

As Introduced

**130th General Assembly
Regular Session
2013-2014**

S. B. No. 218

Senator Cafaro

Cosponsors: Senators Tavares, Turner

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A B I L L

To amend sections 5501.03, 5501.311, 5531.09, and 1
5531.18 and to enact sections 5539.01, 5539.02, 2
5539.03, 5539.031, 5539.04, 5539.05, 5539.06, 3
5539.07, 5539.08, 5539.09, 5539.10, and 5539.11 of 4
the Revised Code to authorize the creation of 5
transportation innovation authorities by specified 6
governmental entities and to establish the powers 7
and duties of such authorities. 8

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

Section 1. That sections 5501.03, 5501.311, 5531.09, and 9
5531.18 be amended and sections 5539.01, 5539.02, 5539.03, 10
5539.031, 5539.04, 5539.05, 5539.06, 5539.07, 5539.08, 5539.09, 11
5539.10, and 5539.11 of the Revised Code be enacted to read as 12
follows: 13

Sec. 5501.03. (A) The department of transportation shall: 14

(1) Exercise and perform such other duties, powers, and 15
functions as are conferred by law on the director, the department, 16
the assistant directors, the deputy directors, or on the divisions 17
of the department; 18

(2) Coordinate and develop, in cooperation with local, 19

regional, state, and federal planning agencies and authorities, 20
comprehensive and balanced state policy and planning to meet 21
present and future needs for adequate transportation facilities in 22
this state, including recommendations for adequate funding of the 23
implementation of such planning; 24

(3) Coordinate its activities with those of other appropriate 25
state departments, public agencies, and authorities, and enter 26
into any contracts with such departments, agencies, and 27
authorities as may be necessary to carry out its duties, powers, 28
and functions; 29

(4) Cooperate with and assist the public utilities commission 30
in the commission's administration of sections 4907.47 to 4907.476 31
of the Revised Code, particularly with respect to the federal 32
highway administration; 33

(5) Cooperate with and assist the Ohio power siting board in 34
the board's administration of Chapter 4906. of the Revised Code; 35

(6) Give particular consideration to the development of 36
policy and planning for public transportation facilities, and to 37
the coordination of associated activities relating thereto, as 38
prescribed under divisions (A)(2) and (3) of this section; 39

(7) Conduct, in cooperation with the Ohio legislative service 40
commission, any studies or comparisons of state traffic laws and 41
local traffic ordinances with model laws and ordinances that may 42
be required to meet program standards adopted by the United States 43
department of transportation pursuant to the "Highway Safety Act 44
of 1966," 80 Stat. 731, U.S.C.A. 401; 45

(8) Prepare, print, distribute, and advertise books, maps, 46
pamphlets, and other information that, in the judgment of the 47
director, will inform the public and other governmental 48
departments, agencies, and authorities as to the duties, powers, 49
and functions of the department; 50

(9) In its research and development program, consider 51
technologies for improving safety, mobility, aviation and aviation 52
education, transportation facilities, roadways, including 53
construction techniques and materials to prolong project life, 54
being used or developed by other states that have geographic, 55
geologic, or climatic features similar to this state's, and 56
collaborate with those states in that development. 57

(B) Nothing contained in this section shall be held to in any 58
manner affect, limit, restrict, or otherwise interfere with the 59
exercise of powers relating to transportation facilities by 60
appropriate agencies of the federal government, or by counties, 61
municipal corporations, or other political subdivisions or special 62
districts in this state authorized by law to exercise such powers. 63

(C) The department may use all appropriate sources of revenue 64
to assist in the development and implementation of rail service as 65
defined by division (C) of section 4981.01 of the Revised Code. 66

(D) The director of transportation may enter into contracts 67
with public agencies including political subdivisions, other state 68
agencies, boards, commissions, regional transit authorities, 69
county transit boards, ~~and~~ port authorities, transportation 70
innovation authorities, and any corporation organized under the 71
laws of Ohio, to administer the design, qualification of bidders, 72
competitive bid letting, construction inspection, research, and 73
acceptance of any projects or transportation facilities 74
administered by the department, provided the administration of 75
such projects or transportation facilities is performed in 76
accordance with all applicable state and federal laws and 77
regulations with oversight by the department. 78

(E) The director may enter into cooperative or contractual 79
agreements with any individual, organization, or business related 80
to the creation or promotion of a traveler information program. 81
The traveler information program shall provide real-time traffic 82

conditions and travel time information to travelers by telephone, 83
text message, internet, or other similar means at no cost to the 84
traveler. The director may contract with a program manager for the 85
traveler information program. The program manager shall be 86
responsible for all costs associated with the development and 87
operation of the traveler information program. The compensation 88
due to a program manager or vendor under any of these agreements 89
may include deferred compensation in an amount determined by the 90
director. Excess revenue shall be remitted to the department for 91
deposit into the highway operating fund. 92

(F) Any materials or data submitted to, made available to, or 93
received by the director of transportation, to the extent that the 94
materials or data consist of trade secrets, as defined in section 95
1333.61 of the Revised Code, or commercial or financial 96
information, are confidential and are not public records for the 97
purposes of section 149.43 of the Revised Code. 98

Sec. 5501.311. (A) Notwithstanding sections 123.01 and 127.16 99
of the Revised Code the director of transportation may lease or 100
lease-purchase all or any part of a transportation facility to or 101
from one or more persons, one or more governmental agencies, a 102
transportation improvement district, a transportation innovation 103
authority, or any combination thereof, and may grant leases, 104
easements, or licenses for lands under the control of the 105
department of transportation. The director may adopt rules 106
necessary to give effect to this section. 107

(B) Plans and specifications for the construction of a 108
transportation facility under a lease or lease-purchase agreement 109
are subject to approval of the director and must meet or exceed 110
all applicable standards of the department. 111

(C) Any lease or lease-purchase agreement under which the 112
department is the lessee shall be for a period not exceeding the 113

then current two-year period for which appropriations have been 114
made by the general assembly to the department, and such agreement 115
may contain such other terms as the department and the other 116
parties thereto agree, notwithstanding any other provision of law, 117
including provisions that rental payments in amounts sufficient to 118
pay bond service charges payable during the current two-year lease 119
term shall be an absolute and unconditional obligation of the 120
department independent of all other duties under the agreement 121
without set-off or deduction or any other similar rights or 122
defenses. Any such agreement may provide for renewal of the 123
agreement at the end of each term for another term, not exceeding 124
two years, provided that no renewal shall be effective until the 125
effective date of an appropriation enacted by the general assembly 126
from which the department may lawfully pay rentals under such 127
agreement. Any such agreement may include, without limitation, any 128
agreement by the department with respect to any costs of 129
transportation facilities to be included prior to acquisition and 130
construction of such transportation facilities. Any such agreement 131
shall not constitute a debt or pledge of the faith and credit of 132
the state, or of any political subdivision of the state, and the 133
lessor shall have no right to have taxes or excises levied by the 134
general assembly, or the taxing authority of any political 135
subdivision of the state, for the payment of rentals thereunder. 136
Any such agreement shall contain a statement to that effect. 137

(D) A municipal corporation, township, or county may use 138
service payments in lieu of taxes credited to special funds or 139
accounts pursuant to sections 5709.43, 5709.75, and 5709.80 of the 140
Revised Code to provide its contribution to the cost of a 141
transportation facility, provided such facility was among the 142
purposes for which such service payments were authorized. The 143
contribution may be in the form of a lump sum or periodic 144
payments. 145

(E) Pursuant to the "Telecommunications Act of 1996," 110 Stat. 152, 47 U.S.C. 332 note, the director may grant a lease, easement, or license in a transportation facility to a telecommunications service provider for construction, placement, or operation of a telecommunications facility. An interest granted under this division is subject to all of the following conditions:

(1) The transportation facility is owned in fee simple or easement by this state at the time the lease, easement, or license is granted to the telecommunications provider.

(2) The lease, easement, or license shall be granted on a competitive basis in accordance with policies and procedures to be determined by the director. The policies and procedures may include provisions for master leases for multiple sites.

(3) The telecommunications facility shall be designed to accommodate the state's multi-agency radio communication system, the intelligent transportation system, and the department's communication system as the director may determine is necessary for highway or other departmental purposes.

(4) The telecommunications facility shall be designed to accommodate such additional telecommunications equipment as may feasibly be co-located thereon as determined in the discretion of the director.

(5) The telecommunications service providers awarded the lease, easement, or license, agree to permit other telecommunications service providers to co-locate on the telecommunications facility, and agree to the terms and conditions of the co-location as determined in the discretion of the director.

(6) The director shall require indemnity agreements in favor of the department as a condition of any lease, easement, or license granted under this division. Each indemnity agreement

shall secure this state and its agents from liability for damages 177
arising out of safety hazards, zoning, and any other matter of 178
public interest the director considers necessary. 179

(7) The telecommunications service provider fully complies 180
with any permit issued under section 5515.01 of the Revised Code 181
pertaining to land that is the subject of the lease, easement, or 182
license. 183

(8) All plans and specifications shall meet with the 184
director's approval. 185

(9) Any other conditions the director determines necessary. 186

(F) In accordance with section 5501.031 of the Revised Code, 187
to further efforts to promote energy conservation and energy 188
efficiency, the director may grant a lease, easement, or license 189
in a transportation facility to a utility service provider that 190
has received its certificate from the Ohio power siting board or 191
appropriate local entity for construction, placement, or operation 192
of an alternative energy generating facility service provider as 193
defined in section 4928.64 of the Revised Code. An interest 194
granted under this division is subject to all of the following 195
conditions: 196

(1) The transportation facility is owned in fee simple or in 197
easement by this state at the time the lease, easement, or license 198
is granted to the utility service provider. 199

(2) The lease, easement, or license shall be granted on a 200
competitive basis in accordance with policies and procedures to be 201
determined by the director. The policies and procedures may 202
include provisions for master leases for multiple sites. 203

(3) The alternative energy generating facility shall be 204
designed to provide energy for the department's transportation 205
facilities with the potential for selling excess power on the 206
power grid, as the director may determine is necessary for highway 207

or other departmental purposes. 208

(4) The director shall require indemnity agreements in favor 209
of the department as a condition of any lease, easement, or 210
license granted under this division. Each indemnity agreement 211
shall secure this state from liability for damages arising out of 212
safety hazards, zoning, and any other matter of public interest 213
the director considers necessary. 214

(5) The alternative energy service provider fully complies 215
with any permit issued by the Ohio power siting board under 216
Chapter 4906. of the Revised Code and complies with section 217
5515.01 of the Revised Code pertaining to land that is the subject 218
of the lease, easement, or license. 219

(6) All plans and specifications shall meet with the 220
director's approval. 221

(7) Any other conditions the director determines necessary. 222

(G) Money the department receives under this section shall be 223
deposited into the state treasury to the credit of the highway 224
operating fund. 225

(H) A lease, easement, or license granted under division (E) 226
or (F) of this section, and any telecommunications facility or 227
alternative energy generating facility relating to such interest 228
in a transportation facility, is hereby deemed to further the 229
essential highway purpose of building and maintaining a safe, 230
energy-efficient, and accessible transportation system. 231

Sec. 5531.09. (A) The state infrastructure bank shall consist 232
of the highway and transit infrastructure bank fund, the aviation 233
infrastructure bank fund, the rail infrastructure bank fund, ~~and~~ 234
the infrastructure bank obligations fund, and the new generation 235
infrastructure bank funds, which are hereby created as funds of 236
the state treasury, to be administered by the director of 237

transportation and used for the purposes described in division (B) 238
of this section. The highway and transit infrastructure bank fund, 239
the aviation infrastructure bank fund, and the rail infrastructure 240
bank fund shall consist of federal grants and awards or other 241
assistance received by the state and eligible for deposit therein 242
under applicable federal law, payments received by the department 243
in connection with providing financial assistance for qualifying 244
projects under division (B) of this section, and such other 245
amounts as may be provided by law. The infrastructure bank 246
obligations fund shall consist of such amounts of the proceeds of 247
obligations issued under section 5531.10 of the Revised Code as 248
the director of transportation determines with the advice of the 249
director of budget and management; and such other amounts as may 250
be provided by law. The new generation infrastructure bank funds 251
shall consist of such other assistance received by the state as 252
may be provided by law. The director of budget and management, 253
upon the request of the director of transportation, may transfer 254
amounts between the funds created in this division, except the 255
infrastructure bank obligations fund. The investment earnings of 256
each fund created by this division shall be credited to such fund. 257
258

(B)(1) The director of transportation shall use the state 259
infrastructure bank, except the new generation infrastructure bank 260
funds, to encourage public and private investment in 261
transportation facilities that contribute to the multi-modal and 262
intermodal transportation capabilities of the state, develop a 263
variety of financing techniques designed to expand the 264
availability of funding resources and to reduce direct state 265
costs, maximize private and local participation in financing 266
projects, and improve the efficiency of the state transportation 267
system by using and developing the particular advantages of each 268
transportation mode to the fullest extent. In furtherance of these 269
purposes, the director shall use the state infrastructure bank to 270

provide financial assistance to public or private entities for 271
qualified projects. Such assistance shall be in the form of loans, 272
loan guarantees, letters of credit, leases, lease-purchase 273
agreements, interest rate subsidies, debt service reserves, and 274
such other forms as the director determines to be appropriate. All 275
fees, charges, rates of interest, payment schedules, security for, 276
and other terms and conditions relating to such assistance shall 277
be determined by the director. 278

(2) The director shall use the new generation infrastructure 279
bank funds to encourage transportation innovation authorities 280
created under Chapter 5539. of the Revised Code to invest in 281
transportation facilities that contribute to the multi-modal and 282
intermodal transportation capabilities of the state, develop a 283
variety of financing techniques designed to expand the 284
availability of funding resources and to reduce direct state 285
costs, maximize transportation innovation authorities' 286
participation in financing projects, and improve the efficiency of 287
the state transportation system by using and developing the 288
particular advantages of each transportation mode to the fullest 289
extent. In furtherance of these purposes, the director shall use 290
the new generation infrastructure bank funds to provide financial 291
assistance to transportation innovation authorities for qualified 292
projects. Such assistance shall be in the form of loans, loan 293
guarantees, letters of credit, leases, lease-purchase agreements, 294
interest rate subsidies, debt service reserves, and such other 295
forms of assistance as the director determines to be appropriate. 296
All fees, charges, rates of interest, payment schedules, security 297
for, and other terms and conditions relating to such assistance 298
shall be determined by the director. 299

(C) The director of transportation shall adopt rules 300
establishing guidelines necessary for the implementation and 301
exercise of the authority granted by this section, including rules 302

for receiving, reviewing, evaluating, and selecting projects for 303
which financial assistance may be approved. 304

(D) As used in this section and in section 5531.10 of the 305
Revised Code, "qualified project" means any public or private 306
transportation project as determined by the director of 307
transportation, including, without limitation, planning, 308
environmental impact studies, engineering, construction, 309
reconstruction, resurfacing, restoring, rehabilitation, or 310
replacement of public or private transportation facilities within 311
the state, studying the feasibility thereof, and the acquisition 312
of real or personal property or interests therein; any highway, 313
public transit, aviation, rail, or other transportation project 314
eligible for financing or aid under any federal or state program; 315
and any project involving the maintaining, repairing, improving, 316
or construction of any public or private highway, road, street, 317
parkway, public transit, aviation, or rail project, and any 318
related rights-of-way, bridges, tunnels, railroad-highway 319
crossings, drainage structures, signs, guardrails, or protective 320
structures. 321

(E) The general assembly finds that state infrastructure 322
projects, as defined in division (A)(8) of section 5531.10 of the 323
Revised Code, and the state infrastructure bank, will materially 324
contribute to the economic revitalization of areas of the state 325
and result in improving the economic welfare of all the people of 326
the state. Accordingly, it is declared to be the public purpose of 327
the state, through operations under sections 5531.09 and 5531.10 328
of the Revised Code, and other applicable laws adopted pursuant to 329
Section 13 of Article VIII, Ohio Constitution, and other authority 330
vested in the general assembly, to assist in and facilitate the 331
purposes set forth in division (B) of section 5531.10 of the 332
Revised Code, and to assist and cooperate with any governmental 333
agency in achieving such purposes. 334

Sec. 5531.18. The director of transportation shall establish 335
a procedure whereby a political subdivision or other governmental 336
agency or agencies may submit a written application to the 337
director in accordance with Chapter 5539. of the Revised Code 338
requesting the department of transportation to construct and 339
operate a toll project within the boundaries of the subdivision, 340
agency, or agencies making the request. The procedure shall 341
include a requirement that the director send a written reply to 342
the subdivision, agency, or agencies explaining the disposition of 343
the request. 344

Sec. 5539.01. As used in this chapter: 345

"Governmental agency" means a county, township, or municipal 346
corporation, and any agency thereof; any other political 347
subdivision; any county transit system, regional transit 348
authority, or regional transit commission created under Chapter 349
306. of the Revised Code; any new community authority organized 350
under Chapter 349. of the Revised Code; one or more municipal 351
corporations and one or more townships acting pursuant to a 352
cooperative economic development agreement entered into under 353
section 701.07 of the Revised Code; any joint economic development 354
zone or joint economic development district organized under 355
Chapter 715. of the Revised Code; any metropolitan planning 356
organization; any port authority created under Chapter 4582. of 357
the Revised Code; any transportation improvement district created 358
under Chapter 5540. of the Revised Code; the Ohio rail development 359
commission created under Chapter 4981. of the Revised Code; any 360
other public corporation, agency, or commission established 361
pursuant to state law; and any combination of the above. 362

"Multimodal and intermodal transportation system" means a 363
system of roads and highways, rail lines, water ports, airports, 364
bicycle paths, pedestrian walkways, or public transit systems, 365

including connections between them, and related facilities. 366

"Passenger rail service" means passenger railroad service 367
that connects two or more urbanized areas. 368

"Public transit system" means a system of local 369
transportation of passengers and their incidental baggage on 370
scheduled routes by means of a conveyance on an individual 371
passenger fare-paying basis, and excluding transportation by a 372
sightseeing bus, taxi, or any vehicle not operated on a scheduled 373
route basis. 374

"Transportation innovation authority" means a body corporate 375
and politic created pursuant to section 5539.03 of the Revised 376
Code. 377

"Transportation project" means a project constructed, 378
improved, operated, or managed under this chapter, including the 379
construction, reconstruction, alteration, repair, improvement, 380
operation, or management of any road, highway, bridge, or other 381
transportation facility as defined in section 5501.01 of the 382
Revised Code; any multimodal and intermodal systems; any public 383
transit system; and any freight or intercity passenger rail 384
system. 385

Sec. 5539.02. (A) The director of transportation is hereby 386
authorized to establish a transportation innovation authority 387
pilot project and shall approve not more than four transportation 388
innovation authorities pursuant to division (B) of section 5539.03 389
of the Revised Code and shall report to the general assembly 390
pursuant to division (C) of section 5539.07 of the Revised Code. 391

(B) The purpose of a transportation innovation authority 392
established under this chapter is to foster and encourage the 393
investment of public and private resources in the planning and 394
implementation of innovative transportation projects to enhance 395

the efficiency of the state's transportation system, enhance 396
intermodal and multimodal systems to streamline the transportation 397
of goods and persons, and encourage the improvement and 398
development of public transit systems and intercity passenger rail 399
service throughout the state. A transportation innovation 400
authority shall assist governmental agencies in the identification 401
of transportation needs that will foster growth and economic 402
development in the region conducive to the transportation projects 403
and shall assist in funding priority projects through cooperative 404
arrangements involving public and private partnerships. 405

Sec. 5539.03. (A) Subject to approval by the director of 406
transportation under division (B) of this section, any 407
governmental agency, by resolution, ordinance, or other formal 408
action by the appropriate legislative authority of such 409
governmental agency, as applicable, may enter into an agreement 410
with one or more other governmental agencies proposing to form a 411
transportation innovation authority. The agreement between all 412
participating governmental agencies, at a minimum, shall do all of 413
the following: 414

(1) Identify all members of the authority; 415

(2) Designate the geographical area to be included in the 416
jurisdiction of the authority; 417

(3) Specify the role and voting rights of the authority's 418
board of directors from among the governmental agencies that are 419
not counties, townships, or municipal corporations; 420

(4) Identify the transportation needs of the geographical 421
area covered by the authority and define the transportation 422
projects necessary to meet such needs; 423

(5) Provide for the planning, construction, operation, and 424
maintenance of transportation projects proposed to be undertaken 425

by the authority; 426

(6) Establish the dates for the existence and operation of 427
the authority, which shall include a date of creation, the means 428
for determining when the authority shall cease to exist, how the 429
authority may expand its membership, and how a member may end its 430
membership; 431

(7) Allow for and establish the terms of funding arrangements 432
for the identified projects through any combination of funding 433
sources authorized by this chapter or otherwise authorized by law; 434

(8) Subject to section 5539.031 of the Revised Code, require 435
all political subdivisions participating as members of the 436
authority to agree, in a time and manner specified in the 437
agreement, to adopt zoning and land use policies and laws that are 438
consistent with and that complement the transportation innovation 439
authority priorities, objectives, and identified projects; 440

(9) Designate how its members shall provide the authority 442
with any clerical, legal, and other staff assistance necessary to 443
implement the agreement and pay for copying, mailing, and any 444
other such expenses incurred by the authority in meeting the 445
requirements imposed by sections 5539.01 to 5539.11 of the Revised 446
Code; 447

(10) Specify the process by which the boards or legislative 448
authorities of member governmental agencies may ratify a 449
transportation project and the funding thereof as recommended by 450
the authority. The ratification process may specify the adoption 451
by all governmental agencies, a majority of governmental agencies, 452
the governmental agencies of the most populous jurisdictions 453
participating in the authority, or other acceptable process. 454

(B) Upon entering into an agreement, a proposed 455
transportation innovation authority shall provide a copy of the 456

agreement to the director of transportation, who shall approve or 457
disapprove the agreement or suggest modifications to ensure 458
consistency with the purposes of this chapter. Each member shall 459
be notified of the director's approval, disapproval, or suggested 460
modifications, with a deadline for any action that is required to 461
be taken. If the proposed authority has not adopted an agreement 462
on or before the deadline, it shall cease to exist as a proposed 463
authority. 464

(C) A transportation innovation authority is deemed to be 465
created upon the adoption by each participating governmental 466
agency, acting by resolution, ordinance, or other formal action, 467
as applicable, of an agreement approved by the director. 468

Sec. 5539.031. (A) As soon as practicable after approval of 469
an agreement under division (C) of section 5539.03 of the Revised 470
Code and before engaging in any transportation project 471
development, a transportation innovation authority shall develop a 472
proposed land use plan for the area within the authority that 473
includes recommended changes to current land use and zoning 474
policies and other measures that promote land use consistent with 475
the authority's proposed transportation projects. The proposed 476
land use plan shall be submitted to each member governmental 477
agency and the department of transportation. The plan shall 478
include a document that specifically details the changes required 479
of each such governmental agency to that agency's current land use 480
and zoning policies. Upon receipt of the proposed land use plan, 481
the appropriate legislative authority of the governmental agency, 482
in the time and manner specified in the agreement adopted under 483
section 5539.03 of the Revised Code, shall express its intent to 484
take action to change its land use policies and regulations. 485

(B) Upon approval of a proposed land use plan, the authority 486
shall develop a transportation project, including proposed funding 487

sources for the project. The authority shall submit a draft of its 488
proposed plan to the board of directors for approval. If approved, 489
the members of the authority shall submit the proposed plan to 490
their respective boards or legislative authorities, which shall 491
take appropriate action to ratify or disapprove the proposed plan. 492
Each such board or legislative authority shall notify the 493
transportation innovation authority in writing of its ratification 494
or disapproval of the proposed plan. 495

Sec. 5539.04. (A) A transportation innovation authority shall 496
be governed by a board of directors, the membership of which shall 497
be established by the governmental agencies comprising the 498
authority; provided, that there shall be an equal number of board 499
members representing each governmental agency comprising the 500
authority. Each member of the board serves at the pleasure of the 501
member's appointing authority, and the appointing authority may 502
remove an appointee the appointing authority has appointed at any 503
time and for any reason. Members of the board shall receive no 504
compensation but may be reimbursed for their necessary and actual 505
expenses incurred in the course of duties as board members. The 506
affirmative vote of a majority of the board is necessary to 507
transact business. 508

(B) An authority shall adopt bylaws for the regulation of its 509
affairs and the conduct of its business and shall provide for 510
public notice and opportunity for public comment on the 511
identification of transportation projects and plans for funding 512
the construction, operation, and maintenance of such projects. 513

(C) A transportation innovation authority is a body both 514
corporate and politic. The exercise by it of the powers conferred 515
by this chapter are considered to be essential governmental 516
functions and shall be governed by all applicable state and 517
federal laws in the planning, construction, operation, and 518

maintenance of transportation projects proposed to be undertaken 519
by the authority. 520

(D) Membership on the board of directors of a transportation 521
innovation authority is not the holding of a public office or 522
employment within the meaning of any section of the Revised Code 523
or any municipal charter provision prohibiting the holding of 524
other public office or employment. Membership on such a board is 525
not a direct or indirect interest in an agreement or expenditure 526
of money by a governmental agency with which a member may be 527
affiliated. Notwithstanding any provision of law or a municipal 528
charter to the contrary, no member of a board of directors of a 529
transportation innovation authority shall forfeit or be 530
disqualified from holding any public office or employment by 531
reason of membership on the board. 532

(E) The board of directors of a transportation innovation 533
authority is a public body for the purposes of section 121.22 of 534
the Revised Code. Chapter 2744. of the Revised Code applies to 535
such a board and the transportation innovation authority. 536

Sec. 5539.05. A transportation innovation authority may: 537

(A) Sue and be sued in its own name, plead, and be impleaded; 538
provided, any actions against the authority shall be brought in 539
the court of common pleas in the county in which the authority is 540
headquartered or in the court of common pleas of the county in 541
which the cause of action arose, and all summonses and notices of 542
any kind shall be served on the authority by leaving a copy 543
thereof at its headquarters; 544

(B) Purchase, construct, maintain, repair, sell, exchange, 545
police, operate, or lease a project as defined by this chapter; 546

(C) Make and enter into all contracts and agreements 547
necessary or incidental to the performance of its functions in 548

designing, planning, and implementing a project and the execution 549
of its powers under this chapter; 550

(D) Employ, retain, or contract for the services of 551
consultants, engineers, construction and accounting experts, 552
financial advisers, trustees, attorneys, or other employees, 553
independent contractors, or agents as are necessary in its 554
judgment for the exercise of its powers and performance of its 555
duties under this chapter; 556

(E) Acquire, hold, and dispose of property in the exercise of 557
its powers and the performance of its duties under this chapter; 558

(F) Direct its agents or employees, when properly identified 559
in writing and after reasonable notice, to enter upon lands within 560
its jurisdiction to make surveys and examinations preliminary to 561
the location and construction of projects for the authority, 562
without liability of the authority or its agents or employees 563
except for actual damages arising solely out of such entry; 564

(G) Enter into contracts, agreements, or any other 565
partnerships with private entities, where appropriate, to 566
streamline and enhance the planning and implementation and funding 567
of identified projects; 568

(H) Do all acts necessary and proper to carry out the powers 569
expressly granted in this chapter. 570

Sec. 5539.06. The board and members of a transportation 571
innovation authority created under this chapter shall encourage 572
the participation of all political subdivisions within the 573
geographic jurisdiction of the authority. An authority shall 574
invite the participation of any new community authority, county 575
transit system, regional transit authority, regional transit 576
commission, joint economic development zone or joint economic 577
development district, transportation improvement district, port 578

authority, or metropolitan planning organization whose 579
jurisdiction is within or substantially within the jurisdiction 580
identified by an authority. 581

Sec. 5539.07. (A) The director of transportation may provide 582
grants for planning and project development, funding from the 583
state infrastructure bank under section 5531.09 of the Revised 584
Code, and support for the priority transportation projects 585
identified by a transportation innovation authority. 586

(B) In accordance with Chapter 119. of the Revised Code, the 587
director may adopt rules to assist in the creation and operation 588
of transportation innovation authorities consistent with the 589
purposes of this chapter. 590

(C) The director shall issue an annual report to the general 591
assembly summarizing the effectiveness of the authorities created 592
under this chapter in identifying and funding the transportation 593
needs of the state. 594

Sec. 5539.08. (A) A transportation innovation authority shall 595
hold and apply such funds as it considers necessary to carry out 596
the powers and duties conferred by this chapter and as set forth 597
in the agreement adopted by the authority. 598

(B) An authority shall adopt an operating budget to hire 599
employees, contract for services, and conduct normal business 600
functions. All funding for such operating budget shall be paid 601
from contributions from each governmental agency constituting the 602
authority. No state funds shall be used for the operating budget 603
of an authority. 604

(C) An authority shall submit an annual audited financial 605
report to the general assembly and the director of transportation 606
setting forth all sources and uses of funds obtained or otherwise 607

generated by the authority and a detailed breakdown of the 608
different classes of expenditures made by the authority during 609
each calendar year of operation. Such report also shall contain 610
two-year budget projections for the operating expenses for the 611
authority and specific transportation project funding. 612

Sec. 5539.09. (A) A transportation innovation authority may 613
acquire by purchase, lease, lease-purchase, lease with option to 614
purchase, or otherwise, and in such manner and for such 615
consideration as it considers proper, any public or private 616
property necessary, convenient, or proper for the construction, 617
maintenance, repair, or operation of a transportation project. 618
Title to real and personal property shall be held in the name of 619
the authority. Except as otherwise agreed to by the owner, full 620
compensation shall be paid for public property taken. 621

(B) A governmental agency may exercise the power of eminent 622
domain to acquire property necessary for or in connection with a 623
transportation project, but only to the extent such power is 624
granted to the governmental agency individually. In any 625
proceedings for appropriation, the procedure to be followed shall 626
be in accordance with that provided in sections 163.01 to 163.22 627
of the Revised Code or as otherwise provided by law for the 628
governmental agency. Nothing in this chapter shall be construed as 629
permitting a transportation innovation authority to exercise the 630
power of eminent domain as a collective entity to acquire property 631
necessary for or in connection with a transportation project. 632

(C) This section does not authorize an authority to take or 633
disturb property or facilities belonging to any public utility or 634
to a common carrier engaged in interstate commerce if the property 635
or facilities are required for the proper and convenient operation 636
of the public utility or common carrier unless provision is made 637
for the restoration, relocation, replication, or duplication of 638

the property or facilities elsewhere at the sole cost of the 639
authority. 640

(D) Except as otherwise provided in this chapter, disposition 641
of real property shall be by sale, lease-purchase agreement, lease 642
with option to purchase, or otherwise in such manner and for such 643
consideration as the authority determines if to a governmental 644
agency or to a private entity involved in the transportation 645
project funding, and otherwise in the manner provided in section 646
5501.45 of the Revised Code for the disposition of property by the 647
director of transportation. Disposition of personal property shall 648
be in such manner and for such consideration as the authority 649
determines. 650

Sec. 5539.10. The board of directors of a transportation 651
innovation authority may acquire real property in fee simple in 652
the name of the authority in connection with, but in excess of 653
that needed for, a project, by any method other than appropriation 654
and hold the property for such period of time as the board 655
determines. All right, title, and interest of the authority in the 656
property may be sold at public auction or otherwise, as the board 657
considers in the best interests of the authority, but in no event 658
shall the property be sold for less than two-thirds of its 659
appraised value. Sale at public auction shall be undertaken only 660
after the board advertises the sale in a newspaper of general 661
circulation in the area of the jurisdiction of the authority for 662
at least two weeks prior to the date set for the sale. 663

Sec. 5539.11. (A) A governmental agency may fund or assist in 664
funding a transportation project as set forth in this chapter 665
using the authority granted to any governmental agency 666
participating as a member of a transportation innovation 667
authority, but only to the extent such power is granted to the 668
governmental agency individually. Nothing in this section shall be 669

construed as permitting a transportation innovation authority or 670
granting such authority the right to levy any fee, assessment, 671
payment, or tax as a collective entity. 672

(B) Projects identified by a transportation innovation 673
authority under this chapter may be funded through any combination 674
of revenue generated under the authority granted by this chapter 675
or under the authority granted to any governmental agency 676
participating as a member of an authority. Subject to the 677
following limitations, such funding sources may include special 678
fees and assessments levied by a governmental agency, fair share 679
payments, payments in lieu of property tax on improvements, cash 680
payments by private participants, dedicated portions of local 681
sales tax and local income tax receipts, loans or grants from 682
local, state, or federal sources, implementation of tolling 683
arrangements or other charges as authorized and governed by 684
section 5531.12 of the Revised Code, or any other revenue raising 685
or tax incentive authority available to an authority or any 686
governmental agency acting as a member of an authority: 687

(1) A transportation innovation authority may participate in 688
the levy of special assessments by a governmental agency to assist 689
in the payment of costs for the construction, reconstruction, 690
alteration, repair, improvement, operation, or management of an 691
identified transportation project if the authority determines that 692
the project will benefit the geographic area where the project 693
will be constructed, reconstructed, altered, repaired, improved, 694
operated, or maintained. 695

(2) When it is determined that a project will benefit both a 696
single political subdivision and the jurisdiction covered by an 697
authority as a whole, any governmental agency participating as a 698
member of a transportation innovation authority may exercise its 699
taxing authority on income, sales, or property under Title LVII of 700

the Revised Code, or provide for payments in lieu of property tax 701
on improvements, to benefit the entire jurisdiction covered by the 702
authority. 703

(3) A transportation innovation authority may obtain loans or 704
grants from local, state, or federal sources. Loans or grants from 705
federal or state sources may be used for funding transportation 706
projects and may not be applied to the operating expenses of an 707
authority. 708

(4) An authority may issue bonds to pay for all or part of 709
the cost of an identified project. 710

(5) When it is determined that a project will benefit both a 711
single political subdivision and the jurisdiction covered by an 712
authority as a whole, each governmental agency participating as a 713
member of the authority may issue bonds for a portion of the cost 714
of any project if Chapter 133. of the Revised Code would authorize 715
the issuance of those bonds as if the governmental agency alone 716
were undertaking the project, subject to the same conditions and 717
restrictions. 718

(6) Any governmental agency participating as a member of an 719
authority may appropriate money available to the agency to pay 720
costs incurred by the authority in the exercise of its powers and 721
duties. 722

(7) An authority may enter into agreements with private 723
entities to assist with the construction, improvement, operation, 724
or management of transportation projects. Such agreements may 725
include fair share payments to be made by the private entities to 726
fund the projects. 727

(8) An authority may charge tolls or fees for the use of its 728
transportation projects or facilities pursuant to section 5531.12 729
of the Revised Code. The authority may retain a portion of the 730
fees charged as its administrative fee, provided the amount of the 731

fee is reviewed and approved by the director of transportation on 732
an annual basis. All other revenues shall be utilized to support 733
construction, improvement, repair, maintenance, administration, 734
and operation costs for transportation projects within the 735
geographical jurisdiction of the authority. All projects for which 736
a toll or fee is proposed to be charged shall be subject to the 737
review and approval of the transportation review advisory council 738
in accordance with Chapter 5512. of the Revised Code. 739

(C) The exercise of the powers granted by this chapter is in 740
all respects for the benefit of the people of the state, for the 741
improvement of their safety, convenience, and welfare, and for the 742
enhancement of their residential, agricultural, recreational, 743
economic, commercial, and industrial opportunities and is a public 744
purpose. As the operation and maintenance of transportation 745
innovation projects constitute the performance of essential 746
governmental functions, a transportation innovation authority 747
shall not be required to pay any taxes or assessments upon any 748
transportation innovation project, or upon any property acquired 749
or used by the authority under this chapter, or upon the income 750
therefrom. The transfer to or from the transportation innovation 751
authority of title or possession of any transportation innovation 752
project, part thereof, or item included or to be included in any 753
such project, is not subject to the taxes levied pursuant to 754
Chapters 5739. and 5741. of the Revised Code, and any bonds and 755
notes, their transfer, and the income therefrom, including any 756
gain made on the sale thereof, shall at all times be free from 757
taxation within the state. 758

Section 2. That existing sections 5501.03, 5501.311, 5531.09, 759
and 5531.18 of the Revised Code are hereby repealed. 760