

**As Reported by the House Economic and Workforce Development
Committee**

133rd General Assembly

**Regular Session
2019-2020**

H. B. No. 252

Representative Greenspan

**Cosponsors: Representatives Sobecki, DeVitis, Holmes, A., Ingram, Liston,
Skindell**

A BILL

To amend sections 122.011 and 1724.02 and to enact 1
section 1724.13 of the Revised Code to create 2
the Land Reutilization Demolition Program and to 3
make an appropriation. 4

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

Section 1. That sections 122.011 and 1724.02 be amended 5
and section 1724.13 of the Revised Code be enacted to read as 6
follows: 7

Sec. 122.011. (A) The development services agency shall 8
develop and promote plans and programs designed to assure that 9
state resources are efficiently used, economic growth is 10
properly balanced, community growth is developed in an orderly 11
manner, and local governments are coordinated with each other 12
and the state, and for such purposes may do all of the 13
following: 14

(1) Serve as a clearinghouse for information, data, and 15
other materials that may be helpful or necessary to persons or 16

local governments, as provided in section 122.073 of the Revised Code;	17 18
(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;	19 20 21
(3) Assist and cooperate with federal, state, and local governments and agencies of federal, state, and local governments in the coordination of programs to carry out the functions and duties of the agency;	22 23 24 25
(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;	26 27 28 29 30
(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;	31 32 33 34 35
(6) Cooperate with and provide technical assistance to state departments, political subdivisions, regional and local planning commissions, tourist associations, councils of government, community development groups, community action agencies, and other appropriate organizations for carrying out the functions and duties of the development services agency or for the solution of community problems;	36 37 38 39 40 41 42
(7) Coordinate the activities of state agencies that have an impact on carrying out the functions and duties of the development services agency;	43 44 45

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

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

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

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

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

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

section 166.031 of the Revised Code. 75

(14) Allocate that portion of the national recovery zone 76
economic development bond limitation and that portion of the 77
national recovery zone facility bond limitation that has been 78
allocated to the state under section 1400U-1 of the Internal 79
Revenue Code, 26 U.S.C. 1400U-1. If any county or municipal 80
corporation waives any portion of an allocation it receives 81
under division (A) (14) of this section, the agency may 82
reallocate that amount. Any allocation or reallocation shall be 83
made in accordance with this section and section 1400U-1 of the 84
Internal Revenue Code. 85

(B) The director of development services may request the 86
attorney general to, and the attorney general, in accordance 87
with section 109.02 of the Revised Code, shall bring a civil 88
action in any court of competent jurisdiction. The director may 89
be sued in the director's official capacity, in connection with 90
this chapter, in accordance with Chapter 2743. of the Revised 91
Code. 92

(C) The director shall execute a contract pursuant to 93
section 187.04 of the Revised Code with the nonprofit 94
corporation formed under section 187.01 of the Revised Code, and 95
may execute any additional contracts with the corporation 96
providing for the corporation to assist the director or agency 97
in carrying out any duties of the director or agency under this 98
chapter, under any other provision of the Revised Code dealing 99
with economic development, or under a contract with the 100
director, subject to section 187.04 of the Revised Code. 101

(D) The director shall administer the land reutilization 102
demolition program under section 1724.13 of the Revised Code. 103

Sec. 1724.02. (A) In furtherance of the purposes set forth 104
in section 1724.01 of the Revised Code, a community improvement 105
corporation shall have the following powers: 106

(1) (a) To borrow money for any of the purposes of the 107
community improvement corporation by means of loans, lines of 108
credit, or any other financial instruments or securities, 109
including the issuance of its bonds, debentures, notes, or other 110
evidences of indebtedness, whether secured or unsecured, and to 111
secure the same by mortgage, pledge, deed of trust, or other 112
lien on its property, franchises, rights, and privileges of 113
every kind and nature or any part thereof or interest therein; 114
and 115

(b) If the community improvement corporation is a county 116
land reutilization corporation, the corporation may request, by 117
resolution: 118

(i) That the board of county commissioners of the county 119
served by the corporation pledge a specifically identified 120
source or sources of revenue pursuant to division (C) of section 121
307.78 of the Revised Code as security for such borrowing by the 122
corporation; and 123

(ii) (I) If the land subject to reutilization is located 124
within an unincorporated area of the county, that the board of 125
county commissioners issue notes under section 307.082 of the 126
Revised Code for the purpose of constructing public 127
infrastructure improvements and take other actions as the board 128
determines are in the interest of the county and are authorized 129
under sections 5709.78 to 5709.81 of the Revised Code or bonds 130
or notes under section 5709.81 of the Revised Code for the 131
refunding purposes set forth in that section; or 132

(II) If the land subject to reutilization is located 133
within the corporate boundaries of a municipal corporation, that 134
the municipal corporation issue bonds for the purpose of 135
constructing public infrastructure improvements and take such 136
other actions as the municipal corporation determines are in its 137
interest and are authorized under sections 5709.40 to 5709.43 of 138
the Revised Code. 139

(2) To make loans to any person, firm, partnership, 140
corporation, joint stock company, association, or trust, and to 141
establish and regulate the terms and conditions with respect to 142
any such loans; provided that an economic development 143
corporation shall not approve any application for a loan unless 144
and until the person applying for said loan shows that the 145
person has applied for the loan through ordinary banking or 146
commercial channels and that the loan has been refused by at 147
least one bank or other financial institution. Nothing in this 148
division shall preclude a county land reutilization corporation 149
from making revolving loans to community development 150
corporations, private entities, or any person for the purposes 151
contained in the corporation's plan under section 1724.10 of the 152
Revised Code. 153

(3) To purchase, receive, hold, manage, lease, lease- 154
purchase, or otherwise acquire and to sell, convey, transfer, 155
lease, sublease, or otherwise dispose of real and personal 156
property, together with such rights and privileges as may be 157
incidental and appurtenant thereto and the use thereof, 158
including but not restricted to, any real or personal property 159
acquired by the community improvement corporation from time to 160
time in the satisfaction of debts or enforcement of obligations, 161
and to enter into contracts with third parties, including the 162
federal government, the state, any political subdivision, or any 163

other entity. A county land reutilization corporation shall not 164
acquire an interest in real property if such acquisition causes 165
the number of occupied real properties held by the corporation 166
to exceed the greater of either fifty properties or twenty-five 167
per cent of all real property held by the corporation for 168
reutilization, reclamation, or rehabilitation. For the purposes 169
of this division, "occupied real properties" includes all real 170
properties that are not unoccupied as that term is defined in 171
section 323.65 of the Revised Code. 172

(4) To acquire the good will, business, rights, real and 173
personal property, and other assets, or any part thereof, or 174
interest therein, of any persons, firms, partnerships, 175
corporations, joint stock companies, associations, or trusts, 176
and to assume, undertake, or pay the obligations, debts, and 177
liabilities of any such person, firm, partnership, corporation, 178
joint stock company, association, or trust; to acquire, reclaim, 179
manage, or contract for the management of improved or unimproved 180
and underutilized real estate for the purpose of constructing 181
industrial plants, other business establishments, or housing 182
thereon, or causing the same to occur, for the purpose of 183
assembling and enhancing utilization of the real estate, or for 184
the purpose of disposing of such real estate to others in whole 185
or in part for the construction of industrial plants, other 186
business establishments, or housing; and to acquire, reclaim, 187
manage, contract for the management of, construct or 188
reconstruct, alter, repair, maintain, operate, sell, convey, 189
transfer, lease, sublease, or otherwise dispose of industrial 190
plants, business establishments, or housing. 191

(5) To acquire, subscribe for, own, hold, sell, assign, 192
transfer, mortgage, pledge, or otherwise dispose of the stock, 193
shares, bonds, debentures, notes, or other securities and 194

evidences of interest in, or indebtedness of, any person, firm, 195
corporation, joint stock company, association, or trust, and 196
while the owner or holder thereof, to exercise all the rights, 197
powers, and privileges of ownership, including the right to vote 198
therein, provided that no tax revenue, if any, received by a 199
community improvement corporation shall be used for such 200
acquisition or subscription. 201

(6) To mortgage, pledge, or otherwise encumber any 202
property acquired pursuant to the powers contained in division 203
(A) (3), (4), or (5) of this section. 204

(7) Nothing in this section shall limit the right of a 205
community improvement corporation to become a member of or a 206
stockholder in a corporation formed under Chapter 1726. of the 207
Revised Code. 208

(8) To serve as an agent for grant applications and for 209
the administration of grants, or to make applications as 210
principal for grants for county land reutilization corporations. 211

(9) To demolish, and fund the demolition of, structures 212
through the land reutilization demolition program established 213
under section 1724.13 of the Revised Code. 214

(10) To exercise the powers enumerated under Chapter 5722. 215
of the Revised Code on behalf of a county that organizes or 216
contracts with a county land reutilization corporation. 217

~~(10)~~ (11) To engage in code enforcement and nuisance 218
abatement, including, but not limited to, cutting grass and 219
weeds, boarding up vacant or abandoned structures, and 220
demolishing condemned structures on properties that are subject 221
to a delinquent tax or assessment lien, or property for which a 222
municipal corporation or township has contracted with a county 223

land reutilization corporation to provide code enforcement or	224
nuisance abatement assistance.	225
(11) <u>(12)</u> To charge fees or exchange in-kind goods or	226
services for services rendered to political subdivisions and	227
other persons or entities for whom services are rendered.	228
(12) <u>(13)</u> To employ and provide compensation for an	229
executive director who shall manage the operations of a county	230
land reutilization corporation and employ others for the benefit	231
of the corporation as approved and funded by the board of	232
directors. No employee of the corporation is or shall be deemed	233
to be an employee of the political subdivision for whose benefit	234
the corporation is organized solely because the employee is	235
employed by the corporation.	236
(13) <u>(14)</u> To purchase tax certificates at auction,	237
negotiated sale, or from a third party who purchased and is a	238
holder of one or more tax certificates issued pursuant to	239
sections 5721.30 to 5721.43 of the Revised Code.	240
(14) <u>(15)</u> To be assigned a mortgage on real property from	241
a mortgagee in lieu of acquiring such real property subject to a	242
mortgage.	243
(15) <u>(16)</u> To do all acts and things necessary or	244
convenient to carry out the purposes of section 1724.01 of the	245
Revised Code and the powers especially created for a community	246
improvement corporation in Chapter 1724. of the Revised Code,	247
including, but not limited to, contracting with the federal	248
government, the state or any political subdivision, a board of	249
county commissioners pursuant to section 307.07 of the Revised	250
Code, a county auditor pursuant to section 319.10 of the Revised	251
Code, a county treasurer pursuant to section 321.49 of the	252

Revised Code, and any other party, whether nonprofit or for- 253
profit. An employee of a board of county commissioners, county 254
auditor, or county treasurer who, pursuant to a contract entered 255
into in accordance with section 307.07, 319.10, or 321.49 of the 256
Revised Code, provides services to a county land reutilization 257
corporation shall remain an employee of the county during the 258
provision of those services. 259

(B) The powers enumerated in this chapter shall not be 260
construed to limit the general powers of a community improvement 261
corporation. The powers granted under this chapter are in 262
addition to those powers granted by any other chapter of the 263
Revised Code, but, as to a county land reutilization 264
corporation, shall be used only for the purposes enumerated 265
under division (B) (2) of section 1724.01 of the Revised Code. 266

(C) Ownership of real property by an economic development 267
corporation does not constitute public ownership unless the 268
economic development corporation has applied for and been 269
granted a tax exemption for the property under section 5709.08 270
of the Revised Code. 271

Sec. 1724.13. (A) As used in this section, "blighted 272
parcel" has the same meaning as in section 1.08 of the Revised 273
Code. 274

(B) The land reutilization demolition program is hereby 275
created to fund the demolition of structures on blighted 276
parcels. 277

(C) The director of development services shall administer 278
the land reutilization demolition program by awarding grants to 279
county land reutilization corporations for the purpose of 280
funding demolitions on blighted parcels. The director may award 281

<u>grants for that purpose subject to both of the following</u>	282
<u>conditions:</u>	283
<u>(1) A county land reutilization corporation that receives</u>	284
<u>a grant from the land reutilization demolition program commits</u>	285
<u>additional funds, in an amount that is equal to or greater than</u>	286
<u>the amount of the grant, to the demolition of structures on</u>	287
<u>blighted parcels.</u>	288
<u>(2) Any other condition on the use of funds the director</u>	289
<u>finds appropriate.</u>	290
<u>(D) The director shall not, during any fiscal year, award</u>	291
<u>any county land reutilization corporation more than twenty per</u>	292
<u>cent of the funds appropriated to the land reutilization</u>	293
<u>demolition program by the general assembly in that fiscal year.</u>	294
Section 2. That existing sections 122.011 and 1724.02 of	295
the Revised Code are hereby repealed.	296
Section 3. All items in this section are hereby	297
appropriated as designated out of any moneys in the state	298
treasury to the credit of the designated fund. For all	299
appropriations made in this act, those in the first column are	300
for fiscal year 2020 and those in the second column are for	301
fiscal year 2021. The appropriations made in this act are in	302
addition to any other appropriations made for the FY 2020-FY	303
2021 biennium.	304
DEV DEVELOPMENT SERVICES AGENCY	305
General Revenue Fund	306
GRF 195400 Land Reutilization \$50,000,000 \$50,000,000	307
Demolition Program	308

TOTAL GRF General Revenue Fund	\$50,000,000	\$50,000,000	309
TOTAL ALL BUDGET FUND GROUPS	\$50,000,000	\$50,000,000	310
LAND REUTILIZATION DEMOLITION PROGRAM			311
The foregoing appropriation item 195400, Land			312
Reutilization Demolition Program, shall be used for the Land			313
Reutilization Demolition Program as described under section			314
1724.13 of the Revised Code.			315
Section 4. Within the limits set forth in this act, the			316
Director of Budget and Management shall establish accounts			317
indicating the source and amount of funds for each appropriation			318
made in this act, and shall determine the form and manner in			319
which appropriation accounts shall be maintained. Expenditures			320
from appropriations contained in this act shall be accounted for			321
as though made in the main operating appropriations act of the			322
133rd General Assembly.			323
The appropriations made in this act are subject to all			324
provisions of the main operating appropriations act of the 133rd			325
General Assembly that are generally applicable to such			326
appropriations.			327