

As Introduced

133rd General Assembly

Regular Session

2019-2020

H. B. No. 675

Representatives Hillyer, Swearingen

A BILL

To amend sections 122.65, 122.658, and 151.40 of 1
the Revised Code relating to the Clean Ohio 2
Program and to make an appropriation. 3

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

Section 1. That sections 122.65, 122.658, and 151.40 of 4
the Revised Code be amended to read as follows: 5

Sec. 122.65. As used in sections 122.65 to 122.659 of the 6
Revised Code: 7

(A) "Applicable cleanup standards" means either of the 8
following: 9

(1) For property to which Chapter 3734. of the Revised 10
Code and rules adopted under it apply, the requirements for 11
closure or corrective action established in rules adopted under 12
section 3734.12 of the Revised Code; 13

(2) For property to which Chapter 3746. of the Revised 14
Code and rules adopted under it apply, the cleanup standards 15
that are established in rules adopted under section 3746.04 of 16
the Revised Code. 17

(B) "Applicant" means a county, township, municipal 18

corporation, port authority, or conservancy district or a park 19
district, other similar park authority, county land 20
reutilization corporation, nonprofit organization, or 21
organization for profit that has entered into an agreement with 22
a county, township, municipal corporation, port authority, or 23
conservancy district to work in conjunction with that county, 24
township, municipal corporation, port authority, or conservancy 25
district for the purposes of sections 122.65 to 122.658 of the 26
Revised Code. 27

(C) "Assessment" means a phase I and phase II property 28
assessment conducted in accordance with section 3746.04 of the 29
Revised Code and rules adopted under that section. 30

(D) "Brownfield" means an abandoned, idled, or under-used 31
industrial, commercial, or institutional property where 32
expansion or redevelopment is complicated by known or potential 33
releases of hazardous substances or petroleum. 34

(E) "Certified professional," "hazardous substance," 35
"petroleum," and "release" have the same meanings as in section 36
3746.01 of the Revised Code. 37

(F) "Cleanup or remediation" means any action to contain, 38
remove, or dispose of hazardous substances or petroleum at a 39
brownfield. "Cleanup or remediation" includes the acquisition of 40
a brownfield, demolition performed at a brownfield, and the 41
installation or upgrade of the minimum amount of infrastructure 42
that is necessary to make a brownfield operational for economic 43
development activity. 44

(G) "County land reutilization corporation" means a 45
corporation organized under section 1724.04 of the Revised Code. 46

(H) "Distressed area" means either a municipal corporation 47

with a population of at least fifty thousand or a county that 48
meets any two of the following criteria: 49

(1) Its average rate of unemployment, during the most 50
recent five-year period for which data are available, is equal 51
to at least one hundred twenty-five per cent of the average rate 52
of unemployment for the United States for the same period. 53

(2) It has a per capita income equal to or below eighty 54
per cent of the median county per capita income of the United 55
States as determined by the most recently available figures from 56
the United States census bureau. 57

(3) (a) In the case of a municipal corporation, at least 58
twenty per cent of the residents have a total income for the 59
most recent census year that is below the official poverty line. 60

(b) In the case of a county, in intercensal years, the 61
county has a ratio of transfer payment income to total county 62
income equal to or greater than twenty-five per cent. 63

"Distressed area" includes a municipal corporation the 64
majority of the population of which is situated in a county that 65
is a distressed area. 66

~~(H)~~ (I) "Eligible area" means a distressed area, an inner 67
city area, a labor surplus area, or a situational distress area. 68

~~(I)~~ (J) "Inner city area" means an area in a municipal 69
corporation that has a population of at least one hundred 70
thousand, is not a labor surplus area, and is a targeted 71
investment area established by the municipal corporation that is 72
comprised of block tracts identified in the most recently 73
available figures from the United States census bureau in which 74
at least twenty per cent of the population in the area is at or 75
below the official poverty line or of contiguous block tracts 76

meeting those criteria. 77

~~(J)~~ (K) "Institutional property" means property currently 78
or formerly owned or controlled by the state that is or was used 79
for a public or charitable purpose. However, "institutional 80
property" does not mean property that is or was used for 81
educational purposes. 82

~~(K)~~ (L) "Integrating committee" means a district public 83
works integrating committee established under section 164.04 of 84
the Revised Code. 85

~~(I)~~ (M) "Labor surplus area" means an area designated as a 86
labor surplus area by the United States department of labor. 87

~~(M)~~ (N) "Loan" includes credit enhancement. 88

~~(N)~~ (O) "No further action letter" means a letter that is 89
prepared by a certified professional when, on the basis of the 90
best knowledge, information, and belief of the certified 91
professional, the certified professional concludes that the 92
cleanup or remediation of a brownfield meets the applicable 93
cleanup standards and that contains all of the information 94
specified in rules adopted under division (B) (7) of section 95
3746.04 of the Revised Code. 96

~~(O)~~ (P) "Nonprofit organization" means a corporation, 97
association, group, institution, society, or other organization 98
that is exempt from federal income taxation under section 501(c) 99
(3) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 100
U.S.C. 501(c) (3), as amended. 101

~~(P)~~ (Q) "Property" means any parcel of real property, or 102
portion of such a parcel, and any improvements to it. 103

~~(Q)~~ (R) "Public health project" means the cleanup or 104

remediation of a release or threatened release of hazardous 105
substances or petroleum at a property where little or no 106
economic redevelopment potential exists. 107

~~(R)~~(S) "Official poverty line" has the same meaning as in 108
section 3923.51 of the Revised Code. 109

~~(S)~~(T) "Situational distress area" means a county or a 110
municipal corporation that has experienced or is experiencing a 111
closing or downsizing of a major employer that will adversely 112
affect the county or municipal corporation's economy and that 113
has applied to the director of development to be designated as a 114
situational distress area for not more than thirty months by 115
demonstrating all of the following: 116

(1) The number of jobs lost by the closing or downsizing; 117

(2) The impact that the job loss has on the county or 118
municipal corporation's unemployment rate as measured by the 119
director of job and family services; 120

(3) The annual payroll associated with the job loss; 121

(4) The amount of state and local taxes associated with 122
the job loss; 123

(5) The impact that the closing or downsizing has on 124
suppliers located in the county or municipal corporation. 125

Sec. 122.658. (A) The clean Ohio revitalization fund is 126
hereby created in the state treasury. The fund shall consist of 127
moneys credited to it pursuant to section 151.40 of the Revised 128
Code. Moneys in the fund shall be used to make grants or loans 129
for projects that have been approved by the clean Ohio council 130
in accordance with section 122.653 of the Revised Code, except 131
that the council annually shall devote twenty per cent of the 132

net proceeds of obligations deposited in the clean Ohio 133
revitalization fund for the purposes of section 122.656 of the 134
Revised Code. 135

Moneys in the clean Ohio revitalization fund may be used 136
to pay reasonable costs incurred by the department of 137
development and the environmental protection agency in 138
administering sections 122.65 to 122.658 of the Revised Code. 139
All investment earnings of the fund shall be credited to the 140
fund. Investment earnings credited to the clean Ohio 141
revitalization fund may be used to pay costs incurred by the 142
department of development and the environmental protection 143
agency pursuant to sections 122.65 to 122.658 of the Revised 144
Code. 145

The department of development shall administer the clean 146
Ohio revitalization fund in accordance with this section, 147
policies and requirements established under section 122.657 of 148
the Revised Code, and the terms of agreements entered into by 149
the council under section 122.653 of the Revised Code. 150

(B) Grants awarded and loans made under section 122.653 of 151
the Revised Code shall provide not more than seventy-five per 152
cent of the estimated total cost of a project. A grant or loan 153
to any one project shall not exceed three million dollars. An 154
applicant shall provide at least twenty-five per cent of the 155
estimated total cost of a project. The applicant's share may 156
consist of one or a combination of any of the following: 157

(1) Payment of the cost of acquiring the property for the 158
purposes of sections 122.65 to 122.658 of the Revised Code; 159

(2) Payment of the reasonable cost of an assessment at the 160
property; 161

(3) The reasonable value, as determined by the council, of 162
labor and materials that will be contributed by the applicant in 163
performing the cleanup or remediation; 164

(4) Moneys received by the applicant in any form for use 165
in performing the cleanup or remediation; 166

(5) Loans secured by the applicant for the purpose of the 167
cleanup or remediation of the brownfield. 168

Costs that were incurred more than two years prior to the 169
submission of an application to the clean Ohio council for the 170
acquisition of property, assessments, and labor and materials 171
shall not be used as part of the applicant's matching share. 172

(C) The department of development shall not make any 173
payment to an applicant from the clean Ohio revitalization fund 174
to pay costs of the applicant that were not included in an 175
application for a grant or loan under section 122.653 of the 176
Revised Code or that exceed the amount of the estimated total 177
cost of the project included in the application. If, upon 178
completion of a project, the costs of the project are less than 179
the amounts included in the application, the amounts included in 180
the application less the amounts of the actual costs of the 181
project shall be credited to the clean Ohio revitalization fund. 182
However, the amounts credited shall be equivalent in percentage 183
to the percentage of the costs of the project that were to be 184
funded by the grant or loan from the fund. 185

(D) Grants awarded or loans made under section 122.653 of 186
the Revised Code from the clean Ohio revitalization fund shall 187
be used by an applicant only to pay the costs of the actual 188
cleanup or remediation of a brownfield and shall not be used by 189
an applicant to pay any administrative costs incurred by the 190

applicant. Costs related to the use of a certified professional 191
for purposes of section 122.654 of the Revised Code are not 192
administrative costs and may be paid with moneys from grants 193
awarded or loans made under section 122.653 of the Revised Code. 194

(E) The portion of net proceeds of obligations devoted 195
under division (A) of this section for the purposes of section 196
122.656 of the Revised Code shall be used to make grants for 197
assessments, cleanup or remediation of brownfields, and public 198
health projects that have been approved by the director of 199
development under that section. The department of development 200
shall administer section 122.656 of the Revised Code in 201
accordance with this section, policies and requirements 202
established under section 122.657 of the Revised Code, and the 203
terms of agreements entered into by the director under section 204
122.656 of the Revised Code. The director shall not grant more 205
than twenty-five million dollars for public health projects 206
under section 122.656 of the Revised Code. 207

(F) Grants awarded under section 122.656 of the Revised 208
Code shall be used by an applicant only to pay the costs of 209
actually conducting an assessment, a cleanup or remediation of a 210
brownfield, or a public health project and shall not be used by 211
an applicant to pay any administrative costs incurred by the 212
applicant. Costs related to the use of a certified professional 213
for purposes of section 122.654 of the Revised Code are not 214
administrative costs and may be paid with moneys from grants 215
awarded under section 122.656 of the Revised Code. 216

(G) Any amounts received by the state after July 1, 2020, 217
from JobsOhio representing any part of the gross profit on the 218
sale of spirituous liquors shall be credited to the clean Ohio 219
revitalization fund. 220

Sec. 151.40. (A) As used in this section:	221
(1) "Bond proceedings" includes any trust agreements, and any amendments or supplements to them, as authorized by this section.	222 223 224
(2) "Costs of revitalization projects" includes related direct administrative expenses and allocable portions of the direct costs of those projects of the department of development or the environmental protection agency.	225 226 227 228
(3) "Issuing authority" means the treasurer of state.	229
(4) "Obligations" means obligations as defined in section 151.01 of the Revised Code issued to pay the costs of projects for revitalization purposes as referred to in division (A) (2) of Section 2o of Article VIII, Ohio Constitution and division (A) (2) of Section 2q of Article VIII, Ohio Constitution.	230 231 232 233 234
(5) "Pledged liquor profits" means all receipts of the state representing the gross profit on the sale of spirituous liquor, as referred to in division (B) (4) of section 4301.10 of the Revised Code, after paying all costs and expenses of the division of liquor control and providing an adequate working capital reserve for the division of liquor control as provided in that division, <u>and after satisfying the obligations of the transfer agreement authorized under Chapter 4313. of the Revised Code,</u> but excluding the sum required by the second paragraph of section 4301.12 of the Revised Code, as it was in effect on May 2, 1980, to be paid into the state treasury.	235 236 237 238 239 240 241 242 243 244 245
(6) "Pledged receipts" means, as and to the extent provided in bond proceedings:	246 247
(a) Pledged liquor profits. The pledge of pledged liquor profits to obligations is subject to the priority of the pledge	248 249

of those profits to obligations issued and to be issued pursuant	250
to Chapter 166. of the Revised Code.	251
(b) Moneys accruing to the state from the lease, sale, or	252
other disposition or use of revitalization projects or from the	253
repayment, including any interest, of loans or advances made	254
from net proceeds;	255
(c) Accrued interest received from the sale of	256
obligations;	257
(d) Income from the investment of the special funds;	258
(e) Any gifts, grants, donations, or pledges, and receipts	259
therefrom, available for the payment of debt service;	260
(f) Additional or any other specific revenues or receipts	261
lawfully available to be pledged, and pledged, pursuant to	262
further authorization by the general assembly, to the payment of	263
debt service.	264
(B) (1) The issuing authority shall issue obligations of	265
the state to pay costs of revitalization projects pursuant to	266
division (B) (2) of Section 2o of Article VIII, Ohio	267
Constitution, division (B) (2) of Section 2q of Article VIII,	268
Ohio Constitution, section 151.01 of the Revised Code as	269
applicable to this section, and this section. The issuing	270
authority, upon the certification to it by the clean Ohio	271
council of the amount of moneys needed in and for the purposes	272
of the clean Ohio revitalization fund created by section 122.658	273
of the Revised Code, shall issue obligations in the amount	274
determined by the issuing authority to be required for those	275
purposes. Not more than four hundred million dollars principal	276
amount of obligations issued under this section for	277
revitalization purposes may be outstanding at any one time. Not	278

more than fifty million dollars principal amount of obligations, 279
plus the principal amount of obligations that in any prior 280
fiscal year could have been, but were not issued within the 281
fifty-million-dollar fiscal year limit, may be issued in any 282
fiscal year. 283

(2) The provisions and authorizations in section 151.01 of 284
the Revised Code apply to the obligations and the bond 285
proceedings except as otherwise provided or provided for in 286
those obligations and bond proceedings. 287

(C) Net proceeds of obligations shall be deposited in the 288
clean Ohio revitalization fund created in section 122.658 of the 289
Revised Code. 290

(D) There is hereby created the revitalization projects 291
bond service fund, which shall be in the custody of the 292
treasurer of state, but shall be separate and apart from and not 293
a part of the state treasury. All money received by the state 294
and required by the bond proceedings, consistent with section 295
151.01 of the Revised Code and this section, to be deposited, 296
transferred, or credited to the bond service fund, and all other 297
money transferred or allocated to or received for the purposes 298
of that fund, shall be deposited and credited to the bond 299
service fund, subject to any applicable provisions of the bond 300
proceedings, but without necessity for any act of appropriation. 301
During the period beginning with the date of the first issuance 302
of obligations and continuing during the time that any 303
obligations are outstanding in accordance with their terms, so 304
long as moneys in the bond service fund are insufficient to pay 305
debt service when due on those obligations payable from that 306
fund, except the principal amounts of bond anticipation notes 307
payable from the proceeds of renewal notes or bonds anticipated, 308

and due in the particular fiscal year, a sufficient amount of 309
pledged receipts is committed and, without necessity for further 310
act of appropriation, shall be paid to the bond service fund for 311
the purpose of paying that debt service when due. 312

(E) The issuing authority may pledge all, or such portion 313
as the issuing authority determines, of the pledged receipts to 314
the payment of the debt service charges on obligations issued 315
under this section, and for the establishment and maintenance of 316
any reserves, as provided in the bond proceedings, and make 317
other provisions in the bond proceedings with respect to pledged 318
receipts as authorized by this section, which provisions are 319
controlling notwithstanding any other provisions of law 320
pertaining to them. 321

(F) The issuing authority may covenant in the bond 322
proceedings, and such covenants shall be controlling 323
notwithstanding any other provision of law, that the state and 324
applicable officers and state agencies, including the general 325
assembly, so long as any obligations issued under this section 326
are outstanding, shall maintain statutory authority for and 327
cause to be charged and collected wholesale or retail prices for 328
spirituous liquor sold by the state or its agents so that the 329
available pledged receipts are sufficient in time and amount to 330
meet debt service payable from pledged liquor profits and for 331
the establishment and maintenance of any reserves and other 332
requirements provided for in the bond proceedings. 333

(G) Obligations may be further secured, as determined by 334
the issuing authority, by a trust agreement between the state 335
and a corporate trustee, which may be any trust company or bank 336
having a place of business within the state. Any trust agreement 337
may contain the resolution or order authorizing the issuance of 338

the obligations, any provisions that may be contained in any 339
bond proceedings, and other provisions that are customary or 340
appropriate in an agreement of that type, including, but not 341
limited to: 342

(1) Maintenance of each pledge, trust agreement, or other 343
instrument comprising part of the bond proceedings until the 344
state has fully paid or provided for the payment of debt service 345
on the obligations secured by it; 346

(2) In the event of default in any payments required to be 347
made by the bond proceedings, enforcement of those payments or 348
agreements by mandamus, the appointment of a receiver, suit in 349
equity, action at law, or any combination of them; 350

(3) The rights and remedies of the holders or owners of 351
obligations and of the trustee and provisions for protecting and 352
enforcing them, including limitations on rights of individual 353
holders and owners. 354

(H) The obligations shall not be general obligations of 355
the state and the full faith and credit, revenue, and taxing 356
power of the state shall not be pledged to the payment of debt 357
service on them. The holders or owners of the obligations shall 358
have no right to have any moneys obligated or pledged for the 359
payment of debt service except as provided in this section and 360
in the applicable bond proceedings. The rights of the holders 361
and owners to payment of debt service are limited to all or that 362
portion of the pledged receipts, and those special funds, 363
pledged to the payment of debt service pursuant to the bond 364
proceedings in accordance with this section, and each obligation 365
shall bear on its face a statement to that effect. 366

Section 2. That existing sections 122.65, 122.658, and 367

151.40 of the Revised Code are hereby repealed. 368

Section 3. In each year of the biennium ending June 30, 369
2021, an amount equal to the revenue deposited into the Clean 370
Ohio Revitalization Fund (Fund 7003) under division (G) of 371
section 122.658 of the Revised Code is hereby appropriated for 372
grants under the Clean Ohio Revitalization Program as described 373
in sections 122.65 to 122.659 of the Revised Code. 374

Section 4. Within the limits set forth in this act, the 375
Director of Budget and Management shall establish accounts 376
indicating the source and amount of funds for each appropriation 377
made in this act, and shall determine the form and manner in 378
which appropriation accounts shall be maintained. Expenditures 379
from appropriations contained in this act shall be accounted for 380
as though made in the main operating appropriations act of the 381
133rd General Assembly. The appropriations made in this act are 382
subject to all provisions of the main operating appropriations 383
act of the 133rd General Assembly that are generally applicable 384
to such appropriations. 385