

**As Introduced**

**135th General Assembly**

**Regular Session**

**2023-2024**

**H. B. No. 101**

**Representatives Bird, Schmidt**

**Cosponsors: Representatives Click, Johnson, Klopfenstein, Seitz**

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**A BILL**

To amend sections 118.27, 118.31, 703.20, 703.201, 1  
703.23, 1724.07, and 5705.14; to amend, for the 2  
purpose of adopting new section numbers as 3  
indicated in parentheses, sections 703.20 4  
(703.33) and 703.201 (703.34); to enact sections 5  
703.31, 703.32, 703.35, 703.36, 703.361, 6  
703.362, 703.37, 703.371, 703.372, 703.373, 7  
703.374, 703.375, 703.376, 703.377, 703.378, 8  
703.379, 703.38, and 703.39; and to repeal 9  
section 703.21 of the Revised Code to modify the 10  
law regarding village dissolution. 11

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

**Section 1.** That sections 118.27, 118.31, 703.20, 703.201, 12  
703.23, 1724.07, and 5705.14 be amended; sections 703.20 13  
(703.33) and 703.201 (703.34) be amended for the purpose of 14  
adopting new section numbers as indicated in parentheses; and 15  
sections 703.31, 703.32, 703.35, 703.36, 703.361, 703.362, 16  
703.37, 703.371, 703.372, 703.373, 703.374, 703.375, 703.376, 17  
703.377, 703.378, 703.379, 703.38, and 703.39 of the Revised 18  
Code be enacted to read as follows: 19

Sec. 118.27. (A) A financial planning and supervision 20  
commission with respect to a municipal corporation, county, or 21  
township, and its functions under this chapter, shall continue 22  
in existence until such time as a determination is made pursuant 23  
to division (B) of this section of one of the following: 24

(1) In the case of a village, ~~the village has dissolved~~ 25  
the date a dissolution is effective as defined under section 26  
~~118.31, 703.20, or 703.201~~ 703.31 of the Revised Code. 27

(2) In the case of a township, the township has dissolved 28  
under section 118.31 of the Revised Code. 29

(3) In the case of a municipal corporation, county, or 30  
township, the municipal corporation, county, or township has 31  
done all of the following: 32

(a) Planned, and is in the process of good faith 33  
implementation of, an effective financial accounting and 34  
reporting system in accordance with section 118.10 of the 35  
Revised Code, and it is reasonably expected that such 36  
implementation will be completed within two years; 37

(b) Corrected and eliminated or has planned and is in the 38  
process of good faith implementation of correcting and 39  
eliminating all of the fiscal emergency conditions determined 40  
pursuant to section 118.04 of the Revised Code, and no new 41  
fiscal emergency conditions have occurred. The auditor of state 42  
shall monitor the progress of the municipal corporation, county, 43  
or township in its plan of good faith implementation of 44  
correcting and eliminating all the fiscal emergency conditions. 45  
This monitoring is to secure full implementation at the earliest 46  
time feasible but within two years from such termination. If 47  
after a two-year period, the municipal corporation, county, or 48

township has failed to secure full implementation, the auditor 49  
of state may redeclare the municipal corporation, county, or 50  
township to be in a fiscal emergency. 51

(c) Met the objectives of the financial plan described in 52  
section 118.06 of the Revised Code; 53

(d) The municipal corporation, county, or township 54  
prepares a financial forecast for a five-year period in 55  
accordance with the standards issued by the auditor of state. An 56  
opinion must be rendered by the auditor of state that the 57  
financial forecast is considered to be nonadverse. 58

(B) The determination that the conditions for the 59  
termination of the existence of the commission and its functions 60  
exist may be made either by the auditor of state or by the 61  
commission and shall be certified to the commission, the auditor 62  
of state, the governor, and the budget commission, whereupon 63  
such commission and its functions under this chapter shall 64  
terminate. Such determination shall be made by the auditor of 65  
state upon the filing with the auditor of state of a written 66  
request for such determination by the municipal corporation, 67  
county, or township, the governor, or the commission, or may be 68  
made by the auditor of state upon the auditor of state's own 69  
initiative. 70

(C) The commission shall prepare and submit with such 71  
certification a final report of its activities, in such form as 72  
is appropriate for the purpose of providing a record of its 73  
activities and assisting other commissions created under this 74  
chapter in the conduct of their functions. All of the books and 75  
records of the commission shall be delivered to the auditor of 76  
state for retention and safekeeping. 77

(D) Upon receipt of the certification provided for in 78  
division (B) of this section, the director shall follow the 79  
procedures set forth in section 126.29 of the Revised Code. 80

(E) If, at the time of termination of the commission, an 81  
effective financial accounting and reporting system has not been 82  
fully implemented, the auditor of state shall monitor the 83  
progress of implementation and shall exercise authority under 84  
Chapter 117. and section 118.10 of the Revised Code to secure 85  
full implementation at the earliest time feasible but within two 86  
years from such termination. 87

**Sec. 118.31.** (A) Upon petition of the financial supervisor 88  
and approval of the financial planning and supervision 89  
commission, if any, the attorney general shall file a legal 90  
action in the court of common pleas on behalf of the state to 91  
dissolve a municipal corporation or township if all of the 92  
following conditions apply: 93

(1) The municipal corporation or township has a population 94  
of less than five thousand as of the most recent federal 95  
decennial census. 96

(2) The municipal corporation or township has been under a 97  
fiscal emergency for at least four consecutive years. 98

(3) Implementation of the financial plan of the municipal 99  
corporation or township required under this chapter cannot 100  
reasonably be expected to correct and eliminate all fiscal 101  
emergency conditions within five years. 102

(B) The court of common pleas shall hold a hearing within 103  
ninety days after the date on which the attorney general files 104  
the legal action with the court. Notice of the hearing shall be 105  
filed with the attorney general, the clerk of the village or the 106

fiscal officer of the township that is the subject of the 107  
action, and each fiscal officer of a township located wholly or 108  
partly within the village subject to dissolution. 109

(C) If the court finds that all of the conditions 110  
described in division (A) of this section apply to the municipal 111  
corporation, the court shall order the dissolution of the 112  
municipal corporation in accordance with the process in sections 113  
703.31 to 703.38 of the Revised Code. The attorney general shall 114  
file a certified copy of the court's order of dissolution with 115  
the secretary of state, the auditor of state, and the county 116  
recorder of the county in which the village is situated, who 117  
shall record the certified copy of the order in their respective 118  
offices. The auditor of state may record the certified copy of 119  
the order in the auditor's work papers for the village's final 120  
audit. The auditor of state shall notify the townships into 121  
which the village will dissolve of the court's order of 122  
dissolution. 123

(D) If the court finds that all of the conditions 124  
described in division (A) of this section apply to the ~~municipal~~ 125  
~~corporation or township, it~~ the court shall appoint a 126  
~~receiver~~ receiver-trustee. The ~~receiver~~ receiver-trustee, under 127  
court supervision, shall work with executive and legislative 128  
officers of the ~~municipal corporation or township~~ to wind up the 129  
affairs of and dissolve ~~the municipal corporation in accordance~~ 130  
~~with section 703.21 of the Revised Code or the township in~~ 131  
accordance with the process in section 503.02 and sections 132  
503.17 to 503.21 of the Revised Code. 133

**Sec. 703.23.** All courts shall take judicial notice of the 134  
classification of municipal corporations, and of their 135  
advancement, reduction, and ~~surrender of powers~~ dissolution. 136

Sec. 703.31. As used in sections 703.31 to 703.38 of the 137  
Revised Code: 138

"Date the dissolution is effective" means the date the 139  
election result is certified under section 703.33 of the Revised 140  
Code or the date the attorney general files a certified copy of 141  
a court's order of dissolution with the secretary of state, 142  
auditor of state, and county recorder, as applicable, under 143  
section 118.31 or 703.34 of the Revised Code. 144

"Period when a dissolution is in question" means the 145  
period beginning on the date a petition under section 703.33 of 146  
the Revised Code is presented or a legal action is filed by the 147  
attorney general under section 118.31 or 703.34 of the Revised 148  
Code and ending the date the result of the election under 149  
section 703.33 of the Revised Code is certified or the decision 150  
of the court of common pleas under section 118.31 or 703.34 of 151  
the Revised Code is declared. 152

"Transition period" means the period beginning on the date 153  
the dissolution is effective and ending on the date the auditor 154  
of state provides the final audit or final agreed-upon procedure 155  
audit to the transition supervisory board as required under 156  
section 703.36 of the Revised Code. 157

"Utility services" means electric, water, sewer, and other 158  
similar utilities. 159

Sec. 703.32. The process for dissolving a village, whether 160  
the dissolution is determined under section 118.31, 703.33, or 161  
703.34 of the Revised Code, shall be conducted in accordance 162  
with sections 703.31 to 703.38 of the Revised Code. 163

Sec. ~~703.20~~ 703.33. (A) Villages may ~~surrender their~~ 164  
~~corporate powers~~ voluntarily dissolve upon the petition to the 165

legislative authority of the village, or, in the alternative, to 166  
the board of elections of the county in which the largest 167  
portion of the population of the village resides as provided in 168  
division (B) (1) of this section, of at least thirty per cent of 169  
the electors thereof, to be determined by the number voting at 170  
the last regular municipal election and by an affirmative vote 171  
of a majority of the electors at a special election, which shall 172  
be provided for by the legislative authority or, in the 173  
alternative, at a general or special election as provided for by 174  
the board of elections under division (B) (1) of this section. 175  
The election shall be conducted, canvassed, and the result 176  
certified and made known as at regular municipal elections. If 177  
the result of the election is in favor of the surrender, the 178  
village clerk or, in the alternative, the board of elections 179  
shall certify the result to the secretary of state, the auditor 180  
of state, and the county recorder, who shall record it in their 181  
respective offices. ~~The corporate powers of the village shall~~ 182  
~~cease upon the recording of the certified election results in~~ 183  
~~the county recorder's office.~~ 184

(B) (1) If the legislative authority of a village fails to 185  
act upon the petition within thirty days after receipt of the 186  
petition, the electors may present the petition to the board of 187  
elections to determine the validity and sufficiency of the 188  
signatures. The petition shall be governed by the rules of 189  
section 3501.38 of the Revised Code. The petition shall be filed 190  
with the board of elections of the county in which the largest 191  
portion of the population of the village resides. If the 192  
petition is sufficient, the board of elections shall submit the 193  
question "Shall the village of \_\_\_\_\_ surrender its 194  
corporate powers?" for the approval or rejection of the electors 195  
of the village at the next general or special election, in any 196

year, occurring after the period ending ninety days after the 197  
filing of the petition with the board. If the result of the 198  
election is in favor of the surrender, the board of elections 199  
shall certify the results to the secretary of state, the auditor 200  
of state, and the county recorder, who shall record it in their 201  
respective offices. The corporate powers of the village shall 202  
cease upon the recording of the certified election results in 203  
the county recorder's office. 204

(2) In addition to filing the petition with the board of 205  
elections as provided in division (B) (1) of this section, a copy 206  
of the petition shall be filed with the board of township 207  
trustees of each township affected by the surrender. 208

~~(C) The auditor of state shall assist in facilitating a 209  
timely and systematic manner for complying with the requirements 210  
of section 703.21 of the Revised Code. 211~~

**Sec. ~~703.201~~ 703.34.** (A) As used in this section, 212  
"condition for ~~surrendering corporate powers~~the dissolution of a 213  
village" means any of the following: 214

(1) The village has been declared to be in a fiscal 215  
emergency under Chapter 118. of the Revised Code and has been in 216  
fiscal emergency for at least three consecutive years with 217  
little or no improvement on the conditions that caused the 218  
fiscal emergency declaration. 219

(2) The village has failed to properly follow applicable 220  
election laws for at least two consecutive election cycles for 221  
any one elected office in the village. 222

(3) The village has been declared during an audit 223  
conducted under section 117.11 of the Revised Code to be 224  
unauditable under section 117.41 of the Revised Code in at least 225

two consecutive audits.	226
(4) The village does not provide at least two services	227
typically provided by municipal government, such as police or	228
fire protection, garbage collection, water or sewer service,	229
emergency medical services, road maintenance, or similar	230
services. "Services" does not include any administrative service	231
or legislative action.	232
(5) The village has failed for any fiscal year to adopt	233
the tax budget required by section 5705.28 of the Revised Code.	234
(6) A village elected official has been convicted of theft	235
in office, either under section 2921.41 of the Revised Code or	236
an equivalent criminal statute at the federal level, at least	237
two times in a period of ten years. The convicted official with	238
respect to those convictions may be the same person or different	239
persons.	240
(B) If the auditor of state finds, in an audit report	241
issued under division (A) or (B) of section 117.11 of the	242
Revised Code of a village that has a population of one hundred	243
fifty persons or less and consists of less than two square	244
miles, that the village meets at least two conditions for	245
<del>surrendering corporate powers</del> the dissolution of a village, the	246
auditor of state shall send a certified copy of the report	247
together with a letter to the attorney general requesting the	248
attorney general to institute legal action to dissolve the	249
village in accordance with division (C) of this section. The	250
report and letter shall be sent to the attorney general within	251
ten business days after the auditor of state's transmittal of	252
the report to the village. The audit report transmitted to the	253
village shall be accompanied by a notice to the village of the	254
auditor's intent to refer the report to the attorney general for	255

legal action in accordance with this section. 256

(C) Within twenty days of receipt of the auditor of 257  
state's report and letter, the attorney general may file a legal 258  
action in the court of common pleas on behalf of the state to 259  
request the dissolution of the village that is the subject of 260  
the audit report. If a legal action is filed, the court shall 261  
hold a hearing within ninety days after the date the attorney 262  
general files the legal action with the court. Notice of the 263  
hearing shall be filed with the attorney general, the clerk of 264  
the village that is the subject of the action, and each fiscal 265  
officer of a township located wholly or partly within the 266  
village. 267

At the hearing on dissolution, the court shall determine 268  
if the village has a population of one hundred fifty persons or 269  
less, consists of less than two square miles, and meets at least 270  
two conditions for ~~surrendering corporate powers~~ the dissolution 271  
of a village. If the court so finds, ~~it the court~~ shall order 272  
the dissolution of the village ~~and provide for the surrender of~~ 273  
~~corporate powers~~, which shall proceed in accordance with 274  
~~section 703.21~~ sections 703.31 to 703.38 of the Revised Code. 275  
The attorney general shall file a certified copy of the court's 276  
order of dissolution with the secretary of state and the county 277  
recorder of the county in which the village is situated, who 278  
shall record it in their respective offices. ~~Upon the recording~~ 279  
~~in the county recorder's office, the corporate powers of the~~ 280  
~~village shall cease.~~ 281

(D) For purposes of this section, the population of a 282  
village shall be the population determined either at the last 283  
preceding federal decennial census or according to population 284  
estimates certified by the department of development between 285

decennial censuses.	286
(E) The procedure in this section is in addition to the	287
procedure of section <del>703.20</del> <u>703.33</u> of the Revised Code for the	288
<del>surrender of the corporate powers</del> <u>dissolution</u> of a village.	289
<u>Sec. 703.35. During the period when a dissolution is in</u>	290
<u>question, both of the following apply:</u>	291
(A) <u>The legislative authority of the village shall not</u>	292
<u>create any new debts, obligations, or liabilities except to the</u>	293
<u>extent the debt, obligation, or liability is necessary in</u>	294
<u>connection with the continued provision of the village's</u>	295
<u>utilities consistent with prudent utility practice.</u>	296
(B) <u>The legislative authority of the village shall select</u>	297
<u>an official or employee of the village who is knowledgeable on</u>	298
<u>village matters to serve as a representative during a</u>	299
<u>dissolution, should one occur, as specified under section</u>	300
<u>703.361 of the Revised Code.</u>	301
<u>Sec. 703.36. On the date the dissolution is effective, all</u>	302
<u>of the following apply:</u>	303
(A) <u>The village ceases to exist.</u>	304
(B) <u>The corporate powers of the village cease.</u>	305
(C) <u>The village officials cease to hold office. An</u>	306
<u>official elected to start a term on or after the date the</u>	307
<u>dissolution is effective shall not take office.</u>	308
(D) <u>An issue voted on and scheduled to take effect on or</u>	309
<u>after the date the dissolution is effective, other than tax</u>	310
<u>levies and special assessments preserved under section 703.371</u>	311
<u>of the Revised Code, shall not take effect.</u>	312

(E) A charter, if applicable, and all ordinances and resolutions of the village, except for tax levy and special assessment ordinances and resolutions preserved under section 703.371 of the Revised Code and ordinances and resolutions necessary to maintain such tax levies and special assessments, are extinguished. Except as provided in division (H) of section 703.371 of the Revised Code, all resolutions of the township or townships into which the village dissolved apply throughout the township's newly included territory. 313  
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(F) A transition supervisory board exists, in accordance with section 703.361 of the Revised Code. 322  
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(G) The territory of the village becomes part of the township or townships in which the village territory is located, along existing township boundaries. If there is uncertainty in this regard, the transition supervisory board shall resolve the uncertainty. 324  
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(H) The auditor of state shall commence a final audit or final agreed-upon procedure audit not later than thirty days after receipt of the notice of dissolution provided under division (E) of section 117.10 of the Revised Code. The auditor of state shall provide the completed final audit or final agreed-upon procedure audit to the transition supervisory board. 329  
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(I) All leases to which the dissolved village was a party terminate in accordance with the lease agreement. If a lease agreement does not have a provision governing the circumstances, the transition supervisory board shall resolve the lease. 335  
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**Sec. 703.361.** (A) A transition supervisory board consists of the following three members: 339  
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(1) The auditor of the county wherein a majority of the 341

<u>village territory was located;</u>	342
<u>(2) The prosecuting attorney of the county wherein a</u>	343
<u>majority of the village territory was located;</u>	344
<u>(3) The recorder of the county wherein a majority of the</u>	345
<u>village territory was located.</u>	346
<u>(B) The county auditor is the chair of the board.</u>	347
<u>(C) The board is a public body for purposes of section</u>	348
<u>121.22 of the Revised Code.</u>	349
<u>(D) The members of the board are not liable, and shall be</u>	350
<u>held harmless, in any matter in which the board acts in</u>	351
<u>accordance with sections 703.31 to 703.38 of the Revised Code.</u>	352
<u>(E) The board shall manage the transition of the dissolved</u>	353
<u>village by doing all of the following:</u>	354
<u>(1) Resolve the outstanding debts, obligations, and</u>	355
<u>liabilities of the dissolved village;</u>	356
<u>(2) Approve necessary operations and budgetary functions</u>	357
<u>of the dissolved village;</u>	358
<u>(3) Settle or resolve any legal claims against the</u>	359
<u>dissolved village existing on the date the dissolution is</u>	360
<u>effective or brought within ninety days after the day the</u>	361
<u>receiver-trustee initially is appointed by the transition</u>	362
<u>supervisory board, as provided under section 703.39 of the</u>	363
<u>Revised Code;</u>	364
<u>(4) Administer and collect taxes and special assessments</u>	365
<u>levied by the legislative authority of the dissolved village in</u>	366
<u>accordance with section 703.371 of the Revised Code during the</u>	367
<u>transition period;</u>	368

<u>(5) Wind down the involvement of the dissolved village in community improvement corporations, special improvement districts, and tax increment financing arrangements as provided in sections 703.376, 703.377, and 703.378 of the Revised Code;</u>	369 370 371 372
<u>(6) Dispose of or transfer the dissolved village's real and personal property as provided in section 703.373 of the Revised Code;</u>	373 374 375
<u>(7) Manage the dissolved village's utility services until the utility services are transferred under section 703.374 of the Revised Code;</u>	376 377 378
<u>(8) Manage the response to public records requests until the records are transferred under section 307.375 of the Revised Code;</u>	379 380 381
<u>(9) Appoint a receiver-trustee as specified under section 703.362 of the Revised Code;</u>	382 383
<u>(10) Perform all other duties specified under sections 703.31 to 703.38 of the Revised Code;</u>	384 385
<u>(11) Conduct all other necessary business of the dissolved village to conclude the village's affairs.</u>	386 387
<u>(F) The village representative selected under section 703.35 of the Revised Code, the person serving as fiscal officer of the village before it dissolved, and the person serving as the primary legal counsel for the village before it dissolved shall provide consultation to the board as requested by the board. If the legislative authority of a village failed to select a representative under section 703.35 of the Revised Code, the board shall select the village representative.</u>	388 389 390 391 392 393 394 395
<u>(H) The board shall continue in existence until the date</u>	396

the auditor of state provides the board the final audit or final 397  
agreed-upon procedure audit under section 703.38 of the Revised 398  
Code. 399

**Sec. 703.362.** The transition supervisory board shall 400  
appoint a receiver-trustee to assist the board with its duties. 401  
The board shall select a receiver-trustee from a list of persons 402  
provided to the board by the auditor of state. The board may 403  
replace the receiver-trustee as necessary with approval of the 404  
auditor of state. 405

The receiver-trustee shall perform the duties assigned to 406  
the receiver-trustee by the board and is subject to the board's 407  
supervision. 408

**Sec. 703.37.** During the transition period, all of the 409  
following apply: 410

(A) The dissolved village's real and personal property 411  
shall be disposed of or transferred as provided under section 412  
703.373 of the Revised Code. 413

(B) The dissolved village's utility services shall be 414  
managed and transferred as provided under section 703.374 of the 415  
Revised Code. 416

(C) The dissolved village's records shall be handled as 417  
provided under section 703.375 of the Revised Code. 418

(D) Any funds resulting from a legal settlement that 419  
should be provided to the dissolved village shall be provided to 420  
the transition supervisory board. 421

**Sec. 703.371.** (A) All taxes and special assessments levied 422  
by the legislative authority of the dissolved village, including 423  
taxes levied in accordance with Chapters 718. and 5745. of the 424

Revised Code, shall continue to be collected after the date the 425  
dissolution is effective to the extent that the transition 426  
supervisory board determines that the revenue is needed to pay 427  
the outstanding debts, obligations, and liabilities of the 428  
village and may lawfully be used for that purpose. 429

During the transition period, the transition supervisory 430  
board shall administer and receive payments or settlements of 431  
such taxes and special assessments. After the transition period, 432  
the fiscal officer of the township that assumed the most 433  
dissolved village territory shall administer and receive 434  
payments or settlements of such taxes and special assessments. 435

Except as provided in division (G) of this section, 436  
revenue from taxes and special assessments levied by the 437  
legislative authority of the dissolved village shall be used 438  
solely to pay the outstanding debts, obligations, and 439  
liabilities of the village. 440

(B) A property tax or special assessment levied by the 441  
legislative authority of a dissolved village that is not needed 442  
to pay the outstanding debts, obligations, and liabilities of 443  
the village or that cannot lawfully be used for that purpose 444  
shall not be levied after the tax year that includes the date 445  
the dissolution is effective. Within thirty days after that 446  
date, the transition supervisory board or township fiscal 447  
officer that administers the tax or assessment shall send notice 448  
to the county auditor and each other member of the county budget 449  
commission of each county in which the territory of the village 450  
is located identifying each property tax levy and special 451  
assessment subject to this division and specifying the date the 452  
dissolution is effective. 453

(C) A property tax or special assessment levied and 454

collected in accordance with division (A) of this section after 455  
the tax year that includes the date the dissolution is effective 456  
shall not be levied after the tax year that includes the date 457  
that all outstanding debts, obligations, and liabilities of the 458  
dissolved village are paid in full. Within thirty days after 459  
that date, the transition supervisory board or township fiscal 460  
officer that administers the tax or assessment shall send notice 461  
to the county auditor and each other member of the county budget 462  
commission of each county in which the tax or assessment is 463  
levied identifying each property tax levy and special assessment 464  
subject to this division and specifying the date that all 465  
outstanding debts, obligations, and liabilities of the village 466  
were paid in full. 467

(D) A tax levied by the legislative authority of a 468  
dissolved village in accordance with Chapter 718. or 5745. of 469  
the Revised Code that is not needed to pay the outstanding 470  
debts, obligations, and liabilities of the village or that 471  
cannot be used for such purposes shall not be levied in any 472  
taxable year beginning on or after the date that the dissolution 473  
is effective. Within thirty days after that date, the transition 474  
supervisory board or township fiscal officer that administers 475  
the tax shall send notice to the tax commissioner identifying 476  
each tax subject to this division and specifying the date the 477  
dissolution is effective. 478

(E) A tax levied in accordance with Chapter 718. or 5745. 479  
of the Revised Code and collected in accordance with division 480  
(A) of this section after the date the dissolution is effective 481  
shall not be levied in any taxable year beginning on or after 482  
the date that all outstanding debts, obligations, and 483  
liabilities of the dissolved village are paid in full. Within 484  
thirty days after that date, the transition supervisory board or 485

the fiscal officer that administers the tax shall immediately 486  
send notice to the tax commissioner identifying each tax subject 487  
to this division and specifying the date that all outstanding 488  
debts, obligations, and liabilities of the village were paid in 489  
full. 490

(F) Refunds of illegal, erroneous, or excessive payments 491  
of taxes levied by the legislative authority of a dissolved 492  
village in accordance with Chapter 718. and 5745. of the Revised 493  
Code are "outstanding debts, obligations, and liabilities of the 494  
village" for purposes of this section. During the transition 495  
period, the transition supervisory board shall estimate the 496  
total amount of refunds that are expected to be requested and 497  
approved in accordance with section 718.19, 718.91, and 5745.11 498  
of the Revised Code from the date the dissolution is effective 499  
until the first day of the fourth year following the last 500  
taxable year in which a tax is levied under division (E) of this 501  
section. 502

The board shall deposit, out of amounts collected under 503  
this division, an amount equal to one hundred ten per cent of 504  
the estimate to a separate fund to be used only for tax refunds 505  
under sections 718.19, 718.91, and 5745.11 of the Revised Code. 506  
The fund shall be administered by the fiscal officer that 507  
administers the taxes. 508

On the first day of the fourth year following the last 509  
taxable year in which a tax is levied under division (E) of this 510  
section, the fund shall be extinguished and any remaining 511  
balance shall be distributed among the townships into which the 512  
village was dissolved and used in accordance with division (G) 513  
of this section. Notwithstanding anything in the Revised Code to 514  
the contrary, no requests or applications for refund may be 515

submitted or approved in accordance with section 718.19, 718.91, 516  
or 5745.11 of the Revised Code after the date the fund is 517  
extinguished under this division. 518

(G) All revenue from taxes and special assessments levied 519  
by the legislative authority of a dissolved village that is 520  
either not used to pay the outstanding debts, obligations, and 521  
liabilities of the village or that cannot be used for that 522  
purpose shall be remitted to the township or townships into 523  
which the village is dissolved. If more than one township is to 524  
receive the remaining revenue, the revenue shall be divided 525  
among the townships in proportion to the amount of territory 526  
that each township has within the former boundaries of the 527  
dissolved village as compared to the total territory within the 528  
former boundaries of the dissolved village. 529

The township or townships may use revenue received under 530  
this division for any lawful purpose so long as that purpose 531  
directly or indirectly benefits the territory of the dissolved 532  
village. 533

(H) Resolutions related to property taxes levied by the 534  
board of trustees of a township shall apply to all taxable 535  
property within the former village territory dissolved into the 536  
township on and after the first day of the first taxable year in 537  
which, pursuant to divisions (B) and (C) of this section, no 538  
property taxes are levied on that property by the legislative 539  
authority of the dissolved village. This division applies only 540  
to resolutions related to property taxes that are levied on all 541  
taxable property within the township or all taxable property 542  
within the unincorporated territory of the township. Resolutions 543  
related to property taxes levied within a portion of the 544  
township or a portion of the township's unincorporated territory 545

shall not apply to the territory of the dissolved village unless 546  
such resolutions are amended to include such territory. 547

(I) This section does not apply to taxes or assessments 548  
levied within all or part of the territory of a dissolved 549  
village by a taxing authority other than the legislative 550  
authority of the dissolved village or a board of township 551  
trustees. The levy and collection of such taxes and assessments 552  
shall continue unimpeded by the dissolution of the village and 553  
the revenue derived therefrom shall be used for the purposes 554  
described in the ordinance or resolution that levies the tax or 555  
assessment. 556

**Sec. 703.372.** Except as expressly provided in sections 557  
703.377 and 703.378 of the Revised Code, the township or 558  
townships into which the territory of a village is dissolved do 559  
not assume the voted debts, obligations, or liabilities of the 560  
village. 561

Unvoted debt serviced by property taxes levied within the 562  
ten-mill limitation shall be assumed by the township or 563  
townships into which the territory of the village is dissolved 564  
in proportion to the total assessed valuation of territory that 565  
each township has within the former boundaries of the dissolved 566  
village as compared to the total assessed valuation of all 567  
territory within the former boundaries of the dissolved village. 568  
For the purpose of this section, the total assessed valuation of 569  
village territory shall be determined based on the tax year in 570  
which the dissolution is effective. 571

**Sec. 703.373.** During the transition period, the dissolved 572  
village's real and personal property shall be disposed of by the 573  
transition supervisory board as follows: 574

(A) The board shall dispose of the village's liquidable assets, as necessary, to use the proceeds to pay the outstanding debts, obligations, and liabilities of the dissolved village. 575  
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(B) The board shall transfer real or personal property related to utility services as provided under section 703.374 of the Revised Code. 578  
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(C) The board shall facilitate the transfer of the remaining real and personal property to the township or townships into which the village dissolved, as follows: 581  
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(1) (a) If a village is dissolved into one township, the remaining real and personal property vests by operation of law in the township. 584  
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(b) If a village is dissolved into two or more townships, the board shall direct the townships to enter into an agreement regarding the distribution of the real and personal property not later than sixty days after the date the dissolution is effective. During that timeframe, the board shall assist the townships in evaluating the dissolved village's real and personal property as necessary. If the townships are not able to enter into an agreement during that timeframe, the board shall decide the distribution of the property to the townships. 587  
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(2) The board shall record one of the following with the county recorder of the county where an affected parcel of real property is located, along with one or more affidavits stating facts relating to the title as provided for in section 5301.252 of the Revised Code: 596  
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(a) A list of real property that vests by operation of law under this division; 601  
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(b) An agreement entered into under this division; 603

(c) The board's distribution in lieu of an agreement under this division. 604  
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(3) The county recorder shall make appropriate notations in the county records to reflect a transfer under this section. The notations shall include a reference to the county's recorded certificate of dissolution. The recording of a certificate of dissolution or a certified copy thereof, an item recorded under division (C) (2) (a), (b), or (c) of this section, and supporting affidavits serve as sufficient evidence of a transfer of title from the dissolved village to a township or townships. The documents shall be recorded in the same manner as a deed of conveyance, except the board and the affected township or townships are exempt from any fees specified under section 317.32 of the Revised Code. 606  
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Sec. 703.374. During the transition period, the dissolved village's utility services, if any, shall be handled as follows: 618  
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(A) The provision of utility services shall be uninterrupted. 620  
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(B) The transition supervisory board shall manage the continued provision of the utility services until the responsibility is transferred under this section. 622  
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(C) The board shall transfer management of the utility services, as appropriate, to another entity that lawfully may provide those utility services. The board shall transfer the respective real or personal property to the same entity. 625  
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Sec. 703.375. During the transition period, the dissolved village's public records shall be handled as follows: 629  
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(A) (1) The transition supervisory board shall evaluate the dissolved village's records retention schedule to determine if 631  
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it is viable for future responses to public records requests. If 633  
it is viable, the board shall follow the schedule in responding 634  
to requests. If it is not viable, the board, with assistance 635  
from the county records commission of the county wherein a 636  
majority of the village territory was located, shall create a 637  
records retention schedule applicable to the dissolved village's 638  
records. 639

(2) Requests for the dissolved village's public records 640  
shall be submitted to the transition supervisory board. The 641  
board shall respond to those requests in accordance with section 642  
149.43 of the Revised Code. If the board transferred records 643  
under division (B) of this section before receiving a request, 644  
the board shall notify the requestor that the records may be 645  
available via request to the entity or township to which the 646  
records were transferred. 647

(B) Within the first ninety days after the date the 648  
dissolution is effective, the transition supervisory board, with 649  
assistance from the county records commission of the county 650  
wherein a majority of the village territory was located, shall 651  
review the records of the dissolved village. The review shall 652  
determine which records may be disposed of, which records are 653  
related to utility services and shall be transferred to the 654  
entity assuming the management of the utility service, and which 655  
records shall be transferred to the township or townships into 656  
which the dissolved village dissolved. If necessary, the board 657  
and commission may seek the assistance of an entity or township 658  
for this purpose. 659

**Sec. 703.376.** (A) If the dissolved village designated a 660  
community improvement corporation as its agency for the purposes 661  
described in division (A) (1) of section 1724.10 of the Revised 662

Code, one of the following shall occur during the transition 663  
period: 664

(1) If the dissolving village is the only subdivision that 665  
designated the community improvement corporation as its agency, 666  
the community improvement corporation shall be dissolved; 667

(2) If more than one subdivision designated the community 668  
improvement corporation as its agency, the community improvement 669  
corporation shall either: (a) dissolve and apportion its 670  
remaining assets among each such subdivision in accordance with 671  
the articles of incorporation, or (b) apportion and liquidate 672  
the dissolving village's share of the community improvement 673  
corporation's assets and amend the articles of incorporation to 674  
reflect that the community improvement corporation is no longer 675  
the agency of the dissolving village. 676

(B) Assets of a community improvement corporation 677  
apportioned to a dissolving village under division (A)(1) or (2) 678  
of this section shall be disposed of by the transition 679  
supervisory board under section 703.373 of the Revised Code. 680  
Assets apportioned to subdivisions other than the dissolving 681  
village shall either be retained by the community improvement 682  
corporation if the community improvement corporation continues 683  
to exist, or disposed of under section 1724.07 of the Revised 684  
Code if the community improvement corporation is dissolved. 685

(C) The secretary of state shall cancel the articles of 686  
incorporation of a community improvement corporation dissolved 687  
under this section, and all rights, privileges, and franchises 688  
conferred upon that community improvement corporation by those 689  
articles of incorporation then shall cease. 690

**Sec. 703.377. (A) As used in this section:** 691

(1) "Participating political subdivision" and "special improvement district" have the same meanings as in section 1710.01 of the Revised Code. 692  
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(2) "Appraised value" has the same meaning as in section 1710.13 of the Revised Code. 695  
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(3) "Legislative authority" means the legislative authority of a municipal corporation or board of trustees of a township. 697  
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(B) During the period when a dissolution is in question, the board of directors of any special improvement district with respect to which the village is a participating political subdivision shall not create any new debts, obligations, or liabilities except to the extent the debt, obligation, or liability is necessary in connection with the continued provision of the utilities of a participating political subdivision consistent with prudent utility practice. 700  
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(C) During the transition period, the transition supervisory board shall call a meeting to consider winding down the affairs of the district or transitioning the affairs of the district that concern the dissolved village to the township or townships that assumed or will assume district territory as a result of the dissolution. Notice of the meeting shall be given as provided in section 1710.05 of the Revised Code to the members of the district, all participating political subdivisions other than the dissolved village, and the township or townships that assumed or will assume district territory as a result of the dissolution. 708  
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(D) Upon the affirmative vote of the transition supervisory board, the legislative authority of each township 719  
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that assumed or will assume district territory as a result of 721  
the dissolution, the legislative authorities of all 722  
participating political subdivisions other than the dissolved 723  
village, and members of the district who collectively own more 724  
than fifty per cent of the appraised value of the real property 725  
in the district that may be subject to assessment under division 726  
(C) of section 1710.06 of the Revised Code, the improvement or 727  
services plan for the special improvement district may be 728  
amended to replace the dissolving village with the township or 729  
townships that assumed or will assume district territory as a 730  
result of the dissolution. Upon such a vote, the township or 731  
townships assume all rights and responsibilities of the 732  
dissolved village related to the special improvement district. 733

(E) Except as provided in division (D) of this section, 734  
the special improvement district shall be dissolved. Once 735  
dissolved, all bonds, notes, and other obligations of the 736  
district associated with the improvement or services plan shall 737  
be paid. Thereafter, the plan shall be repealed. All special 738  
assessments imposed to pay for the costs of the plan shall 739  
continue until all bonds, notes, and other obligations of the 740  
district are paid. During the transition period, the transition 741  
supervisory board shall assume the rights and obligations of the 742  
dissolved village with respect to such assessments. After the 743  
transition period, the township or townships that assumed 744  
territory of the special improvement district as a result of the 745  
dissolution shall assume such rights and obligations. 746

Upon fully paying off all bonds, notes, and other 747  
obligations, the board of directors of the special improvement 748  
district shall notify the legislative authority of each 749  
participating subdivision and either the transition supervisory 750  
board or, if the transition period is over, legislative 751

authority of the township or townships that assumed district 752  
territory as a result of the dissolution. Upon receiving such 753  
notice, the participating political subdivisions and either the 754  
transition supervisory board or the township or townships that 755  
assumed district territory shall discontinue the levy of any 756  
special assessments imposed to pay for costs of the plan. 757

(F) No rights or obligations of any person under any 758  
contract, or in relation to any bonds, notes, or assessments 759  
made under Chapter 1710. of the Revised Code, shall be affected 760  
by the dissolution of the district, except with the consent of 761  
that person or by order of a court with jurisdiction over the 762  
matter. Upon dissolution of a district, any assets or rights of 763  
the district, after payment of all bonds, notes, or other 764  
obligations of the district, shall be deposited in a special 765  
account in the treasury of each participating political 766  
subdivision, prorated based on the total appraised value of the 767  
real property located within the subdivision and the former 768  
district as compared to the total appraised value of all real 769  
property located within the former district. All funds deposited 770  
to such a special account shall be used for the benefit of the 771  
territory that made up the district. 772

Assets or rights apportioned to the dissolved village 773  
shall be disposed of by the transition supervisory board under 774  
section 703.373 of the Revised Code or, if the transition period 775  
is over, dispensed to the township or townships that assumed 776  
district property as a result of the dissolution, prorated based 777  
on the total appraised value of former district property assumed 778  
by each such township. Such assets and rights shall be used for 779  
the benefit of the territory that made up the district. 780

Sec. 703.378. Notwithstanding any provision of the Revised 781

Code to the contrary, a township into which property subject to 782  
service payments in lieu of taxes required under section 725.04, 783  
5709.42, or 5709.46 of the Revised Code, or services charges in 784  
lieu of taxes required under section 1728.11 or 1728.111 of the 785  
Revised Code, is dissolved in accordance with sections 703.31 to 786  
703.38 of the Revised Code shall assume all rights and 787  
responsibilities under sections 725.04, 1728.11, 1728.111, 788  
5709.40 to 5709.43, or 5709.45 to 5709.47 of the Revised Code of 789  
the dissolved village that granted exemption of the property. 790

**Sec. 703.379.** (A) As used in this section, "local 791  
government fund payments" means payments a dissolved village 792  
would receive under sections 5747.503, 5747.51, and 5747.53, and 793  
division (C) of section 5747.50 of the Revised Code, as 794  
applicable, if not for the dissolution of the village. 795

(B) A county budget commission of a county in which all or 796  
part of the former territory of the dissolved village is located 797  
shall exclude the dissolved village from any apportionment plan 798  
adopted under section 5747.51 or 5747.53 of the Revised Code on 799  
or after the first day of the transition period. A county budget 800  
commission shall not amend an apportionment plan adopted under 801  
one of those sections before the first day of the transition 802  
period for the purpose of reallocating county undivided local 803  
government fund payments apportioned to the dissolved village. 804

(C) All local government fund payments to a dissolved 805  
village shall continue as described in divisions (D) and (E) of 806  
this section until the end of the last calendar year for which 807  
an apportionment plan adopted by a county budget commission 808  
under section 5747.51 or 5747.53 of the Revised Code includes 809  
allocations of county undivided local government fund revenue to 810  
the dissolved village. 811

(D) During the transition period, local government fund 812  
payments to the dissolved village shall be distributed to the 813  
transition supervisory board for disposal under section 703.373 814  
of the Revised Code. 815

(E) After the transition period, local government fund 816  
payments to the dissolved village shall be distributed directly 817  
to the fiscal officer of the township that assumed the most 818  
dissolved village territory. The fiscal officer shall first 819  
apply the revenue to any outstanding debts, obligations, and 820  
liabilities of the dissolved village. Any remaining revenue 821  
shall then be dispensed to the township or townships into which 822  
the territory of the dissolved village was dissolved. Such 823  
remaining revenue shall be divided in the same proportions and 824  
used for the same purposes as tax and special assessment revenue 825  
under division (G) of section 703.371 of the Revised Code. 826

**Sec. 703.38.** On the date the auditor of state provides the 827  
final audit or final agreed-upon procedure audit to the 828  
transition supervisory board as required under section 703.36 of 829  
the Revised Code, all of the following apply: 830

(A) The transition period is over. 831

(B) The auditor of state shall notify all entities 832  
affected by, or participating in, the dissolution that the 833  
transition period is over. 834

(C) The township or townships to which the records of the 835  
dissolved village were transferred under section 703.375 of the 836  
Revised Code are responsible for responding to requests for 837  
those records. 838

(D) The transition supervisory board ceases to exist. 839

**Sec. 703.39.** Any potential claimant with a potential claim 840

against the dissolving village shall bring the claim not later 841  
than ninety days after the day the receiver-trustee initially is 842  
appointed by the transition supervisory board. A claim brought 843  
after that date is invalid. 844

**Sec. 1724.07.** ~~In~~ Except as provided in section 703.376 of 845  
the Revised Code, in the event of ~~any~~-voluntary or involuntary 846  
dissolution, liquidation, or failure to reinstate the articles 847  
after cancellation of the community improvement corporation, any 848  
remaining assets shall be applied as follows: 849

(A) In the case of an economic development corporation, to 850  
such civic projects or public charitable purposes in the 851  
community or area as may be determined by the directors with the 852  
approval of the court of common pleas of the county wherein the 853  
corporation has its principal place of business; 854

(B) In the case of a county land reutilization 855  
corporation, as determined by the board of county commissioners 856  
with the written approval of the county treasurer. Pending the 857  
determination, the remaining assets shall be transferred to the 858  
general fund of the county to be held and accounted for in a 859  
separate account until applied as determined by the board. 860

**Sec. 5705.14.** No transfer shall be made from one fund of a 861  
subdivision to any other fund, by order of the court or 862  
otherwise, except as follows: 863

(A) The unexpended balance in a bond fund that is no 864  
longer needed for the purpose for which such fund was created 865  
shall be transferred to the sinking fund or bond retirement fund 866  
from which such bonds are payable. 867

(B) The unexpended balance in any specific permanent 868  
improvement fund, other than a bond fund, after the payment of 869

all obligations incurred in the acquisition of such improvement, 870  
shall be transferred to the sinking fund or bond retirement fund 871  
of the subdivision; provided that if such money is not required 872  
to meet the obligations payable from such funds, it may be 873  
transferred to a special fund for the acquisition of permanent 874  
improvements, or, with the approval of the court of common pleas 875  
of the county in which such subdivision is located, to the 876  
general fund of the subdivision. 877

(C) (1) Except as provided in division (C) (2) of this 878  
section, the unexpended balance in the sinking fund or bond 879  
retirement fund of a subdivision, after all indebtedness, 880  
interest, and other obligations for the payment of which such 881  
fund exists have been paid and retired, shall be transferred, in 882  
the case of the sinking fund, to the bond retirement fund, and 883  
in the case of the bond retirement fund, to the sinking fund; 884  
provided that if such transfer is impossible by reason of the 885  
nonexistence of the fund to receive the transfer, such 886  
unexpended balance, with the approval of the court of common 887  
pleas of the county in which such division is located, may be 888  
transferred to any other fund of the subdivision. 889

(2) Money in a bond fund or bond retirement fund of a 890  
city, local, exempted village, cooperative education, or joint 891  
vocational school district may be transferred to a specific 892  
permanent improvement fund provided that the county budget 893  
commission of the county in which the school district is located 894  
approves the transfer upon its determination that the money 895  
transferred will not be required to meet the obligations payable 896  
from the bond fund or bond retirement fund. In arriving at such 897  
a determination, the county budget commission shall consider the 898  
balance of the bond fund or bond retirement fund, the 899  
outstanding obligations payable from the fund, and the sources 900

and timing of the fund's revenue. 901

(D) The unexpended balance in any special fund, other than 902  
an improvement fund, existing in accordance with division (D), 903  
(F), or (G) of section 5705.09 or section 5705.12 of the Revised 904  
Code, may be transferred to the general fund or to the sinking 905  
fund or bond retirement fund after the termination of the 906  
activity, service, or other undertaking for which such special 907  
fund existed, but only after the payment of all obligations 908  
incurred and payable from such special fund. 909

(E) Money may be transferred from the general fund to any 910  
other fund of the subdivision. 911

(F) Moneys retained or received by a county under section 912  
4501.04 or division (A) (2) of section 5735.27 of the Revised 913  
Code may be transferred from the fund into which they were 914  
deposited to the sinking fund or bond retirement fund from which 915  
any principal, interest, or charges for which such moneys may be 916  
used is payable. 917

(G) Moneys retained or received by a municipal corporation 918  
under section 4501.04 or division (A) (1) of section 5735.27 of 919  
the Revised Code may be transferred from the fund into which 920  
they were deposited to the sinking fund or bond retirement fund 921  
from which any principal, interest, or charges for which such 922  
moneys may be used is payable. 923

(H) (1) Money may be transferred from the county 924  
developmental disabilities general fund to the county 925  
developmental disabilities capital fund established under 926  
section 5705.091 of the Revised Code or to any other fund 927  
created for the purposes of the county board of developmental 928  
disabilities, so long as money in the fund to which the money is 929

transferred can be spent for the particular purpose of the 930  
transferred money. The county board of developmental 931  
disabilities may request, by resolution, that the board of 932  
county commissioners make the transfer. The county board of 933  
developmental disabilities shall transmit a certified copy of 934  
the resolution to the board of county commissioners. Upon 935  
receiving the resolution, the board of county commissioners may 936  
make the transfer. Money transferred to a fund shall be credited 937  
to an account appropriate to its particular purpose. 938

(2) An unexpended balance in an account in the county 939  
developmental disabilities capital fund or any other fund 940  
created for the purposes of the county board of developmental 941  
disabilities may be transferred back to the county developmental 942  
disabilities general fund. The transfer may be made if the 943  
unexpended balance is no longer needed for its particular 944  
purpose and all outstanding obligations have been paid. Money 945  
transferred back to the county developmental disabilities 946  
general fund shall be credited to an account for current 947  
expenses within that fund. The county board of developmental 948  
disabilities may request, by resolution, that the board of 949  
county commissioners make the transfer. The county board of 950  
developmental disabilities shall transmit a certified copy of 951  
the resolution to the board of county commissioners. Upon 952  
receiving the resolution, the board of county commissioners may 953  
make the transfer. 954

(I) Money may be transferred from the public assistance 955  
fund established under section 5101.161 of the Revised Code to 956  
either of the following funds, so long as the money to be 957  
transferred from the public assistance fund may be spent for the 958  
purposes for which money in the receiving fund may be used: 959

(1) The children services fund established under section 960  
5101.144 of the Revised Code; 961

(2) The child support enforcement administrative fund 962  
established, as authorized under rules adopted by the director 963  
of job and family services, in the county treasury for use by 964  
any county family services agency. 965

(J) Notwithstanding this section, money in any fund or 966  
account of a village dissolved in accordance with sections 967  
703.31 to 703.38 of the Revised Code may be transferred by the 968  
transition supervisory board to a special account for the 969  
purpose of paying the debts, obligations, and liabilities of the 970  
dissolved village or to the general fund of any township into 971  
which the territory of the village is dissolved for any purpose 972  
that directly or indirectly benefits the former territory of the 973  
dissolved village. 974

(K) Except in the case of transfer pursuant to division 975  
(E) or (J) of this section, transfers authorized by this section 976  
shall only be made by resolution of the taxing authority passed 977  
with the affirmative vote of two-thirds of the members. 978

**Section 2.** That existing sections 118.27, 118.31, 703.20, 979  
703.201, 703.23, 1724.07, and 5705.14 of the Revised Code are 980  
hereby repealed. 981

**Section 3.** That section 703.21 of the Revised Code is 982  
hereby repealed. 983