As Introduced

133rd General Assembly
Regular Session 2019-2020

H. B. No. 252

Representative Greenspan

A BILL

To amend sections 122.011 and 1724.02 and to enact section 1724.13 of the Revised Code to create the Land Reutilization Demolition Program and to make an appropriation.

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

Section 1. That sections 122.011 and 1724.02 be amended and section 1724.13 of the Revised Code be enacted to read as follows:

Sec. 122.011. (A) The development services agency shall develop and promote plans and programs designed to assure that state resources are efficiently used, economic growth is properly balanced, community growth is developed in an orderly manner, and local governments are coordinated with each other and the state, and for such purposes may do all of the following:

(1) Serve as a clearinghouse for information, data, and other materials that may be helpful or necessary to persons or local governments, as provided in section 122.073 of the Revised Code;

(2) Prepare and activate plans for the retention,
development, expansion, and use of the resources and commerce of the state, as provided in section 122.04 of the Revised Code;

(3) Assist and cooperate with federal, state, and local governments and agencies of federal, state, and local governments in the coordination of programs to carry out the functions and duties of the agency;

(4) Encourage and foster research and development activities, conduct studies related to the solution of community problems, and develop recommendations for administrative or legislative actions, as provided in section 122.03 of the Revised Code;

(5) Serve as the economic and community development planning agency, which shall prepare and recommend plans and programs for the orderly growth and development of this state and which shall provide planning assistance, as provided in section 122.06 of the Revised Code;

(6) Cooperate with and provide technical assistance to state departments, political subdivisions, regional and local planning commissions, tourist associations, councils of government, community development groups, community action agencies, and other appropriate organizations for carrying out the functions and duties of the development services agency or for the solution of community problems;

(7) Coordinate the activities of state agencies that have an impact on carrying out the functions and duties of the development services agency;

(8) Encourage and assist the efforts of and cooperate with local governments to develop mutual and cooperative solutions to their common problems that relate to carrying out the purposes
of this section;

(9) Study existing structure, operations, and financing of regional or local government and those state activities that involve significant relations with regional or local governmental units, recommend to the governor and to the general assembly such changes in these provisions and activities as will improve the operations of regional or local government, and conduct other studies of legal provisions that affect problems related to carrying out the purposes of this section;

(10) Create and operate a division of community development to develop and administer programs and activities that are authorized by federal statute or the Revised Code;

(11) Until October 15, 2007, establish fees and charges, in consultation with the director of agriculture, for purchasing loans from financial institutions and providing loan guarantees under the family farm loan program created under sections 901.80 to 901.83 of the Revised Code;

(12) Provide loan servicing for the loans purchased and loan guarantees provided under section 901.80 of the Revised Code as that section existed prior to October 15, 2007;

(13) Until October 15, 2007, and upon approval by the controlling board under division (A)(3) of section 901.82 of the Revised Code of the release of money to be used for purchasing a loan or providing a loan guarantee, request the release of that money in accordance with division (B) of section 166.03 of the Revised Code for use for the purposes of the fund created by section 166.031 of the Revised Code.

(14) Allocate that portion of the national recovery zone economic development bond limitation and that portion of the
national recovery zone facility bond limitation that has been
allocated to the state under section 1400U-1 of the Internal
Revenue Code, 26 U.S.C. 1400U-1. If any county or municipal
corporation waives any portion of an allocation it receives
under division (A)(14) of this section, the agency may
reallocate that amount. Any allocation or reallocation shall be
made in accordance with this section and section 1400U-1 of the
Internal Revenue Code.

(B) The director of development services may request the
attorney general to, and the attorney general, in accordance
with section 109.02 of the Revised Code, shall bring a civil
action in any court of competent jurisdiction. The director may
be sued in the director's official capacity, in connection with
this chapter, in accordance with Chapter 2743. of the Revised
Code.

(C) The director shall execute a contract pursuant to
section 187.04 of the Revised Code with the nonprofit
corporation formed under section 187.01 of the Revised Code, and
may execute any additional contracts with the corporation
providing for the corporation to assist the director or agency
in carrying out any duties of the director or agency under this
chapter, under any other provision of the Revised Code dealing
with economic development, or under a contract with the
director, subject to section 187.04 of the Revised Code.

(D) The director shall administer the land reutilization
demolition program under section 1724.13 of the Revised Code.

Sec. 1724.02. (A) In furtherance of the purposes set forth
in section 1724.01 of the Revised Code, a community improvement
corporation shall have the following powers:
(1)(a) To borrow money for any of the purposes of the community improvement corporation by means of loans, lines of credit, or any other financial instruments or securities, including the issuance of its bonds, debentures, notes, or other evidences of indebtedness, whether secured or unsecured, and to secure the same by mortgage, pledge, deed of trust, or other lien on its property, franchises, rights, and privileges of every kind and nature or any part thereof or interest therein; and

(b) If the community improvement corporation is a county land reutilization corporation, the corporation may request, by resolution:

(i) That the board of county commissioners of the county served by the corporation pledge a specifically identified source or sources of revenue pursuant to division (C) of section 307.78 of the Revised Code as security for such borrowing by the corporation; and

(ii)(I) If the land subject to reutilization is located within an unincorporated area of the county, that the board of county commissioners issue notes under section 307.082 of the Revised Code for the purpose of constructing public infrastructure improvements and take other actions as the board determines are in the interest of the county and are authorized under sections 5709.78 to 5709.81 of the Revised Code or bonds or notes under section 5709.81 of the Revised Code for the refunding purposes set forth in that section; or

(II) If the land subject to reutilization is located within the corporate boundaries of a municipal corporation, that the municipal corporation issue bonds for the purpose of constructing public infrastructure improvements and take such
other actions as the municipal corporation determines are in its interest and are authorized under sections 5709.40 to 5709.43 of the Revised Code.

(2) To make loans to any person, firm, partnership, corporation, joint stock company, association, or trust, and to establish and regulate the terms and conditions with respect to any such loans; provided that an economic development corporation shall not approve any application for a loan unless and until the person applying for said loan shows that the person has applied for the loan through ordinary banking or commercial channels and that the loan has been refused by at least one bank or other financial institution. Nothing in this division shall preclude a county land reutilization corporation from making revolving loans to community development corporations, private entities, or any person for the purposes contained in the corporation's plan under section 1724.10 of the Revised Code.

(3) To purchase, receive, hold, manage, lease, lease-purchase, or otherwise acquire and to sell, convey, transfer, lease, sublease, or otherwise dispose of real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof, including but not restricted to, any real or personal property acquired by the community improvement corporation from time to time in the satisfaction of debts or enforcement of obligations, and to enter into contracts with third parties, including the federal government, the state, any political subdivision, or any other entity. A county land reutilization corporation shall not acquire an interest in real property if such acquisition causes the number of occupied real properties held by the corporation to exceed the greater of either fifty properties or twenty-five
per cent of all real property held by the corporation for
reutilization, reclamation, or rehabilitation. For the purposes
of this division, "occupied real properties" includes all real
properties that are not unoccupied as that term is defined in
section 323.65 of the Revised Code.

(4) To acquire the good will, business, rights, real and
personal property, and other assets, or any part thereof, or
interest therein, of any persons, firms, partnerships,
corporations, joint stock companies, associations, or trusts,
and to assume, undertake, or pay the obligations, debts, and
liabilities of any such person, firm, partnership, corporation,
joint stock company, association, or trust; to acquire, reclaim,
manage, or contract for the management of improved or unimproved
and underutilized real estate for the purpose of constructing
industrial plants, other business establishments, or housing
thereon, or causing the same to occur, for the purpose of
assembling and enhancing utilization of the real estate, or for
the purpose of disposing of such real estate to others in whole
or in part for the construction of industrial plants, other
business establishments, or housing; and to acquire, reclaim,
manage, contract for the management of, construct or
reconstruct, alter, repair, maintain, operate, sell, convey,
transfer, lease, sublease, or otherwise dispose of industrial
plants, business establishments, or housing.

(5) To acquire, subscribe for, own, hold, sell, assign,
transfer, mortgage, pledge, or otherwise dispose of the stock,
shares, bonds, debentures, notes, or other securities and
evidences of interest in, or indebtedness of, any person, firm,
corporation, joint stock company, association, or trust, and
while the owner or holder thereof, to exercise all the rights,
powers, and privileges of ownership, including the right to vote
therein, provided that no tax revenue, if any, received by a community improvement corporation shall be used for such acquisition or subscription.

(6) To mortgage, pledge, or otherwise encumber any property acquired pursuant to the powers contained in division (A)(3), (4), or (5) of this section.

(7) Nothing in this section shall limit the right of a community improvement corporation to become a member of or a stockholder in a corporation formed under Chapter 1726. of the Revised Code.

(8) To serve as an agent for grant applications and for the administration of grants, or to make applications as principal for grants for county land reutilization corporations.

(9) To demolish, and fund the demolition of, structures through the land reutilization demolition program established under section 1724.13 of the Revised Code.

(10) To exercise the powers enumerated under Chapter 5722. of the Revised Code on behalf of a county that organizes or contracts with a county land reutilization corporation.

(10)-(11) To engage in code enforcement and nuisance abatement, including, but not limited to, cutting grass and weeds, boarding up vacant or abandoned structures, and demolishing condemned structures on properties that are subject to a delinquent tax or assessment lien, or property for which a municipal corporation or township has contracted with a county land reutilization corporation to provide code enforcement or nuisance abatement assistance.

(11)-(12) To charge fees or exchange in-kind goods or services for services rendered to political subdivisions and
other persons or entities for whom services are rendered.

(12)–(13) To employ and provide compensation for an executive director who shall manage the operations of a county land reutilization corporation and employ others for the benefit of the corporation as approved and funded by the board of directors. No employee of the corporation is or shall be deemed to be an employee of the political subdivision for whose benefit the corporation is organized solely because the employee is employed by the corporation.

(13)–(14) To purchase tax certificates at auction, negotiated sale, or from a third party who purchased and is a holder of one or more tax certificates issued pursuant to sections 5721.30 to 5721.43 of the Revised Code.

(14)–(15) To be assigned a mortgage on real property from a mortgagee in lieu of acquiring such real property subject to a mortgage.

(15)–(16) To do all acts and things necessary or convenient to carry out the purposes of section 1724.01 of the Revised Code and the powers especially created for a community improvement corporation in Chapter 1724. of the Revised Code, including, but not limited to, contracting with the federal government, the state or any political subdivision, a board of county commissioners pursuant to section 307.07 of the Revised Code, a county auditor pursuant to section 319.10 of the Revised Code, a county treasurer pursuant to section 321.49 of the Revised Code, and any other party, whether nonprofit or for-profit. An employee of a board of county commissioners, county auditor, or county treasurer who, pursuant to a contract entered into in accordance with section 307.07, 319.10, or 321.49 of the Revised Code, provides services to a county land reutilization
corporation shall remain an employee of the county during the provision of those services.

(B) The powers enumerated in this chapter shall not be construed to limit the general powers of a community improvement corporation. The powers granted under this chapter are in addition to those powers granted by any other chapter of the Revised Code, but, as to a county land reutilization corporation, shall be used only for the purposes enumerated under division (B)(2) of section 1724.01 of the Revised Code.

(C) Ownership of real property by an economic development corporation does not constitute public ownership unless the economic development corporation has applied for and been granted a tax exemption for the property under section 5709.08 of the Revised Code.

Sec. 1724.13. (A) As used in this section, "blighted parcel" has the same meaning as in section 1.08 of the Revised Code.

(B) The land reutilization demolition program is hereby created to fund the demolition of structures on blighted parcels.

(C) The director of development services shall administer the land reutilization demolition program by awarding grants to county land reutilization corporations for the purpose of funding demolitions on blighted parcels. The director may award grants for that purpose subject to both of the following conditions:

(1) A county land reutilization corporation that receives a grant from the land reutilization demolition program commits additional funds, in an amount that is equal to or greater than
the amount of the grant, to the demolition of structures on
blighted parcels.

(2) Any other condition on the use of funds the director
finds appropriate.

(D) The director shall not, during any fiscal year, award
any county land reutilization corporation more than twenty per
cent of the funds appropriated to the land reutilization
demolition program by the general assembly in that fiscal year.

Section 2. That existing sections 122.011 and 1724.02 of
the Revised Code are hereby repealed.

Section 3. All items in this section are hereby
appropriated as designated out of any moneys in the state
treasury to the credit of the designated fund. For all
appropriations made in this act, those in the first column are
for fiscal year 2020 and those in the second column are for
fiscal year 2021. The appropriations made in this act are in
addition to any other appropriations made for the FY 2020-FY
2021 biennium.

DEV DEVELOPMENT SERVICES AGENCY

General Revenue Fund

GRF 195400 Land Reutilization Demolition Program $50,000,000 $50,000,000

TOTAL GRF General Revenue Fund $50,000,000 $50,000,000

TOTAL ALL BUDGET FUND GROUPS $50,000,000 $50,000,000

LAND REUTILIZATION DEMOLITION PROGRAM

The foregoing appropriation item 195400, Land
Reutilization Demolition Program, shall be used for the Land
Reutilization Demolition Program as described under section 1724.13 of the Revised Code.

Section 4. Within the limits set forth in this act, the Director of Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation made in this act, and shall determine the form and manner in which appropriation accounts shall be maintained. Expenditures from appropriations contained in this act shall be accounted for as though made in the main operating appropriations act of the 133rd General Assembly.

The appropriations made in this act are subject to all provisions of the main operating appropriations act of the 133rd General Assembly that are generally applicable to such appropriations.