

As Introduced

**130th General Assembly
Regular Session
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H. B. No. 500

Representative Young

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A B I L L

To amend sections 306.04 and 307.982 and to enact 1
sections 306.14 and 307.863 of the Revised Code to 2
permit a board of county commissioners, on behalf 3
of a county transit board, to award a franchise 4
for the operation of a public transit system. 5

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

Section 1. That sections 306.04 and 307.982 be amended and 6
sections 306.14 and 307.863 of the Revised Code be enacted to read 7
as follows: 8

Sec. 306.04. (A) Except as otherwise provided in division (B) 9
of this section, employees of a county transit board or a board of 10
county commissioners operating a transit system are employees of 11
the county. If the system is operated by the board of county 12
commissioners, the board shall appoint an executive director, who 13
shall be in the unclassified service. 14

(B) Any county transit board that established its own civil 15
service organization and procedure prior to October 25, 1995, 16
shall continue to operate under that organization. Appointments 17
and promotions in that system shall be made, as far as 18
practicable, by competitive examination. 19

A board that established its own civil service organization 20

prior to October 25, 1995, shall establish by rule the seniority 21
provisions relating to street railway and motor bus employees in 22
effect at the time of the acquisition of the transit system by the 23
county. The vacation, holiday, and sick leave privileges shall not 24
be regulated by other provisions of law relating to public 25
employees of the state or county, except that the transit board, 26
its officers and employees, shall be subject to the public 27
employees retirement system of the state and the transit board 28
shall assume any pension obligations which have been assumed by 29
any publicly owned transit system which the county may acquire. 30

(C) A county transit board or board of county commissioners 31
operating a transit system may: 32

(1) Acquire in its name by gift, grant, purchase, or 33
condemnation and hold and operate real estate and interests 34
therein and personal property suitable for its purposes; 35

(2) In its name purchase, acquire, construct, enlarge, 36
improve, equip, repair, maintain, sell, exchange, lease as lessee 37
or lessor, receive a right of use of, and manage, control, and 38
operate, in or out of the county, a county transit system 39
consisting of all real estate and interests therein, personal 40
property, and a combination thereof, for or related to the 41
movement of persons including but not limited to street railway, 42
tramline, subways, rapid transits, monorails, and passenger bus 43
systems but excluding therefrom trucks, the movement of property 44
by truck, and facilities designed for use in the movement of 45
property by truck for hire; 46

(3) Issue, with the approval of the county commissioners when 47
the issuance is made by the transit board, revenue bonds of the 48
county as provided in division (B) of section 306.09 of the 49
Revised Code, to secure funds to accomplish its purposes. The 50
principal of and interest on such bonds, together with all other 51
payments required to be made by the trust agreement or indenture 52

securing such bonds, shall be paid solely from revenues or other 53
income accruing to the board from facilities of the county transit 54
system designated in said agreement or indenture. 55

(4) Enter into contracts in the exercise of the rights, 56
powers, and duties conferred upon it, and execute all instruments 57
necessary in the conduct of its business; 58

(5) Fix, alter, and charge rates and other charges for the 59
use of its real estate and interests therein, personal property, 60
and combinations thereof; 61

(6) Employ such financial consultants, accountants, 62
appraisers, consulting engineers, architects, construction 63
experts, attorneys-at-law, managers and other supervisory 64
personnel, and other officers, employees, and agents as it 65
determines necessary to conduct its business, and fix their 66
compensation and duties; 67

(7) Pledge, hypothecate, or otherwise encumber its revenues 68
and other income as security for its obligations and enter into 69
trust agreements or indentures for the benefit of revenue 70
bondholders; 71

(8) Borrow money or accept or contract to accept advances, 72
loans, gifts, grants, devises, or bequests from and enter into 73
contracts or agreements with any federal, state, or other 74
governmental or private source and hold and apply advances, loans, 75
gifts, grants, devises, or bequests according to the terms thereof 76
including provisions which are required by such federal, state, or 77
other governmental or private source to protect the interest of 78
employees affected by such advances, loans, gifts, grants, 79
devises, or bequests. Such advances, loans, gifts, grants, or 80
devises may be subject to any reasonable reservation and any gift, 81
grant, or devise or real estate may be in fee simple or any lesser 82
estate. Any advances or loans received from any federal, state, or 83

other governmental or private source may be repaid in accordance 84
with the terms of such advance or loan. A loan accepted by a 85
county transit board shall not, in any way, obligate the general 86
fund of a county or a board of county commissioners. 87

(9) Conduct investigations and surveys into the needs of the 88
public within or without the county for transportation services to 89
provide for the movement of persons within, into, or from the area 90
serviced or to be serviced by the county transit system; 91

(10) Enter into lawful arrangements with the appropriate 92
federal or state department or agency, county, township, municipal 93
corporation, or other political subdivision or public agency for 94
the planning and installation of any public facilities which are 95
determined necessary in the conduct of its business; 96

(11) Purchase fire, extended coverage, and liability 97
insurance for the real estate and interests therein, personal 98
property and any combination thereof, used by or in connection 99
with the county transit system and insurance covering the board 100
and the county transit system and its officers and employees for 101
liability for damage or injury to persons or property; 102

(12) Procure and pay all or any part of the cost of group 103
hospitalization, surgical, major medical, or sickness and accident 104
insurance, or a combination thereof, for the officers and 105
employees of the county transit system and their immediate 106
dependents, issued by an insurance company, duly authorized to do 107
business in this state; 108

(13) Sell, lease, release, or otherwise dispose of real 109
estate or interests therein or personal property owned by it and 110
grant such easements across its real estate and interests therein 111
as will not interfere with its use by the county transit system; 112

(14) Establish rules for the use and operation of the county 113
transit system including the real estate or interests therein, 114

personal property or a combination of the foregoing used by or in 115
connection with such system; 116

(15) Exercise the power of eminent domain to appropriate any 117
real estate or interests therein, personal property, franchises, 118
or any combination thereof, within or without the county, 119
necessary or proper in the exercise of its powers provided in 120
sections 306.01 to 306.13 of the Revised Code, as provided in 121
sections 163.01 to 163.22 of the Revised Code, and subject to 122
divisions (15)(a), (b), and (c) of this section, provided that a 123
county transit board or a board of county commissioners operating 124
a transit system shall not proceed to so appropriate real property 125
outside its territorial boundaries, until it has served at the 126
office of the county commissioners of the county in which it is 127
proposed to appropriate real property, a notice describing the 128
real property to be taken and the purpose for which it is proposed 129
to be taken, and such county commissioners have entered on their 130
journal within thirty days after such service a resolution 131
approving such appropriation. 132

(a) Nothing contained in this division authorizes a county 133
transit board or a board of county commissioners to appropriate 134
any land, rights, rights-of-way, franchises, or easements 135
belonging to the state or to a municipal corporation without the 136
consent of the state or of the municipal corporation, and no 137
county transit board or board of county commissioners shall 138
exercise the right of eminent domain to acquire any certificate of 139
public convenience and necessity, or any part thereof, issued to a 140
for-hire motor carrier by the public utilities commission of Ohio 141
or by the federal motor carrier safety administration of the 142
United States, or to take or disturb other real estate or 143
interests therein, personal property, or any combination thereof 144
belonging to any municipal corporation without the consent of the 145
legislative authority of such municipal corporation, or take or 146

disturb real estate or interests therein, personal property, or 147
any combination thereof belonging to any other political 148
subdivision, public corporation, public utility, or common 149
carrier, which is necessary and convenient in the operation of 150
such political subdivision, public corporation, public utility, or 151
common carrier unless provision is made for the restoration, 152
relocation, or duplication of that taken or upon the election of 153
such political subdivision, public corporation, public utility, or 154
common carrier for the payment of compensation, if any, at the 155
sole cost of the county transit system. 156

(b) If any restoration or duplication proposed to be made 157
under this division involves a relocation, the new location shall 158
have at least comparable utilitarian value and effectiveness, and 159
such relocation shall not impair the ability of the public utility 160
or common carrier to compete in its original area of operation. 161

(c) If such restoration or duplication proposed to be made 162
under this division involves a relocation, the county transit 163
board or board of county commissioners shall acquire no interest 164
or right in or to the appropriated property or facility until the 165
relocated property or facility is available for use and until 166
marketable title thereto has been transferred to the political 167
subdivision, public corporation, public utility, or common 168
carrier. Nothing in this division shall require any board of 169
county commissioners or county transit board operating a county 170
transit system to so restore, relocate, or duplicate, if all of 171
the real estate and interests therein, personal property, and any 172
combination of the foregoing which is owned by a public utility or 173
common carrier and used by it or in connection with the movement 174
of persons, is acquired by exercise of the power of eminent 175
domain. 176

(16) When real property is acquired that is located outside 177
the county and is removed from the tax duplicate, the county 178

transit board or board of county commissioners operating a transit 179
system shall pay annually to the county treasurer of the county in 180
which that property is located, commencing with the first tax year 181
in which that property is removed from the tax duplicate, an 182
amount of money in lieu of taxes equal to the smaller of the 183
following: 184

(a) The last annual installment of taxes due from the 185
acquired property before removal from the tax duplicate; 186

(b) An amount equal to the difference between the combined 187
revenue from real estate taxes of all the taxing districts in 188
which the property is located in the tax year immediately prior to 189
the removal of the acquired property from the tax duplicate, and 190
either: 191

(i) The total revenue which would be produced by the tax rate 192
of each such taxing district in the tax year immediately prior to 193
the removal of the acquired property from the tax duplicate, 194
applied to the real estate tax duplicate of each of such taxing 195
districts in each tax year subsequent to the year of removal; or 196

(ii) The combined revenue from real estate taxes of all such 197
taxing districts in each tax year subsequent to the year of 198
removal, whichever is the greater. 199

The county transit board or board of county commissioners may 200
be exempted from such payment by agreement of the affected taxing 201
district or districts in the county in which the property is 202
located. 203

The county auditor of the county in which that property is 204
located shall apportion each such annual payment to each taxing 205
district as if the annual payment had been levied and collected as 206
a tax. 207

Those annual payments shall never again be made after they 208
have ceased. 209

(17) Sue or be sued, plead or be impleaded, and be held 210
liable in any court of proper jurisdiction for damages received by 211
reason of negligence, in the same manner and to the same extent as 212
if the county transit system were privately operated, provided, 213
that no funds of a county other than those of the county transit 214
board or, if the transit system is operated by the board of county 215
commissioners, other than those in the account for the county 216
transit system created under division (C) of section 306.01 of the 217
Revised Code, shall be available for the satisfaction of judgments 218
rendered against that system; 219

(18) Annually prepare and make available for public 220
inspection a report in condensed form showing the financial 221
results of the operation of the county transit system. For systems 222
operated by a county transit board, copies of this report shall be 223
furnished to the county commissioners as well as a monthly summary 224
statement of revenues and expenses for the preceding month 225
sufficient to show the exact financial condition of the county 226
transit system as of the last day of the preceding month. 227

(19) With the approval of the county commissioners when the 228
action is taken by the transit board, and without competitive 229
bidding, sell, lease, or grant the right of use of all or a 230
portion of the county transit system to any other political 231
subdivision, taxing district, or other public body or agency 232
having the power to operate a transit system; 233

~~(20) Enter into and supervise franchise agreements for the 234
operation of a county transit system; 235~~

~~(21) Accept the assignment of and then supervise an existing 236
franchise agreement for the operation of a county transit system. 237~~

(D)(1) As used in divisions (D)(1) to (7) of this section: 238

(a) "Applicant" means any person who responds to a request 239
for proposals and submits an application for a franchise to 240

operate a public transit system or portion of a public transit system; 241
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(b) "Application for certification" means the documents that are required to be filed by a franchisee to initiate the proceedings required for certification; 243
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(c) "Application for a franchise" means the documents that are required to be filed in response to a request for proposals and that initiate the proceedings required for the award of a franchise; 246
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(d) "Certification" means the order issued by a board of county commissioners, after submission of an application for certification, that approves the operation of a public transit system, or a portion of a public transit system, by a franchisee, subject to terms and conditions imposed by the board. 250
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(e) "Franchise" means the document and all accompanying rights approved by the board of county commissioners that provides the franchisee with the exclusive right to establish a public transit system and, subject to certification, the right to operate a public transit system. A franchise may include the right of a franchisee to provide transportation services for a county department of job and family services. 255
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(f) "Franchisee" means the individual, corporation, or other entity awarded a franchise. 262
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(2) A board of county commissioners, on behalf of a county transit board, may award a franchise to an applicant subject to such terms and conditions as the board of county commissioners considers appropriate and consistent with applicable laws. Subsequent to awarding the franchise, the board of county commissioners may issue a certification and, until such issuance, the franchisee has no right to operate a public transit system or part of such a system. The board of county commissioners shall not 264
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delete, alter, or amend the terms and conditions of the 272
certification after its issuance. The board shall include in the 273
certification performance targets related to the operation of a 274
public transit system by the franchisee, including cost savings to 275
the county, gains in efficiency, the safety and security of the 276
traveling public and franchise employees, service to the traveling 277
public, return on any investments made by the county, and any 278
other performance targets as determined by the board. All terms 279
and conditions of the order of certification are terms and 280
conditions of the franchise. Unless expressly exempted or granted 281
a waiver in the certification, the franchisee shall comply with 282
all applicable rules, regulations, orders, and ordinances. 283

(3) The award of a franchise by a board of county 284
commissioners to an applicant is the sole license and authority 285
for the franchisee to establish a public transit system and, 286
subject to certification, operate a public transit system. 287

(4) A board of county commissioners shall award a franchise 288
for a period of not less than ten years, as provided in the 289
franchise. 290

(5) A franchise shall not prohibit the franchisee from 291
implementing new or improved services during the term of the 292
franchise. 293

(6) A franchisee shall coordinate its services, as specified 294
in the franchise, with public transit providers to make effective 295
transportation services available to the public and provide access 296
to and from the public transit system. 297

(7) A board of county commissioners shall provide terms and 298
conditions in a franchise to ensure that the franchisee will 299
continue operation of the public transit system for the duration 300
of the term of the franchise or, if the franchise is revoked, 301
suspended, or abandoned, that financial and other necessary 302

resources are available to continue the operation of the system 303
until another franchisee is selected or until the board of county 304
commissioners determines to cease the transit operations governed 305
by the franchise. The franchise shall specifically provide that 306
the board shall have the right to terminate the franchise if the 307
board determines that the franchisee has materially breached the 308
franchise in any manner. The franchisee may appeal such a 309
termination to the board, and, if the board upholds the 310
termination, to the proper court of common pleas. 311

Sec. 306.14. (A) If a board of county commissioners awards a 312
franchise to a franchisee on behalf of a county transit board, the 313
county transit board shall submit an annual written report to the 314
board of county commissioners not later than a date designated by 315
the board of county commissioners and in a form prescribed by that 316
board. The board of county commissioners shall make the report 317
available on the general web site of the county. The county 318
transit board shall include in the report a description in detail 319
of the effects the franchise agreement had during the prior year 320
on all of the following as they relate to the operation of a 321
public transit system by the franchisee in that county: 322

(1) Cost savings to the county; 323

(2) Efficiency; 324

(3) Safety and security of the traveling public and franchise 325
employees; 326

(4) Service to the traveling public; 327

(5) Return on investment by the county; 328

(6) Any other aspects the board of county commissioners 329
determines should be included in the report. 330

(B) A franchisee that is awarded a franchise by a board of 331
county commissioners on behalf of a county transit board shall 332

submit an annual written report to the board of county 333
commissioners or county transit board not later than a date 334
designated by the board of county commissioners and in a form 335
prescribed by that board. The board of county commissioners also 336
shall direct the franchisee to submit the report to the board of 337
county commissioners, the county transit board, or both. The board 338
of county commissioners shall establish the issues to be addressed 339
in the report with respect to the public transit system that the 340
franchisee operated during the prior year. The board of county 341
commissioners shall make the report available on the general web 342
site of the county. 343

(C) A board of county commissioners that awards a franchise 344
to a franchisee on behalf of a county transit board shall conduct 345
an annual review of the performance of the franchisee. The board 346
of county commissioners shall include in the review a 347
determination of the number of performance targets the franchisee 348
met during the prior year and an evaluation of the franchisee's 349
compliance with the other terms and conditions of the franchise, 350
including any breaches of the franchise by the franchisee. The 351
board shall issue a written report, and shall make the report 352
available on the general web site of the county. 353

Sec. 307.863. (A) Notwithstanding section 307.86 of the 354
Revised Code, a board of county commissioners that awards a 355
franchise to a franchisee on behalf of a county transit board 356
pursuant to section 306.04 of the Revised Code to operate a public 357
transit system shall award the franchise through competitive 358
bidding as prescribed in this section. The board shall solicit 359
bids that are not sealed, and shall ensure that all bids the board 360
receives are open for public inspection. The board shall consider 361
all bids that are timely received. 362

(B) The fact that a bid proposes to be the most beneficial to 363

the county monetarily in and of itself does not confer best bid status on that bid. 364
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(C) In awarding a franchise to a bidder to operate a public transit system, the board may consider all of the following: 366
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(1) The proposed monetary benefit to the county; 368

(2) The bidder's ownership of, or access to, transportation facilities or transportation equipment such as vehicles, automated transit systems, or any other applicable equipment; 369
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(3) The bidder's experience in operating public transit systems; 372
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(4) If the bidder has experience in operating public transit systems, the record of the bidder in relation to all aspects of operating a public transit system, including cost savings to a political subdivision, gains in efficiency, the safety and security of the traveling public and employees, service to the traveling public, return on any investments made by a political subdivision, and any other aspects the board includes for consideration. 374
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Sec. 307.982. (A) To the extent permitted by federal law, 382
including subpart F of 5 C.F.R. part 900, and subject to any 383
limitations established by the Revised Code, including division 384
(B) of this section, a board of county commissioners may enter 385
into a written contract with a private or government entity, 386
including a public or private college or university, for the 387
entity to perform a family services duty or workforce development 388
activity on behalf of a county family services agency or workforce 389
development agency. The entity with which a board contracts is not 390
required to be located in the county the board serves. 391

A family services duty or workforce development activity includes transportation services provided by a county transit 392
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board. A board of county commissioners may delegate to a county 394
transit board the authority to solicit bids and award and execute 395
contracts for such transportation services on behalf of the board 396
of county commissioners. 397

(B) A board of county commissioners may not enter into a 398
contract under division (A) of this section regarding a family 399
services duty of a public children services agency if a county 400
children services board appointed under section 5153.03 of the 401
Revised Code serves as the public children services agency for the 402
county. The county children services board may enter into 403
contracts regarding its duties in accordance with division (C)(2) 404
of section 5153.16 of the Revised Code. 405

Section 2. That existing sections 306.04 and 307.982 of the 406
Revised Code are hereby repealed. 407