

AN ACT

To amend sections 122.011, 122.23, 122.24, 122.25, 122.27, 166.03, and 901.63 and to enact sections 166.031 and 901.80 to 901.83 of the Revised Code and to amend Sections 47 and 47.15 of Am. Sub. H.B. 215 of the 122nd General Assembly and Section 3 of Am. Sub. H.B. 440 of the 121st General Assembly to create the Family Farm Loan Program in the Department of Agriculture and to create the Family Farm Loan Fund in the Department of Development to promote agricultural development, to make changes to the Rural Industrial Park Loan Program, to terminate the provisions of this act establishing the Family Farm Loan Program and creating the Family Farm Loan Fund on June 30, 1999, by repealing sections 166.031, 901.80, 901.81, 901.82, and 901.83 of the Revised Code on that date, to extend the date on which the Rural Industrial Park Loan Program terminates from January 1, 1999 to June 30, 1999, by repealing sections 122.23, 122.24, 122.25, 122.26, and 122.27 of the Revised Code on June 30, 1999, and to make an appropriation.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 122.011, 122.23, 122.24, 122.25, 122.27, 166.03, and 901.63 be amended and sections 166.031, 901.80, 901.81, 901.82, and 901.83 of the Revised Code be enacted to read as follows:

Sec. 122.011. (A) The department of development 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 122.07 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 department;

(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 department 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 department;

(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, 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) Appoint, with the approval of the governor, technical and other advisory councils as it considers appropriate, as provided in section 122.09 of the Revised Code;

(11) 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;

(12) Until June 30, 1999, review, analyze, and summarize applications and information regarding the family farm loan program forwarded to the department by a financial institution pursuant to section 901.81 of the Revised Code, and forward the applications, information, analyses, and summaries to the director of agriculture;

(13) Until June 30, 1999, 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;

(14) Provide loan servicing for the loans purchased and loan guarantees provided under section 901.80 Of the Revised Code as such section existed prior to June 30, 1999;

(15) Until June 30, 1999, 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 such 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.

(B) The department ~~shall~~, by rule, shall establish criteria defining nonprofit corporations that are eligible for appointment as qualified agents pursuant to sections 135.81 to 135.88 of the Revised Code. The criteria shall require that a corporation be organized pursuant to Chapter 1702. of the Revised Code and have as its primary purpose the promotion of economic development or the creation or retention of jobs and job opportunities. The criteria may include a specification as to the professional qualifications of the corporation employees, a minimum elapsed period of time since the corporation was organized, current and former activities of the corporation, and such other criteria reasonably related to the foregoing that relate to the ability of the corporation to act as a qualified agent for the purposes of sections 135.51 to 135.88 of the Revised Code.

(C) The director of development may request the attorney general to, and the attorney general ~~shall~~, 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.

Sec. 122.23. As used in sections 122.23 to 122.27 of the Revised Code:

(A) "Distressed area" means a county with a population of less than one hundred twenty-five thousand that meets at least two of the following criteria of economic distress:

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

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

(3) In intercensal years, the county has a ratio of transfer payment income to total county income equal to or greater than twenty-five per cent.

(B) "Eligible applicant" means any of the following that is designated by the governing body of an eligible area as provided in division (B)(1) of section 122.27 of the Revised Code:

(1) A port authority as defined in division (A) of section ~~4581.01~~ 4582.01 or division (A) of section 4582.21 of the Revised Code;

(2) A community improvement corporation as defined in section 1724.01 of the Revised Code;

(3) A community-based organization or action group that provides social services and has experience in economic development;

(4) Any other nonprofit economic development entity;

(5) A private developer that previously has not received financial assistance under section 122.24 Of the Revised Code and that has experience and a successful history in industrial development.

(C) "Eligible area" means a distressed area, a labor surplus area, or a situational distress area, as designated annually by the director of development pursuant to division (A) of section 122.25 of the Revised Code.

(D) "Labor surplus area" means an area designated as a labor surplus area by the United States department of labor.

(E) "Official poverty line" has the same meaning as in division (A) of section 3923.51 of the Revised Code.

(F) "Situational distress area" means a county that has a population of less than one hundred twenty-five thousand persons, or a municipal corporation in such a county, that has experienced or is experiencing a closing or downsizing of a major employer that will adversely affect the county's or municipal corporation's economy. In order to be designated as a situational distress area for a period not to exceed thirty-six months, the county or municipal corporation may petition the director of development.

The petition shall include documentation that demonstrates all of the following:

- (1) The number of jobs lost by the closing or downsizing;
- (2) The impact that the job loss has on the county's or municipal corporation's unemployment rate as measured by the Ohio bureau of employment services;
- (3) The annual payroll associated with the job loss;
- (4) The amount of state and local taxes associated with the job loss;
- (5) The impact that the closing or downsizing has on the suppliers located in the rural county or municipal corporation.

(G) "Governing body" means, in the case of a county, the board of county commissioners; in the case of a municipal corporation, the legislative authority; and in the case of a township, the board of township trustees.

(H) "Infrastructure improvements" includes site preparation, including building demolition and removal; retention ponds and flood and drainage improvements; streets, roads, bridges, and traffic control devices; parking lots and facilities; water and sewer lines and treatment plants; gas, electric, and telecommunications hook-ups; and waterway and railway access improvements.

(I) "Private developer" means any individual, firm, corporation, or entity, other than a nonprofit entity, limited profit entity, or governmental entity.

Sec. 122.24. To promote economic development in rural areas and to improve the economic welfare of the people of the state, the director of development shall administer the rural industrial park loan program, which is hereby established in accordance with Ohio Constitution, Article VIII, Section 13, to assist eligible applicants in financing the development and improvement of industrial parks by providing financial assistance in the form of loans and loan guarantees for land acquisition; constructing, reconstructing, rehabilitating, remodeling, renovating, enlarging, or improving industrial park buildings; and infrastructure improvements.

This program shall not be used to compete against existing Ohio industrial parks.

An eligible applicant receiving assistance under the rural industrial park program is not precluded from further participation in this or any other department of development financial program, except that a private developer that previously has received financial assistance under this section is precluded from further participation in the rural industrial park loan program.

Sec. 122.25. (A) In administering the program established under section

122.24 of the Revised Code, the director of development shall do all of the following:

(1) Annually designate, by the first day of January of each year, the entities that constitute the eligible areas in this state as defined in section 122.23 of the Revised Code;

(2) Inform local governments and others in the state of the availability of the program and financial assistance established under sections 122.23 to 122.27 of the Revised Code;

(3) Report to the governor, president of the senate, speaker of the house of representatives, and minority leaders of the senate and the house of representatives by the thirtieth day of June of each year on the activities carried out under the program during the preceding calendar year. The report shall include the number of loans made that year and the amount and recipient of each loan.

(4) Work in conjunction with conventional lending institutions, local revolving loan funds, private investors, and other private and public financing sources to provide loans or loan guarantees to eligible applicants;

(5) Establish fees, charges, interest rates, payment schedules, local match requirements, and other terms and conditions for loans and loan guarantees provided under the loan program created by section 122.24 of the Revised Code;

(6) Require each applicant to demonstrate the suitability of any site for the assistance sought; that the site has been surveyed, has adequate or available utilities, and that there are no zoning restrictions, environmental regulations, or other matters impairing the use of the site for the purpose intended;

(7) Require each applicant to provide a marketing plan and management strategy for the project;

(8) Adopt rules in accordance with Chapter 119. of the Revised Code establishing all of the following:

(a) Forms and procedures by which eligible applicants may apply for assistance;

(b) Criteria for reviewing, evaluating, and ranking applications, and for approving applications that best serve the goals of the program;

(c) Reporting requirements and monitoring procedures;

(d) Guidelines regarding situations in which industrial parks would be considered to compete against one another for the purposes of division (B)(2) of section 122.27 Of the Revised Code;

(e) Any other rules necessary to implement and administer the program created by section 122.24 of the Revised Code.

(B) The director may adopt rules in accordance with Chapter 119. of the Revised Code establishing requirements governing the use of any industrial park site receiving assistance under section 122.24 of the Revised Code, such that a certain portion of the site must be used for manufacturing, distribution, high technology, research and development, or other businesses wherein a majority of the product or service produced is exported out of the state.

(C) As a condition to receiving assistance under section 122.24 of the Revised Code, and except as provided in division (D) of this section, an applicant must agree, for a period of five years, not to permit the use of a site that is developed or improved with such assistance to cause the relocation of jobs to that site from elsewhere in Ohio.

(D) A site developed or improved with assistance under section 122.24 of the Revised Code may be the site of jobs relocated from elsewhere in Ohio if the director of development does all of the following:

(1) Makes a written determination that the site from which the jobs would be relocated is inadequate to meet market or industry conditions, expansion plans, consolidation plans, or other business considerations affecting the relocating employer;

(2) Provides a copy of the determination required by division (D)(1) of this section to the members of the general assembly whose legislative districts include the site from which the jobs would be relocated, and to the joint legislative committee on tax incentives;

(3) Determines that the governing body of the area from which the jobs would be relocated has been notified in writing by the relocating company of the possible relocation.

(E) The director of development must obtain the approval of the controlling board for any loan or loan guarantee provided under sections 122.23 to 122.27 of the Revised Code.

Sec. 122.27. (A) In order to be eligible for financial assistance under section 122.24 of the Revised Code, the applicant shall demonstrate to the director of development the applicant's capacity to undertake and oversee the project, as evidenced by documentation of the applicant's past performance in economic development projects.

(B) In order for an applicant to be eligible for financial assistance under section 122.24 of the Revised Code, both of the following apply:

(1) The governing body of the entity that has been designated as an eligible area by the director of development under division (A) of section 122.25 of the Revised Code, by resolution or ordinance, shall designate the applicant that will carry out the project for the purposes described in section

122.24 of the Revised Code, and specify the eligible area's financial participation in the project;

(2) The board of county commissioners of a county that has been designated as an eligible area by the director of development under division (A)(1) of section 122.25 Of the Revised Code shall certify, by resolution, that no existing industrial park is located in the county that would compete against an industrial park that would be developed and improved in the county through the use of financial assistance provided to the applicant under the rural industrial park loan program. Guidelines regarding situations in which industrial parks would be considered to compete against one another shall be established by rule in accordance with division (A)(8)(d) of section 122.25 Of the Revised Code.

(C) Solely for the purpose of applying for assistance for infrastructure improvements, a governing body may designate itself as an eligible applicant.

Sec. 166.03. (A) There is hereby created the facilities establishment fund within the state treasury, consisting of proceeds from the issuance of obligations as specified under section 166.08 of the Revised Code; the moneys received by the state from the sources specified in section 166.09 of the Revised Code; service charges imposed under sections 166.06 and 166.07 of the Revised Code; any grants, gifts, or contributions of moneys received by the director of development to be used for loans made under section 166.07 of the Revised Code or for the payment of the allowable costs of project facilities; and all other moneys appropriated or transferred to the fund. Moneys in the loan guarantee fund in excess of four per cent of the unpaid principal amount of loan repayments guaranteed under section 166.06 of the Revised Code, but subject to the provisions and requirements of any guarantee contracts, may be transferred to the facilities establishment fund by the treasurer of state upon the order of the director of development. Moneys received by the state under Chapter 122. of the Revised Code, to the extent allocable to the utilization of moneys derived from proceeds of the sale of obligations pursuant to section 166.08 of the Revised Code, shall be credited to the facilities establishment fund.

(B) All moneys appropriated or transferred to the facilities establishment fund may be released at the request of the director for payment of allowable costs or the making of loans under this chapter, for transfer to the loan guarantee fund established in section 166.06 of the Revised Code, or for use for the purpose of or transfer to the funds established by sections 122.35, 122.42, 122.54, 122.55, 122.56, 122.561, 122.57, and 122.80, and until ~~January 1~~ June 30, 1999, ~~section sections~~

22.26 and 166.031 of the Revised Code, but only for such of those purposes as are within the authorization of Section 13 of Article VIII, Ohio Constitution, in all cases subject to the approval of the controlling board.

(C) Moneys transferred to the facilities establishment fund under section 3734.82 of the Revised Code shall be used exclusively for eligible projects that recover or recycle energy from scrap tires, as "scrap tires" is defined in section 3734.01 of the Revised Code, for any of the following purposes:

(1) Making loans under this chapter;

(2) Making grants;

(3) Providing other incentives, including, without limitation, entering into contracts with private entities to conduct environmental studies or tests for eligible projects that propose to recover energy from scrap tires.

The director shall adopt rules under division (B)(9) of section 166.02 of the Revised Code for the purpose of administering this division.

(D) The department of development, in the administration of the facilities establishment fund, is encouraged to utilize and promote the utilization of, to the maximum practicable extent, the other existing programs, business incentives, and tax incentives that department is required or authorized to administer or supervise.

Sec. 166.031. The family farm loan fund is hereby created in the state treasury for the purposes of the program established in sections 901.80 to 901.83 of the Revised Code. The treasurer of state shall deposit money received for those purposes in the state treasury to the credit of the fund.

Sec. 901.63. (A) The agricultural financing commission shall do both of the following until June 30, 1999:

(1) Make recommendations to the director of agriculture about financial assistance applications made pursuant to sections 901.80 to 901.83 Of the Revised Code. In making its recommendations, the Commission shall utilize criteria established by rules adopted under division (A)(8)(b) of section 901.82 of the Revised Code.

(2) Advise the director in the administration of sections 901.80 to 901.83 Of the Revised Code.

With respect to sections 901.80 to 901.83 of the Revised Code, the role of the Commission is solely advisory. No officer, member, or employee of the Commission is liable for damages in a civil action for any injury, death, or loss to person or property that allegedly arises out of purchasing any loan or providing a loan guarantee, failure to purchase a loan or provide a loan guarantee, or failure to take action under sections 901.80 to 901.83 of the Revised Code, or that allegedly arises out of any act or omission of the department of agriculture that involves those sections.

(B) The commission may:

~~(A)~~(1) Adopt bylaws for the conduct of its business;

~~(B)~~(2) Exercise all rights, powers, and duties conferred on the commission as an issuer under Chapter 902. of the Revised Code;

~~(C)~~(3) Contract with, retain, or designate financial consultants, accountants, and such other consultants and independent contractors as the commission may determine to be necessary or appropriate to carry out the purposes of this chapter and to fix the terms ~~thereof~~ of those contracts;

~~(D)~~(4) Undertake and carry out or authorize the completion of studies and analyses of agricultural conditions and needs within the state relevant to the purpose of this chapter to the extent not otherwise undertaken by other departments or agencies of the state satisfactory for such purpose;

~~(E)~~(5) Acquire by gift, purchase, foreclosure, or other means, and hold, assign, pledge, lease, transfer, or otherwise dispose of real and personal property, or any interest ~~therein~~ in that real and personal property, in the exercise of its powers and the performance of its duties under this chapter and Chapter 902. of the Revised Code;

~~(F)~~(6) Receive and accept gifts, grants, loans, or any other financial or other form of aid from any federal, state, local, or private agency or fund and enter into any contract with any such agency or fund in connection therewith, and receive and accept aid or contributions from any other source of money, property, labor or things of value, to be held, used, and applied only for the purposes for which such grants and contributions are made, all within the purposes of this chapter and Chapter 902. of the Revised Code;

~~(G)~~(7) Sue and be sued in its own name with respect to its contracts or to enforce this chapter or its obligations or covenants made under this chapter and Chapter 902. of the Revised Code;

~~(H)~~(8) Make and enter into all contracts, commitments, and agreements, and execute all instruments necessary or incidental to the performance of its duties and the execution of its powers under this chapter and Chapter 902. of the Revised Code;

~~(I)~~(9) Adopt an official seal;

~~(J)~~(10) Do any and all things necessary or appropriate to carry out the public purposes and exercise the powers granted to the commission in this chapter and Chapter 902. of the Revised Code and the public purposes of Section 13 of Article VIII, Ohio Constitution.

Sec. 901.80. To promote economic opportunity for persons who desire to engage in agricultural production, to enhance the economic viability of the state's agricultural areas, to help provide the state's agribusinesses with the farm products necessary for their operations, and to improve the

economic welfare of the people of the state, the director of agriculture shall administer the family farm loan program, which is hereby established in accordance with Section 13 of Article VIII, Ohio Constitution, to assist eligible applicants by providing financial assistance by purchasing loans from financial institutions, and guaranteeing loans, for land acquisition; constructing, reconstructing, rehabilitating, remodeling, renovating, enlarging, or improving agricultural buildings; and acquiring machinery and equipment to be used in agriculture.

Financial assistance provided under the family farm loan program shall not be used to purchase any loan made prior to the effective date of this section and shall not be used as working capital or for refinancing, financing inventory or receivables, speculative real estate development, relocation costs, or the purchase of rolling stock or livestock.

An eligible applicant receiving financial assistance under the family farm loan program is not precluded from further participation in this or any other state financial program.

Sec. 901.81. (A) As used in this section and sections 901.82 and 901.83 of the Revised Code:

(1) "Financial institution" means any banking corporation; trust company; savings and loan association; building and loan association; or corporation, partnership, or other institution that is engaged in lending or investing funds for agricultural or other business purposes and that is eligible to become a depository for public moneys under section 135.03 Of the Revised Code.

(2) "Eligible applicant" means a person who has made all of the demonstrations enumerated in division (B) of section 901.82 of the Revised Code.

(B) A financial institution that wishes to participate in the Program established under section 901.80 of the Revised Code shall accept and review applications for loans from eligible applicants. Forms and procedures involved in the application process shall comply with rules adopted under division (A)(8)(a) of section 901.82 of the Revised Code. The financial institution shall apply all usual lending standards to determine the creditworthiness of each eligible applicant, including whether the eligible applicant has the ability to repay the loan and whether adequate security exists for the loan.

The financial institution shall forward to the Department of Development the completed loan application of an eligible applicant whom the financial institution has determined to be creditworthy, along with the farm business plan and management strategy required by division (A)(5) of

section 901.82 Of the Revised Code, and any other information required by rules adopted under division (A)(8) of section 901.82 of the Revised Code. If a loan guarantee is involved, the financial institution also shall forward a request by the financial institution to enter into a contract of guarantee described in section 901.83 of the Revised Code.

The Department of Development shall proceed with the loan application in accordance with division (A)(12) of section 122.011 of the Revised Code.

Sec. 901.82. (A) In administering the program established under section 901.80 of the Revised Code, the director of agriculture shall do all of the following:

(1) Receive applications for financial assistance forwarded to the director by the department of development, and, after processing, forward them to the agricultural financing commission together with necessary supporting information;

(2) Receive the recommendations of the commission made under division (A)(1) of section 901.63 Of the Revised Code and make a final determination whether to approve the application for financial assistance;

(3) Transmit the director's determinations to approve assistance to the controlling board together with any information the controlling board requires for its review and its decision whether to approve the release of money for the financial assistance;

(4) Work in conjunction with financial institutions and other private and public financing sources to purchase loans from financial institutions or provide loan guarantees to eligible applicants;

(5) Require each applicant to provide a farm business plan, including an overview of the type of agricultural operation the applicant anticipates conducting, and a management strategy for the project;

(6) Inform agricultural organizations and others in the state of the existence of the program established under section 901.80 Of the Revised Code and of the financial assistance available under the program;

(7) Report to the governor, president of the senate, speaker of the house of representatives, and minority leaders of the senate and the house of representatives by the thirtieth day of June of each year on the activities carried out under the program during the preceding calendar year. The report shall include the number of loans purchased or loan guarantees made that year, the amount of each such loan or loan guarantee, the county in which the loan recipient's farm is located, and whatever other information the director determines is relevant to include.

(8) Adopt rules in accordance with Chapter 119. of the Revised Code establishing all of the following with regard to the program:

(a) Forms and procedures by which eligible applicants may apply for financial assistance;

(b) Criteria for reviewing, evaluating, and ranking applications, and for approving applications that best serve the goals of the program;

(c) Reporting requirements and monitoring procedures;

(d) Interest rates, payment schedules, loan transfer provisions, penalties, including penalties for the conversion of land devoted exclusively to agricultural use as defined in section 5713.30 Of the Revised Code, and other terms and conditions for loans purchased and loan guarantees provided under the program;

(e) Criteria for determining whether the location at which the applicant proposes to use financial assistance provided under the program is in an area in which agriculture is the primary land use at the time the application is made and whether the land at that location reasonably may not be expected to be converted to a nonagricultural use during the period of time that the applicant's obligation to repay the loan remains outstanding;

(f) Any other rules necessary to implement and administer the program.

(B) In order to be eligible for financial assistance under section 901.80 of the Revised Code, an applicant shall demonstrate all of the following:

(1) That the applicant is domiciled in this state;

(2) That the applicant is unable to obtain sufficient financing from commercial or agricultural lending sources;

(3) That the applicant has the ability to repay the loan, primarily from the cash flow of the proposed farming operation, and that there is adequate security for the loan;

(4) That the applicant has sufficient education, training, or experience in the type of farming for which the applicant requests the financial assistance;

(5) That there are no zoning restrictions, environmental regulations, or other impairments to the use of the land for the purpose intended;

(6) That the location at which the applicant proposes to use the financial assistance is in an area in which agriculture is the primary land use at the time the application is made and that the land at that location reasonably may not be expected to be converted to a nonagricultural use during the period of time that the applicant's obligation to repay the financial assistance remains outstanding. In demonstrating the information required under division (B)(5) of this section, the applicant shall utilize criteria established in rules adopted under division (A)(8)(e) of this section.

Sec. 901.83. (A) 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 a loan guarantee under the program established under section

901.80 of the Revised Code, the financial institution providing the loan and the Director of Agriculture shall enter into a contract of guarantee establishing the terms of the guarantee.

Under the contract of guarantee, the Director of Agriculture shall agree to deposit with the financial institution the amount of a loan guarantee consisting of money released by the Controlling Board for that purpose, in an amount that is a specified percentage of the amount loaned to the eligible applicant by the financial institution. The Director shall agree that if the loan recipient defaults on the loan and the financial institution exhausts all legal and equitable remedies as specified in the contract of guarantee in an attempt to obtain complete repayment, but does not receive complete repayment, then the loan guarantee shall be used to reimburse the financial institution.

In exchange, the financial institution shall agree to pay annually to the department of development a specified percentage of the amount of the loan guarantee, which shall be deposited into the family farm loan fund created in section 166.031 of the Revised Code. The financial institution also shall agree to lend the guaranteed portion of the loan to the eligible applicant at an interest rate below current market rates that reflects the state's reduced interest rate.

(B) A guaranteed financial institution, except to the extent that its rights are restricted by the contract of guarantee, may protect and enforce, by any suitable form of legal proceedings, any of its rights granted under the laws of this state or granted by the contract of guarantee. Such rights include the right to compel performance of all duties of the Director required by the contract of guarantee. The person who is the Director at the time the contract of guarantee is entered into or at a later time, and the Director's officers or employees, are not liable in their personal capacities on any contract of guarantee entered into by the Director.

(C) The total amount of loan guarantees provided to any one financial institution shall not exceed five hundred thousand dollars. For the purposes of this division, "financial institution" refers to the financial institution as a whole corporate entity, and does not refer to a banking office or branch, as those terms are defined in section 1101.01 of the Revised Code.

SECTION 2. That existing sections 122.011, 122.23, 122.24, 122.25, 122.27, 166.03, and 901.63 of the Revised Code are hereby repealed.

SECTION 3. That sections 166.031, 901.80, 901.81, 901.82, and 901.83

of the Revised Code are hereby repealed, effective June 30, 1999.

SECTION 4. That Sections 47 and 47.15 of Am. Sub. H.B. 215 of the 122nd General Assembly be amended to read as follows:

"Sec. 47. DEV DEPARTMENT OF DEVELOPMENT

General Revenue Fund

GRF 195-100	Personal Services	\$	2,595,000	\$	2,595,000
GRF 195-200	Maintenance	\$	625,000	\$	625,000
GRF 195-300	Equipment	\$	115,000	\$	115,000
GRF 195-401	Thomas Edison Program	\$	23,250,000	\$	23,696,875
GRF 195-404	Small Business Development	\$	2,360,000	\$	2,360,000
GRF 195-405	Minority Business Development Division	\$	2,058,000	\$	2,058,000
GRF 195-406	Transitional and Permanent Housing	\$	2,859,900	\$	2,864,847
GRF 195-407	Travel and Tourism	\$	6,450,000	\$	6,450,000
GRF 195-408	Coal Research Development	\$	570,000	\$	582,699
GRF 195-410	Defense Conversion Assistance Program	\$	1,100,000	\$	2,350,000
GRF 195-411	Minority Development Financing Advisory Board	\$	347,760	\$	356,454
GRF 195-412	Business Development	\$	11,000,000	\$	11,500,000
GRF 195-414	First Frontier Match	\$	500,000	\$	500,000
GRF 195-415	Regional Offices and Economic Development	\$	6,663,160	\$	6,718,894
GRF 195-416	Governor's Office of Appalachia	\$	654,000	\$	654,000
GRF 195-417	Urban/Rural Initiative Grant Program	\$	10,000,000	\$	4,000,000
GRF 195-422	Technology Action	\$	1,000,000	\$	2,000,000
GRF 195-423	Miami Valley Center for Information Technologies	\$	350,000	\$	650,000
GRF 195-431	Community Development Corporation Grants	\$	2,500,000	\$	2,600,000
GRF 195-432	International Trade	\$	5,300,000	\$	5,400,000
GRF 195-434	Industrial Training	\$	9,937,923	\$	9,600,469
GRF 195-436	Labor/Management Cooperation	\$	1,200,000	\$	1,200,000
GRF 195-440	Emergency Shelter Housing Grants	\$	3,014,800	\$	3,017,674
GRF 195-441	Low and Moderate Income Housing	\$	8,000,000	\$	8,000,000
GRF 195-497	State Match - Community Development Block Grant	\$	1,160,000	\$	1,160,000
GRF 195-498	State Energy Match	\$	100,000	\$	150,000
GRF 195-501	Appalachian Local Development Districts	\$	443,500	\$	443,500
GRF 195-502	Appalachian Regional Commission	\$	160,000	\$	160,000
GRF 195-507	Travel & Tourism Grants	\$	1,550,000	\$	1,300,000
TOTAL GRF General Revenue Fund		\$	105,864,043	\$	103,108,412

General Services Fund Group

135	195-605	Supportive Services	\$	6,749,805	\$	6,918,701
442	195-606	Merchandise for Resale	\$	3,000	\$	3,000
685	195-636	General Reimbursement	\$	1,061,025	\$	1,078,948
TOTAL GSF General Services Fund Group			\$	7,813,830	\$	8,000,649

Federal Special Revenue Fund Group

308	195-602	Appalachian Regional Commission	\$	650,000	\$	650,000
308	195-603	Housing and Urban Development	\$	31,837,225	\$	32,631,507
308	195-605	Federal Projects	\$	7,871,000	\$	7,871,000
308	195-609	Federal Projects Small Business	\$	7,500,000	\$	7,500,000
3K9	195-611	Home Energy Assistance Block Grant	\$	59,417,200	\$	59,492,628
3L0	195-612	Community Services Block Grant	\$	16,715,539	\$	17,133,177
3K8	195-613	Community Development Block Grant	\$	65,000,000	\$	65,000,000
3K9	195-614	HEAP Weatherization	\$	10,413,818	\$	10,420,948
308	195-616	Technology Programs	\$	500,000	\$	500,000
308	195-618	Energy Federal Grants	\$	1,753,019	\$	1,796,126
308	195-642	International Trade Promotion	\$	200,000	\$	0
335	195-610	Oil Overcharge	\$	8,500,000	\$	8,500,000
380	195-622	Housing Development	\$	2,584,607	\$	2,634,097
TOTAL FED Federal Special Revenue Fund Group			\$	212,942,408	\$	214,129,483

State Special Revenue Fund Group

4F2	195-639	State Special Projects	\$	1,821,569	\$	1,510,913
4G9	195-633	Travel and Tourism Marketing	\$	100,000	\$	100,000
4H4	195-641	First Frontier	\$	1,000,000	\$	1,000,000
4S0	195-630	Enterprise Zone Operating	\$	275,000	\$	282,000
4S1	195-634	Job Creation Tax Credit Operating	\$	225,000	\$	235,000
4W1	195-646	Minority Business Enterprise Loan	\$	3,800,000	\$	3,800,000
444	195-607	Water and Sewer	\$	2,300,000	\$	2,300,000
445	195-617	Housing Finance Agency	\$	2,950,000	\$	3,022,551
450	195-624	Minority Business Bonding Program Administration	\$	132,381	\$	135,690
451	195-625	Economic Development Financing Operating	\$	1,998,433	\$	2,036,868
611	195-631	Water and Sewer Administration	\$	44,000	\$	45,000
646	195-638	Low and Moderate Income Housing Trust Fund	\$	18,500,000	\$	20,500,000
TOTAL SSR State Special Revenue Fund Group			\$	33,146,383	\$	34,968,022

Facilities Establishment Fund

037	195-615	Facilities Establishment	\$	62,500,000	\$	52,500,000
4Z6	195-647	Rural Industrial Park Loan	\$	~~5,000,000~~	\$	~~5,000,000~~

				<u>2,500,000</u>		<u>2,500,000</u>
5D1	195-649	Port Authority Bond Reserves	\$	2,500,000	\$	2,500,000
5D2	195-650	Urban Redevelopment Loans	\$	10,000,000	\$	20,000,000
5H1	<u>195-652</u>	<u>Family Farm Loan</u>	<u>\$</u>	<u>2,500,000</u>	<u>\$</u>	<u>2,500,000</u>
TOTAL 037 Facilities Establishment Fund						
			\$	80,000,000	\$	80,000,000
Coal Research/Development Fund						
046	195-632	Coal Research and Development Fund	\$	12,000,000	\$	12,000,000
TOTAL 046 Coal Research/Development Fund						
			\$	12,000,000	\$	12,000,000
TOTAL ALL BUDGET FUND GROUPS			\$	451,766,664	\$	452,206,566

Sec. 47.15. Facilities Establishment Fund

The foregoing appropriation item 195-615, Facilities Establishment Fund (Fund 037), shall be used for the purposes of the Facilities Establishment Fund under Chapter 166. of the Revised Code.

Notwithstanding Chapter 166. of the Revised Code, up to \$1,600,000 may be transferred each fiscal year from the Facilities Establishment Fund (Fund 037) to the Economic Development Financing Operating Fund (Fund 451). The transfer is subject to Controlling Board approval pursuant to division (B) of section 166.03 of the Revised Code. The transfer shall be made using an intrastate transfer voucher.

Notwithstanding Chapter 166. of the Revised Code, up to \$3,800,000 may be transferred in each fiscal year of the biennium from the Facilities Establishment Fund (Fund 037) to the Minority Business Enterprise Loan (Fund 4W1). The transfer is subject to Controlling Board approval pursuant to division (B) of section 166.03 of the Revised Code. The transfer shall be made using an intrastate transfer voucher.

Notwithstanding Chapter 166. of the Revised Code, up to \$5,000,000 cash may be transferred during the biennium from the Facilities Establishment Fund (Fund 037) to the Port Authority Bond Reserves Fund (Fund 5D1) for use by any port authority in establishing or supplementing bond reserve funds for any bond issuance permitted under Chapter 4582. of the Revised Code. The Director of Development shall develop program guidelines for the transfer and release of funds, including, but not limited to, a provision that no port authority shall receive more than \$2,000,000. The transfer and release of funds are subject to Controlling Board approval. The transfer shall be made using an intrastate transfer voucher. Of the foregoing appropriation item 195-649, Port Authority Bond Reserves, \$2,000,000 over the biennium, subject to Controlling Board approval, shall go to the Cleveland Port Authority to establish or supplement bond reserves per the guidelines set forth by the director of development.

Notwithstanding Chapter 166. of the Revised Code, up to \$30,000,000

cash may be transferred during the biennium from the Facilities Establishment Fund (Fund 037) to the Urban Redevelopment Loan Fund (Fund 5D2) for the purpose of removing barriers to urban core redevelopment. The Director of Development shall develop program guidelines for the transfer and release of funds, including, but not limited to, the completion of all appropriate environmental assessments before state assistance is committed to a project. The transfer and release of funds are subject to Controlling Board approval. The transfer shall be made using an intrastate transfer voucher.

Family Farm Loan Program

Notwithstanding Chapter 166. Of the Revised Code, up to \$2.5 million in each fiscal year shall be transferred from moneys in the Facilities Establishment Fund (Fund 037) intended for the Rural Industrial Park Loan Fund (Fund 4Z6) to the Family Farm Loan Fund (Fund 5H1) in the Department of Development. The transfer is subject to Controlling Board approval. The transfer shall be made using an intrastate transfer voucher.

Financial Assistance from the Family Farm Loan Fund shall be repaid to Fund 5H1. This fund is established in accordance with sections 166.031, 901.80, 901.81, 901.82, and 901.83 Of the Revised Code.

When the Family Farm Loan Fund (Fund 5H1) ceases to exist, all outstanding balances, all loan repayments, and any other outstanding obligations shall revert to the Facilities Establishment Fund (Fund 037)."

SECTION 5. That existing Sections 47 and 47.15 of Am. Sub. H.B. 215 of the 122nd General Assembly are hereby repealed.

SECTION 6. That Section 3 of Am. Sub. H.B. 440 of the 121st General Assembly be amended to read as follows:

"Sec. 3. Sections 122.23, 122.24, 122.25, 122.26, and 122.27 of the Revised Code are hereby repealed, effective ~~January 1~~ June 30, 1999."

SECTION 7. That existing Section 3 of Am. Sub. H.B. 440 of the 121st General Assembly is hereby repealed.

SECTION 8. Except as otherwise specifically provided in this act, a codified or uncoded section of law contained in this act is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d, and section 1.471 of the Revised Code, the codified and uncoded sections

of law in this act, except as otherwise specifically provided in this act, go into immediate effect when this act becomes law.

SECTION 9. Sections 122.23, 122.24, 122.25, and 122.27 of the Revised Code, as amended by this act, are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the sections as amended take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against the section as amended, the section as amended, unless rejected at the referendum, takes effect at the earliest time permitted by law.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____