contracting parties shall appoint the owner of 407
the business that employs the next most number of persons within 408
the zone until each position to be appointed under this division 409
is filled. No business may have more than one owner or a designee 410
thereof serving as a member of the council at any time. 411

(d) If there are not four owners of businesses operating 412
within the zone who will accept an appointment or designate an 413
individual to serve on the council as prescribed by division 414
(C)(2)(c) of this section, the contracting parties shall appoint 415
record owners of real property located within the zone to the 416
remaining positions on the council. The contracting parties shall 417
first appoint the record owner of the parcel or parcels with the 418
greatest aggregate assessed value within the zone or an individual 419
designated by that record owner. If the record owner is unwilling 420

or unable to serve or designate an individual to serve as a member 421
of the council, the contracting parties shall appoint the record 422
owner of the parcel or parcels with the next greatest aggregate 423
assessed value within the zone or an individual designated by that 424
record owner until each position on the council is filled. If 425
there are not enough record owners of real property located within 426
the zone who will accept an appointment or designate an individual 427
to serve on the council as prescribed by this division, the number 428
of members of the council shall be reduced accordingly. 429

(D)(1) The joint economic development review council shall 430
hold at least one public meeting before ordinances or resolutions 431
are enacted by the contracting parties to approve the contract or 432
a substantial amendment to the contract. The chairperson shall 433
provide public notice of the time and place of each meeting in a 434
newspaper of general circulation in the area or areas to be 435
included in the zone. Attendance by the chairperson and at least 436
one-half of the appointed members of the council constitutes a 437
quorum to conduct the business of the council. 438

(2) At the meeting, the council shall review the economic 439
development plan for the zone and consider the question of whether 440
the plan is in the best interests of the zone. The council shall 441
allow each contracting party, or a representative thereof, the 442
opportunity to present testimony on the economic development plan 443
and on any other relevant provisions of the joint economic 444
development zone contract. The council shall also allow time, 445
during the meeting or meetings, for public comment and 446
recommendations on the economic development plan and the joint 447
economic development zone. The council may hold an executive 448
session in the manner provided in section 122.22 of the Revised 449
Code. 450

(3) If the council, by majority vote of the membership of the 451
council, determines that the plan is in the best interests of the 452

zone, the plan is thereby approved and the ordinances or 453
resolutions approving the contract may be enacted as provided in 454
section 715.691 of the Revised Code; otherwise, the plan is not 455
approved and such ordinances or resolutions may not be enacted. If 456
the plan is not approved, the council shall provide 457
recommendations to the contracting parties for ways in which the 458
economic development plan may be modified to meet the approval of 459
the council. Such recommendations shall be in writing and shall be 460
sent to each contracting party within fourteen days after the vote 461
of the council on the economic development plan. 462

(E) The joint economic development review council shall 463
dissolve by operation of law upon approving the economic 464
development plan. 465

(F) The contracting parties shall make appropriations as are 466
necessary to pay the costs incurred by the council in the exercise 467
of its functions under this section. The costs incurred by a 468
council in any year shall not exceed ten thousand dollars. 469

(G) If, on the effective date of H.B. 289 of the 130th 470
general assembly, the contracting parties to a joint economic 471
development zone contract have enacted ordinances or resolutions 472
approving the contract but the contract has not yet been submitted 473
to the electors under division (F) of section 715.691 of the 474
Revised Code, the contracting parties shall recall the contract 475
from the county board of elections and comply with this section as 476
if the contracting parties had not yet enacted ordinances or 477
resolutions approving the contract. 478

Sec. 715.771. Upon the creation of or addition to a joint 479
economic development district under section 715.72 or 715.761 of 480
the Revised Code, one of the contracting parties shall file a copy 481
of each of the documents described in divisions (A) to (G) of 482
section 715.76 or division (C) of section 715.761 of the Revised 483

Code, as applicable, with the director of development. 484

Sec. 715.84. (A) As used in this section: 485

(1) "Contracting party" means a municipal corporation that 486
has entered into a municipal utility district contract or any 487
party succeeding to such a municipal corporation. 488

(2) "Contract for utility services" means a contract under 489
which a municipal corporation agrees to provide to another 490
municipal corporation water, sewer, electric, or other utility 491
services necessary to the public health, safety, and welfare. 492

(3) "Municipal utility district contract" means a contract 493
described in and entered into under division (B) of this section. 494

(4) "District" means a municipal utility district designated 495
under this section. 496

(B) Two or more municipal corporations may enter into a 497
contract whereby they agree to share in the costs of improvements 498
for an area or areas located in one or more of the contracting 499
parties that they designate as a municipal utility district for 500
the purpose of facilitating new or expanded growth for commercial 501
or economic development in the state. Except as otherwise provided 502
in division (I) of this section, the contract and district shall 503
meet the requirements of divisions (B) to (H) of this section. 504

(C) The contract shall set forth each contracting party's 505
contribution to the municipal utility district. The contributions 506
may be in any form that the contracting parties agree to, subject 507
to divisions (G) and (I) of this section, and may include, but are 508
not limited to, the provision of services, money, or equipment. 509
The contract may provide for the contracting parties to distribute 510
among themselves, in the manner they agree to, any municipal 511
income tax revenues derived from the income earned by persons 512
employed by businesses that locate within the district after it is 513

designated by the contracting parties and from the net profits of 514
such businesses. Except as provided in divisions (G) and (I) of 515
this section, the contract may be amended, renewed, or terminated 516
with the consent of the contracting parties. 517

(D) Before the legislative authority of any of the 518
contracting parties enacts an ordinance approving a contract to 519
designate a municipal utility district, the legislative authority 520
of each of the contracting parties shall hold a public hearing 521
concerning the contract and district. Each such legislative 522
authority shall provide at least thirty days' public notice of the 523
time and place of the public hearing in a newspaper of general 524
circulation in the municipal corporation. During the thirty-day 525
period prior to the public hearing, all of the following documents 526
shall be available for public inspection in the office of the 527
clerk of the legislative authority of each of the contracting 528
parties: 529

(1) A copy of the contract designating the district; 530

(2) A description of the area or areas to be included in the 531
district, including a map in sufficient detail to denote the 532
specific boundaries of the area or areas; 533

(3) An economic development plan for the district that 534
includes a schedule for the provision of any new, expanded, or 535
additional services, facilities, or improvements. 536

A public hearing held under division (D) of this section 537
shall allow for public comment and recommendations on the contract 538
and district. The contracting parties may include in the contract 539
any of those recommendations prior to approval of the contract. 540

(E) After the public hearings required under division (D) of 541
this section have been held, each contracting party may enact an 542
ordinance approving the contract to designate a municipal utility 543
district. After each contracting party has enacted such an 544

ordinance, the clerk of the legislative authority of each 545
contracting party shall file with the board of elections of each 546
county within which a contracting party is located a copy of the 547
ordinance approving the contract and shall direct the board of 548
elections to submit the ordinance to the electors of the 549
contracting party on the day of the next general, primary, or 550
special election occurring at least ninety days after the 551
ordinance is filed with the board of elections. 552

(F) The ballot shall be in the following form: 553

"Shall the ordinance of the legislative authority of the 554
(city or village) of (name of contracting party) approving the 555
contract with (name of each other contracting party) for the 556
designation of a municipal utility district be approved? 557

	<u>FOR THE ORDINANCE AND CONTRACT</u>
	<u>AGAINST THE ORDINANCE AND CONTRACT</u>

"

If a majority of the electors of each contracting party voting on 562
the issue vote for the ordinance and contract, the ordinance shall 563
become effective immediately and the contract shall go into effect 564
immediately or in accordance with its terms. 565

(G) If two or more contracting parties previously have 566
entered into a separate contract for utility services, then 567
amendment, renewal, or termination of the separate contract for 568
utility services shall not constitute a part of the consideration 569
for a municipal utility district contract unless the legislative 570
authority of each contracting party determines all of the 571
following: 572

(1) That the creation of the municipal utility district will 573
facilitate new or expanded growth for commercial or economic 574
development in this state; 575

(2) That substantial consideration exists to support the 576
municipal utility district contract; 577

(3) That the contracting parties are entering into the 578
municipal utility district contract freely and without duress or 579
coercion related to the amendment, renewal, or termination of the 580
separate contract for utility services. 581

(H) A municipal utility district contract that does not 582
satisfy division (G) of this section is void and unenforceable. If 583
the contract provides for the extension of utility service or the 584
provision of utility service at a lower rate than is currently in 585
effect, any action claiming duress or coercion relating to a 586
municipal utility district contract may be brought only by a 587
contracting party, and must be brought before the contracting 588
parties enter into the municipal utility district contract. The 589
signing of the municipal utility district contract as authorized 590
by the contracting parties is conclusive evidence as to the 591
determinations set forth under division (G) of this section. 592

(I) If one of the contracting parties is an impacted city as 593
defined in division (C) of section 1728.01 of the Revised Code, 594
then divisions (D) to (F) of this section shall not apply to the 595
municipal utility district contract or to the municipal utility 596
district to which that contract relates unless the contracting 597
parties agree that those divisions shall apply. 598

(J) Joint economic development zones created under section 599
715.69 of the Revised Code as that section existed before its 600
repeal by H.B. 289 of the 130th general assembly shall henceforth 601
be known as municipal utility districts and shall be subject to 602
this section without any action of the contracting parties to such 603
a joint economic development zone contract. The contracting 604
parties to a joint economic development zone contract that is 605
pending a public hearing or approval of electors under section 606
715.69 of the Revised Code on the effective date of H.B. 289 of 607

the 130th general assembly may continue the process of approving 608
the contract as provided in this section with the same force and 609
effect as if the proceedings were conducted pursuant to section 610
715.69 of the Revised Code. 611

Section 2. That existing sections 9.482, 715.691, and 715.771 612
and section 715.69 of the Revised Code are hereby repealed. 613
614

Section 3. This act is an emergency measure necessary for the 615
immediate preservation of the public peace, health, and safety. 616
The reason for such necessity is that enactment into law at the 617
earliest possible time will prevent the unfair imposition of 618
income taxes by local governments through the use of joint 619
economic development zones. Therefore, this act goes into 620
immediate effect. 621