

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**S. B. No. 51**

**Senators Skindell, Eklund**

**Cosponsors: Senators Thomas, Schiavoni, Williams, Hite**

---

**A BILL**

To amend sections 1710.01 and 1710.02 of the 1  
Revised Code to authorize the creation of a 2  
special improvement district to facilitate Lake 3  
Erie shoreline improvement. 4

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

**Section 1.** That sections 1710.01 and 1710.02 of the 5  
Revised Code be amended to read as follows: 6

**Sec. 1710.01.** As used in this chapter: 7

(A) "Special improvement district" means a special 8  
improvement district organized under this chapter. 9

(B) "Church" means a fellowship of believers, 10  
congregation, society, corporation, convention, or association 11  
that is formed primarily or exclusively for religious purposes 12  
and that is not formed for the private profit of any person. 13

(C) "Church property" means property that is described as 14  
being exempt from taxation under division (A) (2) of section 15  
5709.07 of the Revised Code and that the county auditor has 16  
entered on the exempt list compiled under section 5713.07 of the 17

Revised Code.	18
(D) "Municipal executive" means the mayor, city manager, or other chief executive officer of the municipal corporation in which a special improvement district is located.	19 20 21
(E) "Participating political subdivision" means the municipal corporation or township, or each of the municipal corporations or townships, that has territory within the boundaries of a special improvement district created under this chapter.	22 23 24 25 26
(F) "Legislative authority of a participating political subdivision" means, with reference to a township, the board of township trustees.	27 28 29
(G) "Public improvement" means the planning, design, construction, reconstruction, enlargement, or alteration of any facility or improvement, including the acquisition of land, for which a special assessment may be levied under Chapter 727. of the Revised Code, and includes any special energy improvement <u>project or shoreline improvement project.</u>	30 31 32 33 34 35
(H) "Public service" means any service that can be provided by a municipal corporation or any service for which a special assessment may be levied under Chapter 727. of the Revised Code.	36 37 38 39
(I) "Special energy improvement project" means any property, device, structure, or equipment necessary for the acquisition, installation, equipping, and improvement of any real or personal property used for the purpose of creating a solar photovoltaic project, a solar thermal energy project, a geothermal energy project, a customer-generated energy project, or an energy efficiency improvement, whether such real or	40 41 42 43 44 45 46

personal property is publicly or privately owned. 47

(J) "Existing qualified nonprofit corporation" means a 48  
nonprofit corporation that existed before the creation of the 49  
corresponding district under this chapter, that is composed of 50  
members located within or adjacent to the district, that has 51  
established a police department under section 1702.80 of the 52  
Revised Code, and that is organized for purposes that include 53  
acquisition of real property within an area specified by its 54  
articles for the subsequent transfer of such property to its 55  
members exclusively for charitable, scientific, literary, or 56  
educational purposes, or holding and maintaining and leasing 57  
such property; planning for and assisting in the development of 58  
its members; providing for the relief of the poor and distressed 59  
or underprivileged in the area and adjacent areas; combating 60  
community deterioration and lessening the burdens of government; 61  
providing or assisting others in providing housing for low- or 62  
moderate-income persons; and assisting its members by the 63  
provision of public safety and security services, parking 64  
facilities, transit service, landscaping, and parks. 65

(K) "Energy efficiency improvement" means energy 66  
efficiency technologies, products, and activities that reduce or 67  
support the reduction of energy consumption, allow for the 68  
reduction in demand, or support the production of clean, 69  
renewable energy and that are or will be permanently fixed to 70  
real property. 71

(L) "Customer-generated energy project" means a wind, 72  
biomass, or gasification facility for the production of 73  
electricity that meets either of the following requirements: 74

(1) The facility is designed to have a generating capacity 75  
of two hundred fifty kilowatts of electricity or less. 76

(2) The facility is:	77
(a) Designed to have a generating capacity of more than two hundred fifty kilowatts of electricity;	78 79
(b) Operated in parallel with electric transmission and distribution facilities serving the real property at the site of the customer-generated energy project;	80 81 82
(c) Intended primarily to offset part or all of the facility owner's requirements for electricity at the site of the customer-generated energy project and is located on the facility owner's real property; and	83 84 85 86
(d) Not producing energy for direct sale by the facility owner to the public.	87 88
(M) "Reduction in demand" means a change in customer behavior or a change in customer-owned or operated assets that reduces or has the capability to reduce the demand for electricity as a result of price signals or other incentives.	89 90 91 92
(N) "Electric distribution utility" and "mercantile customer" have the same meanings as in section 4928.01 of the Revised Code.	93 94 95
<u>(O) "Shoreline improvement project" means acquiring, constructing, 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.</u>	96 97 98 99 100
<b>Sec. 1710.02.</b> (A) 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	101 102 103 104

implementing plans for public improvements and public services 105  
that benefit the district. A district may be created by petition 106  
of the owners of real property within the proposed district, or 107  
by an existing qualified nonprofit corporation. If the district 108  
is created by an existing qualified nonprofit corporation, the 109  
purposes for which the district is created may be supplemental 110  
to the other purposes for which the corporation is organized. 111  
All territory in a special improvement district shall be 112  
contiguous; except that the territory in a special improvement 113  
district may be noncontiguous if at least one special energy 114  
improvement project or shoreline improvement project is 115  
designated for each parcel of real property included within the 116  
special improvement district. Additional territory may be added 117  
to a special improvement district created under this chapter for 118  
the purpose of developing and implementing plans for special 119  
energy improvement projects or shoreline improvement projects if 120  
at least one special energy improvement project or shoreline 121  
improvement project, respectively, is designated for each parcel 122  
of real property included within such additional territory and 123  
the addition of territory is authorized by the initial plan 124  
proposed under division (F) of this section or a plan adopted by 125  
the board of directors of the special improvement district under 126  
section 1710.06 of the Revised Code. 127

The district shall be governed by the board of trustees of 128  
a nonprofit corporation. This board shall be known as the board 129  
of directors of the special improvement district. No special 130  
improvement district shall include any church property, or 131  
property of the federal or state government or a county, 132  
township, or municipal corporation, unless the church or the 133  
county, township, or municipal corporation specifically requests 134  
in writing that the property be included within the district, or 135

unless the church is a member of the existing qualified 136  
nonprofit corporation creating the district at the time the 137  
district is created. A special improvement district created to 138  
implement a shoreline improvement project may include property 139  
held by the state in trust for the people. More than one 140  
district may be created within a participating political 141  
subdivision, but no real property may be included within more 142  
than one district unless the owner of the property files a 143  
written consent with the clerk of the legislative authority, the 144  
township fiscal officer, or the village clerk, as appropriate. 145  
The area of each district shall be contiguous; except that the 146  
area of a special improvement district may be noncontiguous if 147  
all parcels of real property included within such area contain 148  
at least one special energy improvement or shoreline improvement 149  
thereon. 150

(B) Except as provided in division (C) of this section, a 151  
district created under this chapter is not a political 152  
subdivision. A district created under this chapter shall be 153  
considered a public agency under section 102.01 and a public 154  
authority under section 4115.03 of the Revised Code. Each member 155  
of the board of directors of a district, each member's designee 156  
or proxy, and each officer and employee of a district shall be 157  
considered a public official or employee under section 102.01 of 158  
the Revised Code and a public official and public servant under 159  
section 2921.42 of the Revised Code. Districts created under 160  
this chapter are not subject to sections 121.81 to 121.83 of the 161  
Revised Code. Districts created under this chapter are subject 162  
to sections 121.22 and 121.23 of the Revised Code. 163

(C) Each district created under this chapter shall be 164  
considered a political subdivision for purposes of section 165  
4905.34 of the Revised Code. 166

Membership on the board of directors of the district shall 167  
not be considered as holding a public office. Directors and 168  
their designees shall be entitled to the immunities provided by 169  
Chapter 1702. and to the same immunity as an employee under 170  
division (A) (6) of section 2744.03 of the Revised Code, except 171  
that directors and their designees shall not be entitled to the 172  
indemnification provided in section 2744.07 of the Revised Code 173  
unless the director or designee is an employee or official of a 174  
participating political subdivision of the district and is 175  
acting within the scope of the director's or designee's 176  
employment or official responsibilities. 177

District officers and district members and directors and 178  
their designees or proxies shall not be required to file a 179  
statement with the Ohio ethics commission under section 102.02 180  
of the Revised Code. All records of the district shall be 181  
treated as public records under section 149.43 of the Revised 182  
Code, except that records of organizations contracting with a 183  
district shall not be considered to be public records under 184  
section 149.43 or section 149.431 of the Revised Code solely by 185  
reason of any contract with a district. 186

(D) Except as otherwise provided in this section, the 187  
nonprofit corporation that governs a district shall be organized 188  
in the manner described in Chapter 1702. of the Revised Code. 189  
Except in the case of a district created by an existing 190  
qualified nonprofit corporation, the corporation's articles of 191  
incorporation are required to be approved, as provided in 192  
division (E) of this section, by resolution of the legislative 193  
authority of each participating political subdivision of the 194  
district. A copy of that resolution shall be filed along with 195  
the articles of incorporation in the secretary of state's 196  
office. 197

In addition to meeting the requirements for articles of incorporation set forth in Chapter 1702. of the Revised Code, the articles of incorporation for the nonprofit corporation governing a district formed under this chapter shall provide all the following:

(1) The name for the district, which shall include the name of each participating political subdivision of the district;

(2) A description of the territory within the district, which may be all or part of each participating political subdivision. The description shall be specific enough to enable real property owners to determine if their property is located within the district.

(3) A description of the procedure by which the articles of incorporation may be amended. The procedure shall include receiving approval of the amendment, by resolution, from the legislative authority of each participating political subdivision and filing the approved amendment and resolution with the secretary of state.

(4) The reasons for creating the district, plus an explanation of how the district will be conducive to the public health, safety, peace, convenience, and welfare of the district.

(E) The articles of incorporation for a nonprofit corporation governing a district created under this chapter and amendments to them shall be submitted to the municipal executive, if any, and the legislative authority of each municipal corporation or township in which the proposed district is to be located. Except in the case of a district created by an existing qualified nonprofit corporation, the articles or

amendments shall be accompanied by a petition signed either by 227  
the owners of at least sixty per cent of the front footage of 228  
all real property located in the proposed district that abuts 229  
upon any street, alley, public road, place, boulevard, parkway, 230  
park entrance, easement, or other existing public improvement 231  
within the proposed district, excluding church property or 232  
property owned by the state, county, township, municipal, or 233  
federal government, unless a church, county, township, or 234  
municipal corporation has specifically requested in writing that 235  
the property be included in the district, or by the owners of at 236  
least seventy-five per cent of the area of all real property 237  
located within the proposed district, excluding church property 238  
or property owned by the state, county, township, municipal, or 239  
federal government, unless a church, county, township, or 240  
municipal corporation has specifically requested in writing that 241  
the property be included in the district. Pursuant to Section 2o 242  
of Article VIII, Ohio Constitution, the petition required under 243  
this division may be for the purpose of developing and 244  
implementing plans for special energy improvement projects or 245  
shoreline improvement projects, and, in such case, is determined 246  
to be in furtherance of the purposes set forth in Section 2o of 247  
Article VIII, Ohio Constitution. If a special improvement 248  
district is being created under this chapter for the purpose of 249  
developing and implementing plans for special energy improvement 250  
projects, the petition required under this division shall be 251  
signed by one hundred per cent of the owners of the area of all 252  
real property located within the proposed special improvement 253  
district, at least one special energy improvement project shall 254  
be designated for each parcel of real property within the 255  
special improvement district, and the special improvement 256  
district may include any number of parcels of real property as 257  
determined by the legislative authority of each participating 258

political subdivision in which the proposed special improvement 259  
district is to be located. For purposes of determining 260  
compliance with these requirements, the area of the district, or 261  
the front footage and ownership of property, shall be as shown 262  
in the most current records available at the county recorder's 263  
office and the county engineer's office sixty days prior to the 264  
date on which the petition is filed. 265

Each municipal corporation or township with which the 266  
petition is filed has sixty days to approve or disapprove, by 267  
resolution, the petition, including the articles of 268  
incorporation. In the case of a district created by an existing 269  
qualified nonprofit corporation, each municipal corporation or 270  
township has sixty days to approve or disapprove the creation of 271  
the district after the corporation submits the articles of 272  
incorporation or amendments thereto. This chapter does not 273  
prohibit or restrict the rights of municipal corporations under 274  
Article XVIII of the Ohio Constitution or the right of the 275  
municipal legislative authority to impose reasonable conditions 276  
in a resolution of approval. The acquisition, installation, 277  
equipping, and improvement of a special energy improvement 278  
project under this chapter shall not supersede any local zoning, 279  
environmental, or similar law or regulation. In addition, all 280  
activities associated with a shoreline improvement project that 281  
is implemented under this chapter shall comply with all 282  
applicable local zoning requirements, all local, state, and 283  
federal environmental laws and regulations, and all applicable 284  
requirements established in Chapter 1506. of the Revised Code 285  
and rules adopted under it. 286

(F) Persons proposing creation and operation of the 287  
district may propose an initial plan for public services or 288  
public improvements that benefit all or any part of the 289

district. Any initial plan shall be submitted as part of the 290  
petition proposing creation of the district or, in the case of a 291  
district created by an existing qualified nonprofit corporation, 292  
shall be submitted with the articles of incorporation or 293  
amendments thereto. 294

An initial plan may include provisions for the following: 295

(1) Creation and operation of the district and of the 296  
nonprofit corporation to govern the district under this chapter; 297

(2) Hiring employees and professional services; 298

(3) Contracting for insurance; 299

(4) Purchasing or leasing office space and office 300  
equipment; 301

(5) Other actions necessary initially to form, operate, or 302  
organize the district and the nonprofit corporation to govern 303  
the district; 304

(6) A plan for public improvements or public services that 305  
benefit all or part of the district, which plan shall comply 306  
with the requirements of division (A) of section 1710.06 of the 307  
Revised Code and may include, but is not limited to, any of the 308  
permissive provisions described in the fourth sentence of that 309  
division or listed in divisions (A)(1) to (7) of that section; 310

(7) If the special improvement district is being created 311  
under this chapter for the purpose of developing and 312  
implementing plans for special energy improvement projects or 313  
shoreline improvement projects, provision for the addition of 314  
territory to the special improvement district. 315

After the initial plan is approved by all municipal 316  
corporations and townships to which it is submitted for approval 317

and the district is created, each participating subdivision 318  
shall levy a special assessment within its boundaries to pay for 319  
the costs of the initial plan. The levy shall be for no more 320  
than ten years from the date of the approval of the initial 321  
plan; except that if the proceeds of the levy are to be used to 322  
pay the costs of a special energy improvement project or 323  
shoreline improvement project, the levy of a special assessment 324  
shall be for no more than thirty years from the date of approval 325  
of the initial plan. In the event that additional territory is 326  
added to a special improvement district, the special assessment 327  
to be levied with respect to such additional territory shall 328  
commence not earlier than the date such territory is added and 329  
shall be for no more than thirty years from such date. For 330  
purposes of levying an assessment for this initial plan, the 331  
services or improvements included in the initial plan shall be 332  
deemed a special benefit to property owners within the district. 333

(G) Each nonprofit corporation governing a district under 334  
this chapter may do the following: 335

(1) Exercise all powers of nonprofit corporations granted 336  
under Chapter 1702. of the Revised Code that do not conflict 337  
with this chapter; 338

(2) Develop, adopt, revise, implement, and repeal plans 339  
for public improvements and public services for all or any part 340  
of the district; 341

(3) Contract with any person, political subdivision as 342  
defined in section 2744.01 of the Revised Code, or state agency 343  
as defined in section 1.60 of the Revised Code to develop and 344  
implement plans for public improvements or public services 345  
within the district; 346

(4) Contract and pay for insurance for the district and 347  
for directors, officers, agents, contractors, employees, or 348  
members of the district for any consequences of the 349  
implementation of any plan adopted by the district or any 350  
actions of the district. 351

The board of directors of a special improvement district 352  
may, acting as agent and on behalf of a participating political 353  
subdivision, sell, transfer, lease, or convey any special energy 354  
improvement project owned by the participating political 355  
subdivision upon a determination by the legislative authority 356  
thereof that the project is not required to be owned exclusively 357  
by the participating political subdivision for its purposes, for 358  
uses determined by the legislative authority thereof as those 359  
that will promote the welfare of the people of such 360  
participating political subdivision; ~~to~~ improve the quality of 361  
life and the general and economic well-being of the people of 362  
the participating political subdivision; better ensure the 363  
public health, safety, and welfare; protect water and other 364  
natural resources; provide for the conservation and preservation 365  
of natural and open areas and farmlands, including by making 366  
urban areas more desirable or suitable for development and 367  
revitalization; control, prevent, minimize, clean up, or mediate 368  
certain contamination of or pollution from lands in the state 369  
and water contamination or pollution; or provide for safe and 370  
natural areas and resources. The legislative authority of each 371  
participating political subdivision shall specify the 372  
consideration for such sale, transfer, lease, or conveyance and 373  
any other terms thereof. Any determinations made by a 374  
legislative authority of a participating political subdivision 375  
under this division shall be conclusive. 376

Any sale, transfer, lease, or conveyance of a special 377

energy improvement project by a participating political 378  
subdivision or the board of directors of the special improvement 379  
district may be made without advertising, receipt of bids, or 380  
other competitive bidding procedures applicable to the 381  
participating political subdivision or the special improvement 382  
district under Chapter 153. or 735. or section 1710.11 of the 383  
Revised Code or other representative provisions of the Revised 384  
Code. 385

**Section 2.** That existing sections 1710.01 and 1710.02 of 386  
the Revised Code are hereby repealed. 387