As Passed by the Senate

132nd General Assembly

Regular Session 2017-2018

Sub. S. B. No. 51

Senators Skindell, Eklund

Cosponsors: Senators Thomas, Schiavoni, Williams, Hite, O'Brien, LaRose, Burke, Coley, Dolan, Gardner, Hackett, Lehner, Manning, Oelslager, Peterson, Tavares, Terhar, Yuko

A BILL

То	amend sections 1710.01, 1710.02, and 1710.06 of	1
	the Revised Code to authorize the creation of a	2
	special improvement district to facilitate Lake	3
	Erie shoreline improvement.	4

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

Section 1. That sections 1710.01, 1710.02, and 1710.06 of	5
the Revised Code be amended to read as follows:	6
Sec. 1710.01. As used in this chapter:	7
(A) "Special improvement district" means a special	8
improvement district organized under this chapter.	9
(B) "Church" means a fellowship of believers,	10
congregation, society, corporation, convention, or association	11
that is formed primarily or exclusively for religious purposes	12
and that is not formed for the private profit of any person.	13
(C) "Church property" means property that is described as	14
being exempt from taxation under division (A)(2) of section	15
5709.07 of the Revised Code and that the county auditor has	16

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entered on the exempt list compiled under section 5713.07 of the	17
Revised Code.	18
(D) "Municipal executive" means the mayor, city manager,	19
or other chief executive officer of the municipal corporation in	20
which a special improvement district is located.	21
(E) "Participating political subdivision" means the	22
municipal corporation or township, or each of the municipal	23
corporations or townships, that has territory within the	24
boundaries of a special improvement district created under this	25
chapter.	26
(F) "Legislative authority of a participating political	27
subdivision" means, with reference to a township, the board of	28
township trustees.	29
(G) "Public improvement" means the planning, design,	30
construction, reconstruction, enlargement, or alteration of any	31
facility or improvement, including the acquisition of land, for	32
which a special assessment may be levied under Chapter 727. of	33
the Revised Code, and includes any special energy improvement	34
project or shoreline improvement project.	35
(H) "Public service" means any service that can be	36
provided by a municipal corporation or any service for which a	37
special assessment may be levied under Chapter 727. of the	38
Revised Code.	39
(I) "Special energy improvement project" means any	40
property, device, structure, or equipment necessary for the	41
acquisition, installation, equipping, and improvement of any	42
real or personal property used for the purpose of creating a	43
solar photovoltaic project, a solar thermal energy project, a	44
geothermal energy project, a customer-generated energy project,	45

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or an energy efficiency improvement, whether such real or personal property is publicly or privately owned.

- (J) "Existing qualified nonprofit corporation" means a 48 nonprofit corporation that existed before the creation of the 49 corresponding district under this chapter, that is composed of 50 members located within or adjacent to the district, that has 51 established a police department under section 1702.80 of the 52 Revised Code, and that is organized for purposes that include 53 acquisition of real property within an area specified by its 54 articles for the subsequent transfer of such property to its 55 members exclusively for charitable, scientific, literary, or 56 educational purposes, or holding and maintaining and leasing 57 such property; planning for and assisting in the development of 58 its members; providing for the relief of the poor and distressed 59 or underprivileged in the area and adjacent areas; combating 60 community deterioration and lessening the burdens of government; 61 providing or assisting others in providing housing for low- or 62 moderate-income persons; and assisting its members by the 63 provision of public safety and security services, parking 64 facilities, transit service, landscaping, and parks. 65
- (K) "Energy efficiency improvement" means energy efficiency technologies, products, and activities that reduce or support the reduction of energy consumption, allow for the reduction in demand, or support the production of clean, renewable energy and that are or will be permanently fixed to real property.
- (L) "Customer-generated energy project" means a wind, 72 biomass, or gasification facility for the production of 73 electricity that meets either of the following requirements: 74
 - (1) The facility is designed to have a generating capacity

created within the boundaries of any one municipal corporation,

any one township, or any combination of contiguous municipal

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corporations and townships for the purpose of developing and	104
implementing plans for public improvements and public services	105
that benefit the district. A district may be created by petition	106
of the owners of real property within the proposed district, or	107
by an existing qualified nonprofit corporation. If the district	108
is created by an existing qualified nonprofit corporation, the	109
purposes for which the district is created may be supplemental	110
to the other purposes for which the corporation is organized.	111
All territory in a special improvement district shall be	112
contiguous; except that the territory in a special improvement	113
district may be noncontiguous if at least one special energy	114
improvement project or shoreline improvement project is	115
designated for each parcel of real property included within the	116
special improvement district. Additional territory may be added	117
to a special improvement district created under this chapter for	118
the purpose of developing and implementing plans for special	119
energy improvement projects or shoreline improvement projects if	120
at least one special energy improvement project or shoreline	121
improvement project, respectively, is designated for each parcel	122
of real property included within such additional territory and	123
the addition of territory is authorized by the initial plan	124
proposed under division (F) of this section or a plan adopted by	125
the board of directors of the special improvement district under	126
section 1710.06 of the Revised Code.	127

The district shall be governed by the board of trustees of
a nonprofit corporation. This board shall be known as the board

of directors of the special improvement district. No special

improvement district shall include any church property, or

property of the federal or state government or a county,

township, or municipal corporation, unless the church or the

county, township, or municipal corporation specifically requests

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in writing that the property be included within the district, or	135
unless the church is a member of the existing qualified	136
nonprofit corporation creating the district at the time the	137
district is created. A shoreline improvement project may extend	138
into the territory of Lake Erie as described in sections 1506.10	139
and 1506.11 of the Revised Code. However, the state shall remain	140
exempt from any special assessment that may be levied against	141
that territory under section 1710.06 and Chapter 727. of the	142
Revised Code. More than one district may be created within a	143
participating political subdivision, but no real property may be	144
included within more than one district unless the owner of the	145
property files a written consent with the clerk of the	146
legislative authority, the township fiscal officer, or the	147
village clerk, as appropriate. The area of each district shall	148
be contiguous; except that the area of a special improvement	149
district may be noncontiguous if all parcels of real property	150
included within such area contain at least one special energy	151
improvement or shoreline improvement thereon.	152

(B) Except as provided in division (C) of this section, a 153 district created under this chapter is not a political 154 subdivision. A district created under this chapter shall be 155 considered a public agency under section 102.01 and a public 156 authority under section 4115.03 of the Revised Code. Each member 157 of the board of directors of a district, each member's designee 158 or proxy, and each officer and employee of a district shall be 159 considered a public official or employee under section 102.01 of 160 the Revised Code and a public official and public servant under 161 section 2921.42 of the Revised Code. Districts created under 162 this chapter are not subject to sections 121.81 to 121.83 of the 163 Revised Code. Districts created under this chapter are subject 164 to sections 121.22 and 121.23 of the Revised Code. 165

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(C) Each district created under this chapter shall be considered a political subdivision for purposes of section 4905.34 of the Revised Code.

Membership on the board of directors of the district shall 169 not be considered as holding a public office. Directors and 170 their designees shall be entitled to the immunities provided by 171 Chapter 1702. and to the same immunity as an employee under 172 division (A)(6) of section 2744.03 of the Revised Code, except 173 that directors and their designees shall not be entitled to the 174 indemnification provided in section 2744.07 of the Revised Code 175 unless the director or designee is an employee or official of a 176 participating political subdivision of the district and is 177 acting within the scope of the director's or designee's 178 employment or official responsibilities. 179

District officers and district members and directors and 180 their designees or proxies shall not be required to file a 181 statement with the Ohio ethics commission under section 102.02 182 of the Revised Code. All records of the district shall be 183 treated as public records under section 149.43 of the Revised 184 Code, except that records of organizations contracting with a 185 district shall not be considered to be public records under 186 section 149.43 or section 149.431 of the Revised Code solely by 187 reason of any contract with a district. 188

(D) Except as otherwise provided in this section, the

nonprofit corporation that governs a district shall be organized

in the manner described in Chapter 1702. of the Revised Code.

Except in the case of a district created by an existing

qualified nonprofit corporation, the corporation's articles of

incorporation are required to be approved, as provided in

division (E) of this section, by resolution of the legislative

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authority of each participating political subdivision of the	196
district. A copy of that resolution shall be filed along with	197
the articles of incorporation in the secretary of state's	198
office.	199
In addition to meeting the requirements for articles of	200
incorporation set forth in Chapter 1702. of the Revised Code,	201
the articles of incorporation for the nonprofit corporation	202
governing a district formed under this chapter shall provide all	203
the following:	204
(1) The name for the district, which shall include the	205
name of each participating political subdivision of the	206
district;	207
(2) A description of the territory within the district,	208
which may be all or part of each participating political	209
subdivision. The description shall be specific enough to enable	210
real property owners to determine if their property is located	211
within the district.	212
(3) A description of the procedure by which the articles	213
of incorporation may be amended. The procedure shall include	214
receiving approval of the amendment, by resolution, from the	215
legislative authority of each participating political	216
subdivision and filing the approved amendment and resolution	217
with the secretary of state.	218
(4) The reasons for creating the district, plus an	219
explanation of how the district will be conducive to the public	220
health, safety, peace, convenience, and welfare of the district.	221
(E) The articles of incorporation for a nonprofit	222
corporation governing a district created under this chapter and	223
amendments to them shall be submitted to the municipal	224

executive, if any, and the legislative authority of each	225
municipal corporation or township in which the proposed district	226
is to be located. Except in the case of a district created by an	227
existing qualified nonprofit corporation, the articles or	228
amendments shall be accompanied by a petition signed either by	229
the owners of at least sixty per cent of the front footage of	230
all real property located in the proposed district that abuts	231
upon any street, alley, public road, place, boulevard, parkway,	232
park entrance, easement, or other existing public improvement	233
within the proposed district, excluding church property or	234
property owned by the state, county, township, municipal, or	235
federal government, unless a church, county, township, or	236
municipal corporation has specifically requested in writing that	237
the property be included in the district, or by the owners of at	238
least seventy-five per cent of the area of all real property	239
located within the proposed district, excluding church property	240
or property owned by the state, county, township, municipal, or	241
federal government, unless a church, county, township, or	242
municipal corporation has specifically requested in writing that	243
the property be included in the district. Pursuant to Section 20	244
of Article VIII, Ohio Constitution, the petition required under	245
this division may be for the purpose of developing and	246
implementing plans for special energy improvement projects <u>or</u>	247
shoreline improvement projects, and, in such case, is determined	248
to be in furtherance of the purposes set forth in Section 2o of	249
Article VIII, Ohio Constitution. If <u>Except as provided in</u>	250
division (H) of this section, if a special improvement district	251
is being created under this chapter for the purpose of	252
developing and implementing plans for special energy improvement	253
projects or shoreline improvement projects, the petition	254
required under this division shall be signed by one hundred per	255
cent of the owners of the area of all real property located	256

within the proposed special improvement district, at least one	257
special energy improvement project or shoreline improvement	258
project shall be designated for each parcel of real property	259
within the special improvement district, and the special	260
improvement district may include any number of parcels of real	261
property as determined by the legislative authority of each	262
participating political subdivision in which the proposed	263
special improvement district is to be located. For purposes of	264
determining compliance with these requirements, the area of the	265
district, or the front footage and ownership of property, shall	266
be as shown in the most current records available at the county	267
recorder's office and the county engineer's office sixty days	268
prior to the date on which the petition is filed.	269

Each municipal corporation or township with which the 270 petition is filed has sixty days to approve or disapprove, by 271 resolution, the petition, including the articles of 272 incorporation. In the case of a district created by an existing 273 qualified nonprofit corporation, each municipal corporation or 274 township has sixty days to approve or disapprove the creation of 275 the district after the corporation submits the articles of 276 incorporation or amendments thereto. This chapter does not 277 prohibit or restrict the rights of municipal corporations under 278 Article XVIII of the Ohio Constitution or the right of the 279 municipal legislative authority to impose reasonable conditions 280 in a resolution of approval. The acquisition, installation, 281 equipping, and improvement of a special energy improvement 282 project under this chapter shall not supersede any local zoning, 283 environmental, or similar law or regulation. In addition, all 284 activities associated with a shoreline improvement project that 285 is implemented under this chapter shall comply with all 286 applicable local zoning requirements, all local, state, and 287

federal environmental laws and regulations, and all applicable	288
requirements established in Chapter 1506. of the Revised Code	289
and rules adopted under it.	290
(F) Persons proposing creation and operation of the	291
district may propose an initial plan for public services or	292
public improvements that benefit all or any part of the	293
district. Any initial plan shall be submitted as part of the	294
petition proposing creation of the district or, in the case of a	295
district created by an existing qualified nonprofit corporation,	296
shall be submitted with the articles of incorporation or	297
amendments thereto.	298
An initial plan may include provisions for the following:	299
(1) Creation and operation of the district and of the	300
nonprofit corporation to govern the district under this chapter;	301
(2) Hiring employees and professional services;	302
(3) Contracting for insurance;	303
(4) Purchasing or leasing office space and office	304
equipment;	305
(5) Other actions necessary initially to form, operate, or	306
organize the district and the nonprofit corporation to govern	307
the district;	308
(6) A plan for public improvements or public services that	309
benefit all or part of the district, which plan shall comply	310
with the requirements of division (A) of section 1710.06 of the	311
Revised Code and may include, but is not limited to, any of the	312
permissive provisions described in the fourth sentence of that	313
division or listed in divisions (A)(1) to (7) of that section;	314
(7) If the special improvement district is being created	315

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under this chapter for the purpose of developing and	316
implementing plans for special energy improvement projects <u>or</u>	317
shoreline improvement projects, provision for the addition of	318
territory to the special improvement district.	319

After the initial plan is approved by all municipal 320 corporations and townships to which it is submitted for approval 321 and the district is created, each participating subdivision 322 shall levy a special assessment within its boundaries to pay for 323 the costs of the initial plan. The levy shall be for no more 324 325 than ten years from the date of the approval of the initial plan; except that if the proceeds of the levy are to be used to 326 pay the costs of a special energy improvement project or 327 shoreline improvement project, the levy of a special assessment 328 shall be for no more than thirty years from the date of approval 329 of the initial plan. In the event that additional territory is 330 added to a special improvement district, the special assessment 3.31 to be levied with respect to such additional territory shall 332 commence not earlier than the date such territory is added and 333 shall be for no more than thirty years from such date. For 334 purposes of levying an assessment for this initial plan, the 335 services or improvements included in the initial plan shall be 336 deemed a special benefit to property owners within the district. 337

- (G) Each nonprofit corporation governing a district under this chapter may do the following:
- (1) Exercise all powers of nonprofit corporations granted 340
 under Chapter 1702. of the Revised Code that do not conflict 341
 with this chapter; 342
- (2) Develop, adopt, revise, implement, and repeal plans

 for public improvements and public services for all or any part

 of the district;

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(3) Contract with any person, political subdivision as	346
defined in section 2744.01 of the Revised Code, or state agency	347
as defined in section 1.60 of the Revised Code to develop and	348
implement plans for public improvements or public services	349
within the district;	350

(4) Contract and pay for insurance for the district and
for directors, officers, agents, contractors, employees, or
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members of the district for any consequences of the
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implementation of any plan adopted by the district or any
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actions of the district.
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The board of directors of a special improvement district 356 may, acting as agent and on behalf of a participating political 357 subdivision, sell, transfer, lease, or convey any special energy 358 improvement project owned by the participating political 359 subdivision upon a determination by the legislative authority 360 thereof that the project is not required to be owned exclusively 361 by the participating political subdivision for its purposes, for 362 uses determined by the legislative authority thereof as those 363 that will promote the welfare of the people of such 364 participating political subdivision; to-improve the quality of 365 life and the general and economic well-being of the people of 366 367 the participating political subdivision; better ensure the public health, safety, and welfare; protect water and other 368 natural resources; provide for the conservation and preservation 369 of natural and open areas and farmlands, including by making 370 urban areas more desirable or suitable for development and 371 revitalization; control, prevent, minimize, clean up, or mediate 372 certain contamination of or pollution from lands in the state 373 and water contamination or pollution; or provide for safe and 374 natural areas and resources. The legislative authority of each 375 participating political subdivision shall specify the 376

consideration for such sale, transfer, lease, or conveyance and	377
any other terms thereof. Any determinations made by a	378
legislative authority of a participating political subdivision	379
under this division shall be conclusive.	380
Any sale, transfer, lease, or conveyance of a special	381
energy improvement project by a participating political	382
subdivision or the board of directors of the special improvement	383
district may be made without advertising, receipt of bids, or	384
other competitive bidding procedures applicable to the	385
participating political subdivision or the special improvement	386
district under Chapter 153. or 735. or section 1710.11 of the	387
Revised Code or other representative provisions of the Revised	388
Code.	389
(H) The owner of real property that is part of a planned	390
community or a condominium development is deemed to have signed	391
the petitions required under division (E) of this section and	392
division (B) of section 1710.06 of the Revised Code with respect	393
to a special improvement district that is being created for the	394
purpose of developing and implementing plans for shoreline	395
improvement projects if the district and the projects have been	396
approved through an alternative process prescribed by the	397
bylaws, declarations, covenants, and restrictions governing the	398
planned community or condominium development. Such an	399
alternative process may consist of a vote of the owners	400
association or unit owners association, the approval of a	401
specified percentage of property owners, or any other procedure	402
authorized by the bylaws, declarations, covenants, and	403
restrictions governing the planned community or condominium	404
development.	405

As used in this division, "condominium development" and

5311.01 of the Revised Code, and "planned community," "owners	408
association," "bylaws," and "declaration" have the same meanings	409
as in section 5312.01 of the Revised Code.	410
Sec. 1710.06. (A) The board of directors of a special	411
improvement district may develop and adopt one or more written	412
plans for public improvements or public services that benefit	413
all or any part of the district. Each plan shall set forth the	414
specific public improvements or public services that are to be	415
provided, identify the area in which they will be provided, and	416
specify the method of assessment to be used. Each plan for	417
public improvements or public services shall indicate the period	418
of time the assessments are to be levied for the improvements	419
and services and, if public services are included in the plan,	420
the period of time the services are to remain in effect. Plans	421
for public improvements may include the planning, design,	422
construction, reconstruction, enlargement, or alteration of any	423
public improvements and the acquisition of land for the	424
improvements. Plans for public improvements or public services	425
may also include, but are not limited to, provisions for the	426
following:	427
(1) Creating and operating the district and the nonprofit	428
corporation under this chapter, including hiring employees and	429
professional services, contracting for insurance, and purchasing	430
or leasing office space and office equipment and other	431
requirements of the district;	432
(2) Planning, designing, and implementing a public	433
improvements or public services plan, including hiring	434
architectural, engineering, legal, appraisal, insurance,	435
consulting, energy auditing, and planning services, and, for	436

"unit owners association" have the same meanings as in section

public services, managing, protecting, and maintaining public	437
and private facilities, including public improvements;	438
(3) Conducting court proceedings to carry out this	439
chapter;	440
(4) Paying damages resulting from the provision of public	441
improvements or public services and implementing the plans;	442
(5) Paying the costs of issuing, paying interest on, and	443
redeeming notes and bonds issued for funding public improvements	444
and public services plans;	445
(6) Sale, lease, lease with an option to purchase,	446
conveyance of other interests in, or other contracts for the	447
acquisition, construction, maintenance, repair, furnishing,	448
equipping, operation, or improvement of any special energy	449
improvement project by the special improvement district, between	450
a participating political subdivision and the special	451
improvement district, and between the special improvement	452
district and any owner of real property in the special	453
improvement district on which a special energy improvement	454
project has been acquired, installed, equipped, or improved; and	455
(7) Aggregating the renewable energy credits generated by	456
one or more special energy improvement projects within a special	457
improvement district, upon the consent of the owners of the	458
credits and for the purpose of negotiating and completing the	459
sale of such credits.	460
(B) Once the board of directors of the special improvement	461
district adopts a plan, it shall submit the plan to the	462
legislative authority of each participating political	463
subdivision and the municipal executive of each municipal	464
corporation in which the district is located, if any. The	465

legislative authorities and municipal executives shall review	466
the plan and, within sixty days after receiving it, may submit	467
their comments and recommendations about it to the district.	468
After reviewing these comments and recommendations, the board of	469
directors may amend the plan. It may then submit the plan,	470
amended or otherwise, in the form of a petition to members of	471
the district whose property may be assessed for the plan. Once	472
the petition is signed by those members who own at least sixty	473
per cent of the front footage of property that is to be assessed	474
and that abuts upon a street, alley, public road, place,	475
boulevard, parkway, park entrance, easement, or other public	476
improvement, or those members who own at least seventy-five per	477
cent of the area to be assessed for the improvement or service,	478
the petition may be submitted to each legislative authority for	479
approval. If Except as provided in division (H) of section	480
1710.02 of the Revised Code, if the special improvement district	481
was created for the purpose of developing and implementing plans	482
for special energy improvement projects or shoreline improvement	483
projects, the petition required under this division shall be	484
signed by one hundred per cent of the owners of the area of all	485
real property located within the area to be assessed for the	486
special energy improvement project <u>or shoreline improvement</u>	487
project.	488

Each legislative authority shall, by resolution, approve 489 or reject the petition within sixty days after receiving it. If 490 the petition is approved by the legislative authority of each 491 participating political subdivision, the plan contained in the 492 petition shall be effective at the earliest date on which a 493 nonemergency resolution of the legislative authority with the 494 latest effective date may become effective. A plan may not be 495 496 resubmitted to the legislative authorities and municipal

executives more than three times in any twelve-month period.	497
(C) Each participating political subdivision shall levy,	498
by special assessment upon specially benefited property located	499
within the district, the costs of any public improvements or	500
public services plan contained in a petition approved by the	501
participating political subdivisions under this section or	502
division (F) of section 1710.02 of the Revised Code. The levy	503
shall be made in accordance with the procedures set forth in	504
Chapter 727. of the Revised Code, except that:	505
(1) The assessment for each improvements or services plan	506
may be levied by any one or any combination of the methods of	507
assessment listed in section 727.01 of the Revised Code,	508
provided that the assessment is uniformly applied.	509
(2) For the purpose of levying an assessment, the board of	510
directors may combine one or more improvements or services plans	511
or parts of plans and levy a single assessment against specially	512
benefited property.	513
(3) For purposes of special assessments levied by a	514
township pursuant to this chapter, references in Chapter 727. of	515
the Revised Code to the municipal corporation shall be deemed to	516
refer to the township, and references to the legislative	517
authority of the municipal corporation shall be deemed to refer	518
to the board of township trustees.	519
Church property or property owned by a political	520
subdivision, including any participating political subdivision	521
in which a special improvement district is located, shall be	522
included in and be subject to special assessments made pursuant	523
to a plan adopted under this section or division (F) of section	524
1710.02 of the Revised Code, if the church or political	525

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have the same rights and privileges as property owners assessed

Section 2. That existing sections 1710.01, 1710.02, and

for public improvements under this chapter.

1710.06 of the Revised Code are hereby repealed.