



# Ohio Legislative Service Commission

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## Bill Analysis

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### H.B. 53

128th General Assembly  
(As Introduced)

**Reps.** Gardner, Boose, J. Adams, Jordan, Wagner, Huffman, Stebelton

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### BILL SUMMARY

For a regional transit authority (RTA) that levies a property tax and that includes a county having a population of at least 400,000:

- Allows a county, municipal corporation, or township to withdraw from an RTA, if approved by a majority of the electors in the withdrawing subdivision.
  - Creates a procedure by which a county, municipal corporation, or township may join the RTA for three years or for an unlimited time, if approved by a majority of the electors of the subdivision proposing to join the RTA.
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### CONTENT AND OPERATION

#### Background

Under current law (R.C. 306.30 through 306.73), a regional transit authority (RTA) may be created by any county, any two or more counties, municipal corporations, or townships, or any combination of these entities for one or more of a variety of purposes generally pertaining to the provision of transit facilities. An RTA is created upon the adoption of a resolution or ordinance by the local governments proposing to create or join in its creation. Once created, an RTA is a political subdivision of the state, with the authority to levy and collect property and sales and use taxes, and to issue bonds secured by its general credit. Many of the governing principles of an RTA are generally authorized in statute, but the specific details are to be determined by the authorizing resolutions or ordinances.

Current law does not specifically address the manner in which an RTA may be dissolved or its membership modified; rather, the law provides that the resolutions or

ordinances creating the RTA may provide for its dissolution or modification in membership under circumstances described in them. The resolutions or ordinances must make due provision for the payment and performance of the RTA's obligations upon its dissolution or modification. Alternatively, an RTA may be dissolved or its membership modified by its board of trustees with the consent of the subdivisions that created the RTA. If an RTA is dissolved, RTA properties must be transferred to the creating subdivisions in such manner as may be agreed upon. (R.C. 306.54, not in the bill.)

Unless the resolutions or ordinances address the issue, or each subdivision in an RTA gives its consent, there is no provision in current law for one member of an RTA to withdraw from the RTA. The bill creates such a procedure for an RTA that levies a property tax and that includes a highly populated county. The bill also creates a new method by which subdivisions may join such an RTA.

### **Withdrawal from an RTA**

(R.C. 306.55)

Under the bill, any county, municipal corporation, or township that has created or joined an RTA that levies a property tax and that includes a county having a population of at least 400,000 according to the most recent federal census may withdraw from the RTA by adopting a resolution to submit the question of withdrawing from the RTA to the electors of the territory to be withdrawn. The subdivision proposing to withdraw must certify the proposal to the board of elections for the purpose of having the proposal placed on the ballot at the next general election or at a specified special election.

Upon certification of a proposal to the board of elections, the board must make the necessary arrangements for the submission of the question to the electors of the territory to be withdrawn from the RTA. The bill specifies the method of holding the election and the language of the question appearing on the ballot.

If the question is approved by at least a majority of the electors voting on the question, the withdrawal is effective one year from the date of the certification of its passage. The board of elections must certify the results of the election to the board or legislative authority of the subdivision that submitted the resolution to withdraw and to the board of trustees of the RTA from which the subdivision proposed to withdraw.

The bill specifies that if the question of withdrawing from the RTA is approved, the power of the RTA to levy a tax on taxable property in the withdrawing subdivision terminates; however, the RTA must continue to levy and collect taxes for the payment of indebtedness within the RTA territory as it existed at the time the indebtedness was

incurred. In addition, the RTA board of trustees must ascertain, apportion, and order a division between the RTA and withdrawing subdivision of the (1) funds on hand, (2) credits, (3) moneys, (4) taxes in the process of collection, except for taxes levied for the payment of indebtedness, and (5) real and personal property. This division may be either in money or in kind, on any equitable basis consistent with the resolutions creating the RTA and any agreements between the withdrawing subdivision and the RTA, taking into consideration the prior contributions of the withdrawing subdivision.

### **Additional procedure for joining an RTA**

(R.C. 306.322)

Continuing law authorizes an RTA to add counties, municipal corporations, or townships to the RTA in two ways: (1) by amendment of the ordinance or resolution creating the RTA and adoption of the amendment by all of the subdivisions that comprise the RTA, subject to referendum petition (R.C. 306.32), or (2) by approval of the electors when the RTA is renewing, increasing, or levying an additional property tax or "piggyback" sales and use tax after the enlarged RTA is created (R.C. 306.321). The bill creates an additional procedure by which an RTA that levies a property tax and includes a county having a population of at least 400,000 according to the most recent federal census may be enlarged. A county, municipal corporation, or township may adopt a resolution or ordinance proposing to join such an RTA for three years, or without any time limit, by submitting a copy of the resolution or ordinance to each of the subdivisions comprising the RTA. Within 30 days of receiving the copy, each of those subdivisions must consider the question of whether to include the additional subdivision in the RTA and, in turn, must adopt a resolution or ordinance approving or rejecting the inclusion of the additional subdivision. These resolutions or ordinances must be presented to the RTA's board of trustees.

If a majority of the subdivisions comprising the RTA approve the inclusion of the additional subdivision, the RTA's board of trustees, not later than the tenth day following the day on which the last ordinance or resolution is presented, must notify the proposing subdivision that it may certify the proposal to the board of elections for inclusion on the ballot at the next general election or at a special election held on the day of the next primary election that occurs not less than 75 days after certification of the resolution or ordinance.

The bill requires the board of election to make arrangements for the submission of the question to the electors of the territory to be included in the RTA that are qualified to vote on the question. The election must be held in the same manner as regular elections for the election of officers of the subdivision proposing to join the RTA. The bill specifies two options for the ballot language, depending on whether the

resolution or ordinance proposes to join the RTA for three years, or join it for an unlimited period of time. In both cases, the ballot language must present the question of whether a tax should be levied for all transit purposes, or for all transit purposes for three years, stating the type and rate of the tax or taxes to be levied.

If addition of the subdivision to the RTA and the tax levy or levies are approved by at least a majority of the electors voting on the question, the RTA immediately must amend the resolution or ordinance that created the RTA to include the additional subdivision. The addition of the new territory is immediately effective, and the RTA may extend the tax levy against the taxable property within the territory that was added. Depending on the time of year the election was held, the RTA may amend its budget and place the tax levy on the current tax list and duplicate, and commence collection of the tax within its territorial boundaries, including the territory added. If the RTA's budget is amended in this manner, the county auditor must prepare and deliver an amended certificate of estimated resources to reflect the change in the RTA's anticipated revenues.

If the subdivision was added to the RTA for only three years, the subdivision's territory must be removed from the RTA territory three years after the date it was added, as determined in the effective date of the election, and is no longer a part of that RTA without any further action by either the subdivisions that were included in the RTA prior to the election or the subdivision added to the RTA as a result of the election. The RTA, as reduced, is entitled to levy and collect any property taxes it was authorized to levy and collect prior to enlargement of the RTA territory and for which authorization has not expired, as if the enlargement had not occurred.

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## HISTORY

ACTION	DATE
Introduced	03-03-09

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