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**Committees:**

- Finance – *Ranking Minority Member*
- Agriculture
- Energy and Natural Resources
- Finance – General Government & Agency Review Subcommittee
- Government Oversight and Reform
- Judiciary

**Before the House Finance Committee**  
**Substitute Senate Bill 51 – Inclusion of Shoreline Protection Projects in Special Improvement Districts**  
**Sponsor Testimony by Senators Michael J. Skindell and John Eklund**  
**November 27, 2018**

Chairman Ryan, Vice Chair Lipps, Ranking Member Cera and members of the House Finance Committee, thank you for the opportunity to provide sponsor testimony on Substitute SB 51. It is a pleasure to be joined by Senator Eklund as a sponsor of this important legislation. We have previously introduced similar legislation in prior General Assemblies.

The goal of Sub SB 51 is to include shoreline improvement projects and erosion control measures in the section of the Revised Code allowing for the establishment of Special Improvement Districts. This inclusion will enable homeowners on shorelines adjacent to Lake Erie to undertake cost-effective measures to abate and prevent erosion on their property.

Property erosion is a serious problem along the shoreline of Lake Erie. This causes significant damage to real property and structures there. In many instances, paying for damage due to this erosion as well as measures for abatement and prevention are very expensive and cost-prohibitive. In numerous cases with respect to property owners along Lake Erie, they have had to take out second mortgages to pay for these repairs and improvements. This leads to additional financial problems when these property owners attempt to sell their property.

Studies have shown that the most effective method to deal with erosion problems is on a “reach basis” such as this<sup>1</sup>. In essence, through a joint project along a reach shoreline, residents may invest in structurally and economically improved protection through the assistance of political subdivisions within the area being able to secure adequate financing for well-designed, well-constructed group erosion-control measures<sup>2</sup>.

A Special Improvement District may be created within the boundaries of any one municipal corporation, any one township or any combination of contiguous municipal corporations and townships for the purpose of developing and implementing plans for public improvements and public services that benefit the district. This is currently provided for in ORC § 1710.02. According to the legislation, “Shoreline Improvement Project” entails acquiring, constructing,

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<sup>1</sup> “Erosion Abatement Tips, Assessment, and Assistance”. Ohio Sea Grant College Program. FS-)84.

<sup>2</sup> *Id.*

installing, equipping, improving, maintaining, or repairing real or tangible personal property necessary or useful for making improvements to abate erosion along the Lake Erie shoreline.

These Special Improvement Districts are meant to provide a cost-effective and affordable mechanism for property owners within it to invest in public improvements and public services that benefit the district. The costs for these improvements are spread out and added to the real property taxes of the property owners to provide for its funding. The funding collected is then used to implement the needed infrastructure, services and improvements. When real property is sold in these districts, the property tax and funding runs with the property, much like a covenant that runs with the land in a real estate transaction. Further, all activities with these projects are to abide by all local zoning requirements, all state and federal environmental laws and regulations and all applicable requirements under the coastal management provisions of the Ohio Revised Code as well as the rules adopted under them.

Even though the petition creating a shoreline improvement must be signed by 100% of the property owners within the district, there was a provision added in the Senate that creates a special exception if the owners' property is part of a planned community or a condominium development. In that case, that owner is deemed to have signed the petition if the petition is approved through a vote of the owners association described in their bylaws. This exception applied only to shoreline improvement SIDs.

Another provision added in the Senate specifies that, even if portions of Lake Erie are included in a SID, the State remains exempt from any special assessment levied.

By including Shoreline Improvement Projects in Special Improvement Districts, political subdivisions within the area may secure financing that will spread the cost of these much-needed infrastructure improvements; thus, making what was very expensive, and at times cost-prohibitive, affordable for these property owners.

Chairman Ryan, Vice Chair Lipps, Ranking Member Cera and members of the House Finance Committee, we thank you for your consideration of Sub SB 51. We would be happy to answer any questions relating to this legislation.