

**As Reported by the Senate Finance Committee**

**130th General Assembly**

**Regular Session**

**2013-2014**

**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>	<u>"</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