(127th General Assembly)
(Substitute House Bill Number 233)

AN ACT

To enact sections 122.23, 122.24, 122.25, 122.26, and 122.27 of the Revised Code and to amend Sections 384.10 and 757.03 of Am. Sub. H.B. 119 of the 127th General Assembly to revive the Rural Industrial Parks Loan Program, to make changes regarding the Local Government Service Collaboration Grant Fund Program, and to create the Ohio Agriculture to Chemicals, Polymers, and Advanced Materials Task Force.

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

SECTION 1. That sections 122.23, 122.24, 122.25, 122.26, and 122.27 of the Revised Code be enacted to read as follows:

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 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, 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 director of job and family 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 program;

(6) Require each applicant to demonstrate the suitability of any site for the assistance sought; that the site has been surveyed, that the site 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 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.

(B) The director may adopt rules 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 of receiving assistance under section 122.24 of the Revised Code, and except as provided in division (D) of this section, an applicant shall 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 the state.

(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 the state 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;

(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 shall 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. 122.26. The rural industrial park loan fund is hereby created in the state treasury for the purposes of the program established under section 122.24 of the Revised Code. The director of development shall deposit money received for the purposes of that section to the credit of the fund. The amount of the fund shall not exceed ten million dollars.

Sec. 122.27. (A) In order to be eligible for financial assistance under section 122.24 of the Revised Code, an 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.

SECTION 2. (A) There is herby created the Ohio Agriculture to Chemicals, Polymers, and Advanced Materials Task Force, which shall consist of thirteen members as follows:

(1) Three members of the House of Representatives appointed by the

Speaker of the House of Representatives, two of whom shall be members of the majority party and one of whom shall be a member of the minority party;

(2) Three members of the Senate appointed by the President of the Senate, two of whom shall be members of the majority party and one of whom shall be a member of the minority party;

(3) A representative of the Ohio Chemistry Technology Council appointed by the Speaker of the House of Representatives;

(4) A representative of Polymer Ohio appointed by the Speaker of the House of Representatives;

(5) A representative of the Ohio BioProducts Innovation Center appointed by the President of the Senate;

(6) A representative of the Ohio Farm Bureau Federation appointed by the President of the Senate;

(7) A representative of the Department of Agriculture appointed by the Director of Agriculture;

(8) A representative of the Department of Development appointed by the Director of Development;

(9) The energy advisor to the Governor appointed by the Governor.

Appointments shall be made, and the Task Force shall hold its first meeting, not later than fifteen days after the effective date of this section. The representative of the Department of Agriculture shall appoint a chairperson, and the Task Force shall elect from its members a vice-chairperson.

(B) Not later than four months after the effective date of this section, the Ohio Agriculture to Chemicals, Polymers, and Advanced Materials Task Force shall submit a report to the General Assembly and the Governor. The report shall do all of the following:

(1) Provide an overview of the agriculture industry and the specialty chemicals and polymer industry in this state;

(2) Describe the conditions of and trends in those industries in this state;

(3) Identify and describe potential alignments between the agricultural industry and the specialty chemicals and polymer industry in this state;

(4) Include recommendations to the General Assembly for expanding the agriculture industry and the specialty chemicals and polymer industry in this state and for providing methods to increase alignments between those industries.

Following submission of the report, the Task Force shall cease to exist.

SECTION 3. That sections 384.10 and 757.03 of Am. Sub. H.B. 119 of

the 127th General Assembly be amended to read as follows:

Sec. 384.10. LOCAL GOVERNMENT SERVICES COLLABORATION GRANT PROGRAM

(A) The Director of Development shall administer a Local Government Services Collaboration Grant Program. The Director may adopt rules under section 111.15 of the Revised Code and do all things necessary for that purpose.

(B) There is hereby created in the State Treasury the Local Government Services Collaboration Grant Fund (Fund 088). The fund shall consist of all cash deposited into it pursuant to ~~Section 757.03 of this act~~ Section 5 of Sub. H.B. 233 of the 127th General Assembly. The fund shall be used by the Director of Development in administering the Local Government Services Collaboration Grant Program.

(C) The foregoing appropriation item 110-900, Local Government Services Collaboration, shall be used by the Director of Development to administer the Local Government Services Collaboration Grant Program. Moneys shall be used to provide grants to counties, municipal corporations, and townships that are interested in combining the provision of local government services with those of other counties, municipal corporations, or townships. Individual grant awards shall be used solely for the cost of conducting a feasibility study that addresses whether, and in what manner, counties, municipal corporations, and townships may combine their respective provision of local government services.

Individual grants shall be available on a competitive basis to a county, municipal corporation, or township that proposes to combine its provision of local government services with those of at least two other counties, municipal corporations, or townships, or with any combination of at least two other counties, municipal corporations, or townships. Grants shall be awarded according to the following formula:

(1) For a total of, or for any combination of, three counties, municipal corporations, or townships, the grant shall be equal to fifty per cent of the total cost of the feasibility study, or not more than $30,000;

(2) For a total of, or for any combination of, four counties, municipal corporations, or townships, the grant shall be equal to sixty per cent of the total cost of the feasibility study, or not more than $40,000;

(3) For a total of, or for any combination of, five counties, municipal corporations, or townships, the grant shall be equal to seventy per cent of the total cost of the feasibility study, or not more than $50,000;

(4) For a total of, or for any combination of, six counties, municipal corporations, or townships, the grant shall be equal to eighty per cent of the

total cost of the feasibility study, or not more than $60,000;

(5) For a total of, or for any combination of, seven counties, municipal corporations, or townships, the grant shall be equal to ninety per cent of the total cost of the feasibility study, or not more than $70,000;

(6) For a total of, or for any combination of, eight or more counties, municipal corporations, or townships, the grant shall be equal to the total cost of the feasibility study, or not more than $80,000.

(D) Of the foregoing appropriation item 110-900, Local Government Services Collaboration, not more than $100,000 over the biennium may be used by the Department of Development for operating expenditures in administering the Local Government Services Collaboration Grant Program.

(E) Applicants for funding under the Local Government Services Collaboration Grant Program are encouraged to utilize the services of state-funded colleges and universities to conduct the feasibility studies referenced under this section.

(F) As used in this section, "local government services" means services typically provided by a county, municipal corporation, or township for the health, safety, and well-being of community residents and includes, but is not limited to, police and fire protection, 9-1-1 emergency service, trash collection, snow removal, road repair, and the provision of public utilities such as water and sewer services.

(G) On or before June 30, 2008, the unencumbered balance of the foregoing appropriation item 110-900, Local Government Services Collaboration, for fiscal year 2008 is hereby appropriated for the same purpose for fiscal year 2009.

Sec. 757.03. (A) Beginning in July 2007 and ending in November 2007, on or before the seventh day of each month, the Tax Commissioner shall determine and certify to the Director of Budget and Management the amount to be credited from each tax source under divisions (B), (C), and (D) of this section to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund.

(B) Notwithstanding sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code or any other provision of law to the contrary, for each month in the period beginning July 1, 2007, and ending November 30, 2007, tax revenues credited to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund under those sections shall instead be credited as follows:

(1) An amount shall first be credited to the Local Government Fund as prescribed under division (C) of this section;

(2) An amount shall next be credited to the Local Government Revenue Assistance Fund as prescribed under division (C) of this section;

(3) An amount shall next be credited to the Library and Local Government Support Fund as prescribed under division (D) of this section.

~~In December 2007, an amount totaling $1,000,000 shall be credited from amounts otherwise scheduled to be credited to the Local Government Fund to the Local Government Services Collaboration Grant Fund established under section 384.10 of this act.~~

(C) Receipts from the corporation franchise, sales and use, public utility excise, kilowatt-hour, and personal income taxes shall be credited to the Local Government Fund and the Local Government Revenue Assistance Fund as follows:

(1) In July 2007, the amount that was credited in July 2006;

(2) In August 2007, the amount that was credited in August 2006;

(3) In September 2007, the amount that was credited in September 2006;

(4) In October 2007, the amount that was credited in October 2006;

(5) In November 2007, the amount that was credited in November 2006.

(D) Receipts from the personal income tax shall be credited to the Library and Local Government Support Fund as follows:

(1) In July 2007, the amount that was credited in July 2006;

(2) In August 2007, the amount that was credited in August 2006;

(3) In September 2007, the amount that was credited in September 2006;

(4) In October 2007, the amount that was credited in October 2006;

(5) In November 2007, the amount that was credited in November 2006~~, except that the amount credited to the Local Government Fund from personal income tax revenue shall be reduced by an additional $1,000,000 and this reduction shall be borne entirely by the countywide nontownship and nonvillage distribution in January 2008~~.

(E)(1) To the extent the amounts required to be credited to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund under divisions (C) and (D) of this section exceed the amounts that otherwise would have been credited to those funds under sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code, amounts required to be credited to the General Revenue Fund under those sections shall be reduced accordingly.

(2) To the extent the amounts required to be credited to the Local Government Fund, the Library and Local Government Support Fund, and

the Local Government Revenue Assistance Fund under divisions (C) and (D) of this section are less than the amounts that otherwise would have been credited to those funds under sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code, amounts required to be credited to the General Revenue Fund under those sections shall be increased accordingly.

(F) The total amount credited each month under this section to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund shall be distributed on or before the tenth day of the immediately succeeding month as follows:

(1) Each county undivided Local Government Fund shall receive a distribution from the Local Government Fund that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(2) Each municipal corporation receiving a direct distribution from the Local Government Fund shall receive a distribution that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(3) Each county undivided Local Government Revenue Assistance Fund shall receive a distribution from the Local Government Revenue Assistance Fund that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(4) Each county undivided Library and Local Government Support Fund shall receive a distribution from the Library and Local Government Support Fund that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(G) Distributions shall not be made in accordance with sections 5747.47 and 5747.50 of the Revised Code until January 1, 2008.

(H) Notwithstanding section 5747.47 of the Revised Code, the Tax Commissioner is not required to issue the certification required by that section to be made in December 2007 for calendar year 2007. The Tax Commissioner may, as the Commissioner considers appropriate, provide to each county auditor additional revised estimates or other information relating to distributions in 2007, 2008, or 2009 at any time during the period beginning July 1, 2007, and ending June 30, 2009.

(I)(1) Notwithstanding division (A) of section 131.51 of the Revised Code, on or before January 5, 2008, the Director of Budget and Management shall credit to the Local Government Fund an amount equal to three and sixty-eight one-hundredths per cent of total tax revenues credited to the General Revenue Fund during December 2007. ~~In determining the~~

~~total tax revenues credited to the General Revenue Fund during that month, transfers made from the General Revenue Fund during that month to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund shall be disregarded.~~ Moneys credited to the Local Government Fund under division (I)(1) of this section shall be distributed in January 2008 in accordance with section 5747.50 of the Revised Code.

(2) Notwithstanding division (B) of section 131.51 of the Revised Code, on or before January 5, 2008, the Director of Budget and Management shall credit to the Library and Local Government Support Fund an amount equal to two and twenty-two one-hundredths per cent of total tax revenues credited to the General Revenue Fund during December 2007. ~~In determining the total tax revenues credited to the General Revenue Fund during that month, transfers made from the General Revenue Fund during that month to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund shall be disregarded.~~ Moneys credited to the Library and Local Government Support Fund under division (I)(2) of this section shall be distributed in January 2008 in accordance with section 5747.47 of the Revised Code.

SECTION 4. That existing sections 384.10 and 757.03 of Am. Sub. H.B. 119 of the 127th General Assembly are hereby repealed.

SECTION 5. Notwithstanding division (A) of section 133.51 of the Revised Code, in January 2008, an amount totaling $1,000,000 shall be credited from amounts otherwise scheduled to be credited to the Local Government Fund to the Local Government Services Collaboration Grant Fund established under section 384.10 of Am. Sub. H.B. 119 of the 127th General Assembly.

SECTION 6. The amendment by this act of sections 384.10 and 757.03 of Am. Sub. H.B. 119 of the 127th General Assembly and Sections 5 and 6 of this act, and the items of law of which they are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendment and the sections, and the items of law of which they are composed, go into immediate effect when this act becomes law.

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Speaker _____ of the House of Representatives.

_____

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

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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____.

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Secretary of State.

File No. _____ Effective Date _____