

As Introduced

136th General Assembly

Regular Session

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S. B. No. 281

Senator Roegner

To amend section 306.04 of the Revised Code to 1
authorize a board of county commissioners, on 2
its own behalf, to award a franchise for the 3
operation of a public transit system. 4

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

Section 1. That section 306.04 of the Revised Code be 5
amended to read as follows: 6

Sec. 306.04. (A) Except as otherwise provided in division 7
(B) of this section, employees of a county transit board or a 8
board of county commissioners operating a transit system are 9
employees of the county. If the system is operated by the board 10
of county commissioners, the board shall appoint an executive 11
director, who shall be in the unclassified service. 12

(B) Any county transit board that established its own 13
civil service organization and procedure prior to October 25, 14
1995, shall continue to operate under that organization. 15
Appointments and promotions in that system shall be made, as far 16
as practicable, by competitive examination. 17

A board that established its own civil service 18
organization prior to October 25, 1995, shall establish by rule 19
the seniority provisions relating to street railway and motor 20

bus employees in effect at the time of the acquisition of the 21
transit system by the county. The vacation, holiday, and sick 22
leave privileges shall not be regulated by other provisions of 23
law relating to public employees of the state or county, except 24
that the transit board, its officers and employees, shall be 25
subject to the public employees retirement system of the state 26
and the transit board shall assume any pension obligations which 27
have been assumed by any publicly owned transit system which the 28
county may acquire. 29

(C) A county transit board or board of county 30
commissioners operating a transit system may: 31

(1) Acquire in its name by gift, grant, purchase, or 32
condemnation and hold and operate real estate and interests 33
therein and personal property suitable for its purposes; 34

(2) In its name purchase, acquire, construct, enlarge, 35
improve, equip, repair, maintain, sell, exchange, lease as 36
lessee or lessor, receive a right of use of, and manage, 37
control, and operate, in or out of the county, a county transit 38
system consisting of all real estate and interests therein, 39
personal property, and a combination thereof, for or related to 40
the movement of persons including but not limited to street 41
railway, tramline, subways, rapid transits, monorails, and 42
passenger bus systems but excluding therefrom trucks, the 43
movement of property by truck, and facilities designed for use 44
in the movement of property by truck for hire; 45

(3) Issue, with the approval of the county commissioners 46
when the issuance is made by the transit board, revenue bonds of 47
the county as provided in division (B) of section 306.09 of the 48
Revised Code, to secure funds to accomplish its purposes. The 49
principal of and interest on such bonds, together with all other 50

payments required to be made by the trust agreement or indenture 51
securing such bonds, shall be paid solely from revenues or other 52
income accruing to the board from facilities of the county 53
transit system designated in said agreement or indenture. 54

(4) Enter into contracts in the exercise of the rights, 55
powers, and duties conferred upon it, and execute all 56
instruments necessary in the conduct of its business; 57

(5) Fix, alter, and charge rates and other charges for the 58
use of its real estate and interests therein, personal property, 59
and combinations thereof; 60

(6) Employ such financial consultants, accountants, 61
appraisers, consulting engineers, architects, construction 62
experts, attorneys-at-law, managers and other supervisory 63
personnel, and other officers, employees, and agents as it 64
determines necessary to conduct its business, and fix their 65
compensation and duties; 66

(7) Pledge, hypothecate, or otherwise encumber its 67
revenues and other income as security for its obligations and 68
enter into trust agreements or indentures for the benefit of 69
revenue bondholders; 70

(8) Borrow money or accept or contract to accept advances, 71
loans, gifts, grants, devises, or bequests from and enter into 72
contracts or agreements with any federal, state, or other 73
governmental or private source and hold and apply advances, 74
loans, gifts, grants, devises, or bequests according to the 75
terms thereof including provisions which are required by such 76
federal, state, or other governmental or private source to 77
protect the interest of employees affected by such advances, 78
loans, gifts, grants, devises, or bequests. Such advances, 79

loans, gifts, grants, or devises may be subject to any 80
reasonable reservation and any gift, grant, or devise or real 81
estate may be in fee simple or any lesser estate. Any advances 82
or loans received from any federal, state, or other governmental 83
or private source may be repaid in accordance with the terms of 84
such advance or loan. A loan accepted by a county transit board 85
shall not, in any way, obligate the general fund of a county or 86
a board of county commissioners. 87

(9) Conduct investigations and surveys into the needs of 88
the public within or without the county for transportation 89
services to provide for the movement of persons within, into, or 90
from the area serviced or to be serviced by the county transit 91
system; 92

(10) Enter into lawful arrangements with the appropriate 93
federal or state department or agency, county, township, 94
municipal corporation, or other political subdivision or public 95
agency for the planning and installation of any public 96
facilities which are determined necessary in the conduct of its 97
business; 98

(11) Purchase fire, extended coverage, and liability 99
insurance for the real estate and interests therein, personal 100
property and any combination thereof, used by or in connection 101
with the county transit system and insurance covering the board 102
and the county transit system and its officers and employees for 103
liability for damage or injury to persons or property; 104

(12) Procure and pay all or any part of the cost of group 105
hospitalization, surgical, major medical, or sickness and 106
accident insurance, or a combination thereof, for the officers 107
and employees of the county transit system and their immediate 108
dependents, issued by an insurance company, duly authorized to 109

do business in this state; 110

(13) Sell, lease, release, or otherwise dispose of real 111
estate or interests therein or personal property owned by it and 112
grant such easements across its real estate and interests 113
therein as will not interfere with its use by the county transit 114
system; 115

(14) Establish rules for the use and operation of the 116
county transit system including the real estate or interests 117
therein, personal property or a combination of the foregoing 118
used by or in connection with such system; 119

(15) Exercise the power of eminent domain to appropriate 120
any real estate or interests therein, personal property, 121
franchises, or any combination thereof, within or without the 122
county, necessary or proper in the exercise of its powers 123
provided in sections 306.01 to 306.13 of the Revised Code, as 124
provided in sections 163.01 to 163.22 of the Revised Code, and 125
subject to divisions (15) (a), (b), and (c) of this section, 126
provided that a county transit board or a board of county 127
commissioners operating a transit system shall not proceed to so 128
appropriate real property outside its territorial boundaries, 129
until it has served at the office of the county commissioners of 130
the county in which it is proposed to appropriate real property, 131
a notice describing the real property to be taken and the 132
purpose for which it is proposed to be taken, and such county 133
commissioners have entered on their journal within thirty days 134
after such service a resolution approving such appropriation. 135

(a) Nothing contained in this division authorizes a county 136
transit board or a board of county commissioners to appropriate 137
any land, rights, rights-of-way, franchises, or easements 138
belonging to the state or to a municipal corporation without the 139

consent of the state or of the municipal corporation, and no 140
county transit board or board of county commissioners shall 141
exercise the right of eminent domain to acquire any certificate 142
of public convenience and necessity, or any part thereof, issued 143
to a for-hire motor carrier by the public utilities commission 144
of Ohio or by the federal motor carrier safety administration of 145
the United States, or to take or disturb other real estate or 146
interests therein, personal property, or any combination thereof 147
belonging to any municipal corporation without the consent of 148
the legislative authority of such municipal corporation, or take 149
or disturb real estate or interests therein, personal property, 150
or any combination thereof belonging to any other political 151
subdivision, public corporation, public utility, or common 152
carrier, which is necessary and convenient in the operation of 153
such political subdivision, public corporation, public utility, 154
or common carrier unless provision is made for the restoration, 155
relocation, or duplication of that taken or upon the election of 156
such political subdivision, public corporation, public utility, 157
or common carrier for the payment of compensation, if any, at 158
the sole cost of the county transit system. 159

(b) If any restoration or duplication proposed to be made 160
under this division involves a relocation, the new location 161
shall have at least comparable utilitarian value and 162
effectiveness, and such relocation shall not impair the ability 163
of the public utility or common carrier to compete in its 164
original area of operation. 165

(c) If such restoration or duplication proposed to be made 166
under this division involves a relocation, the county transit 167
board or board of county commissioners shall acquire no interest 168
or right in or to the appropriated property or facility until 169
the relocated property or facility is available for use and 170

until marketable title thereto has been transferred to the 171
political subdivision, public corporation, public utility, or 172
common carrier. Nothing in this division shall require any board 173
of county commissioners or county transit board operating a 174
county transit system to so restore, relocate, or duplicate, if 175
all of the real estate and interests therein, personal property, 176
and any combination of the foregoing which is owned by a public 177
utility or common carrier and used by it or in connection with 178
the movement of persons, is acquired by exercise of the power of 179
eminent domain. 180

(16) When real property is acquired that is located 181
outside the county and is removed from the tax duplicate, the 182
county transit board or board of county commissioners operating 183
a transit system shall pay annually to the county treasurer of 184
the county in which that property is located, commencing with 185
the first tax year in which that property is removed from the 186
tax duplicate, an amount of money in lieu of taxes equal to the 187
smaller of the following: 188

(a) The last annual installment of taxes due from the 189
acquired property before removal from the tax duplicate; 190

(b) An amount equal to the difference between the combined 191
revenue from real estate taxes of all the taxing districts in 192
which the property is located in the tax year immediately prior 193
to the removal of the acquired property from the tax duplicate, 194
and either: 195

(i) The total revenue which would be produced by the tax 196
rate of each such taxing district in the tax year immediately 197
prior to the removal of the acquired property from the tax 198
duplicate, applied to the real estate tax duplicate of each of 199
such taxing districts in each tax year subsequent to the year of 200

removal; or 201

(ii) The combined revenue from real estate taxes of all 202
such taxing districts in each tax year subsequent to the year of 203
removal, whichever is the greater. 204

The county transit board or board of county commissioners 205
may be exempted from such payment by agreement of the affected 206
taxing district or districts in the county in which the property 207
is located. 208

The county auditor of the county in which that property is 209
located shall apportion each such annual payment to each taxing 210
district as if the annual payment had been levied and collected 211
as a tax. 212

Those annual payments shall never again be made after they 213
have ceased. 214

(17) Sue or be sued, plead or be impleaded, and be held 215
liable in any court of proper jurisdiction for damages received 216
by reason of negligence, in the same manner and to the same 217
extent as if the county transit system were privately operated, 218
provided, that no funds of a county other than those of the 219
county transit board or, if the transit system is operated by 220
the board of county commissioners, other than those in the 221
account for the county transit system created under division (C) 222
of section 306.01 of the Revised Code, shall be available for 223
the satisfaction of judgments rendered against that system; 224

(18) Annually prepare and make available for public 225
inspection a report in condensed form showing the financial 226
results of the operation of the county transit system. For 227
systems operated by a county transit board, copies of this 228
report shall be furnished to the county commissioners as well as 229

a monthly summary statement of revenues and expenses for the 230
preceding month sufficient to show the exact financial condition 231
of the county transit system as of the last day of the preceding 232
month. 233

(19) With the approval of the county commissioners when 234
the action is taken by the transit board, and without 235
competitive bidding, sell, lease, or grant the right of use of 236
all or a portion of the county transit system to any other 237
political subdivision, taxing district, or other public body or 238
agency having the power to operate a transit system. 239

(D) (1) As used in this division: 240

(a) "Applicant" means any person who responds to a request 241
for proposals and submits an application for a franchise to 242
operate a public transit system or portion of a public transit 243
system; 244

(b) "Application for certification" means the documents 245
that are required to be filed by a franchisee to initiate the 246
proceedings required for certification; 247

(c) "Application for a franchise" means the documents that 248
are required to be filed in response to a request for proposals 249
and that initiate the proceedings required for the award of a 250
franchise; 251

(d) "Certification" means the order issued by a board of 252
county commissioners, after submission of an application for 253
certification, that approves the operation of a public transit 254
system, or a portion of a public transit system, by a 255
franchisee, subject to terms and conditions imposed by the 256
board. 257

(e) "Franchise" means the document and all accompanying 258

rights approved by the board of county commissioners that 259
provides the franchisee with the exclusive right to establish a 260
public transit system and, subject to certification, the right 261
to operate a public transit system. A franchise may include the 262
right of a franchisee to provide transportation services for a 263
county department of job and family services. 264

(f) "Franchisee" means the individual, corporation, or 265
other entity awarded a franchise. 266

(2) A board of county commissioners, on its own behalf, or 267
on behalf of a county transit board, may award a franchise to an 268
applicant subject to such terms and conditions as the board of 269
county commissioners considers appropriate and consistent with 270
applicable laws. Subsequent to awarding the franchise, the board 271
of county commissioners may issue a certification and, until 272
such issuance, the franchisee has no right to operate a public 273
transit system or part of such a system. The board of county 274
commissioners shall not delete, alter, or amend the terms and 275
conditions of the certification after its issuance. The board 276
shall include in the certification performance targets related 277
to the operation of a public transit system by the franchisee, 278
including cost savings to the county, gains in efficiency, the 279
safety and security of the traveling public and franchise 280
employees, service to the traveling public, return on any 281
investments made by the county, and any other performance 282
targets as determined by the board. All terms and conditions of 283
the order of certification are terms and conditions of the 284
franchise. Unless expressly exempted or granted a waiver in the 285
certification, the franchisee shall comply with all applicable 286
rules, regulations, orders, and ordinances. 287

(3) The award of a franchise by a board of county 288

commissioners to an applicant is the sole license and authority 289
for the franchisee to establish a public transit system and, 290
subject to certification, operate a public transit system. 291

(4) A board of county commissioners shall award a 292
franchise for a period of not less than ten years, as provided 293
in the franchise. 294

(5) A franchise shall not prohibit the franchisee from 295
implementing new or improved services during the term of the 296
franchise. 297

(6) A franchisee shall coordinate its services, as 298
specified in the franchise, with public transit providers to 299
make effective transportation services available to the public 300
and provide access to and from the public transit system. 301

(7) A board of county commissioners shall provide terms 302
and conditions in a franchise to ensure that the franchisee will 303
continue operation of the public transit system for the duration 304
of the term of the franchise or, if the franchise is revoked, 305
suspended, or abandoned, that financial and other necessary 306
resources are available to continue the operation of the system 307
until another franchisee is selected or until the board of 308
county commissioners determines to cease the transit operations 309
governed by the franchise. The franchise shall specifically 310
provide that the board shall have the right to terminate the 311
franchise if the board determines that the franchisee has 312
materially breached the franchise in any manner. The franchisee 313
may appeal such a termination to the board, and, if the board 314
upholds the termination, to the proper court of common pleas. 315

Section 2. That existing section 306.04 of the Revised 316
Code is hereby repealed. 317