

As Re-Referred by the House Rules and Reference Committee

133rd General Assembly

Regular Session

2019-2020

H. B. No. 252

Representative Greenspan

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

A BILL

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

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

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

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

(1) Serve as a clearinghouse for information, data, and 15
other materials that may be helpful or necessary to persons or 16
local governments, as provided in section 122.073 of the Revised 17

Code;	18
(2) Prepare and activate plans for the retention,	19
development, expansion, and use of the resources and commerce of	20
the state, as provided in section 122.04 of the Revised Code;	21
(3) Assist and cooperate with federal, state, and local	22
governments and agencies of federal, state, and local	23
governments in the coordination of programs to carry out the	24
functions and duties of the agency;	25
(4) Encourage and foster research and development	26
activities, conduct studies related to the solution of community	27
problems, and develop recommendations for administrative or	28
legislative actions, as provided in section 122.03 of the	29
Revised Code;	30
(5) Serve as the economic and community development	31
planning agency, which shall prepare and recommend plans and	32
programs for the orderly growth and development of this state	33
and which shall provide planning assistance, as provided in	34
section 122.06 of the Revised Code;	35
(6) Cooperate with and provide technical assistance to	36
state departments, political subdivisions, regional and local	37
planning commissions, tourist associations, councils of	38
government, community development groups, community action	39
agencies, and other appropriate organizations for carrying out	40
the functions and duties of the development services agency or	41
for the solution of community problems;	42
(7) Coordinate the activities of state agencies that have	43
an impact on carrying out the functions and duties of the	44
development services agency;	45
(8) Encourage and assist the efforts of and cooperate with	46

local governments to develop mutual and cooperative solutions to 47
their common problems that relate to carrying out the purposes 48
of this section; 49

(9) Study existing structure, operations, and financing of 50
regional or local government and those state activities that 51
involve significant relations with regional or local 52
governmental units, recommend to the governor and to the general 53
assembly such changes in these provisions and activities as will 54
improve the operations of regional or local government, and 55
conduct other studies of legal provisions that affect problems 56
related to carrying out the purposes of this section; 57

(10) Create and operate a division of community 58
development to develop and administer programs and activities 59
that are authorized by federal statute or the Revised Code; 60

(11) Until October 15, 2007, establish fees and charges, 61
in consultation with the director of agriculture, for purchasing 62
loans from financial institutions and providing loan guarantees 63
under the family farm loan program created under sections 901.80 64
to 901.83 of the Revised Code; 65

(12) Provide loan servicing for the loans purchased and 66
loan guarantees provided under section 901.80 of the Revised 67
Code as that section existed prior to October 15, 2007; 68

(13) Until October 15, 2007, and upon approval by the 69
controlling board under division (A) (3) of section 901.82 of the 70
Revised Code of the release of money to be used for purchasing a 71
loan or providing a loan guarantee, request the release of that 72
money in accordance with division (B) of section 166.03 of the 73
Revised Code for use for the purposes of the fund created by 74
section 166.031 of the Revised Code. 75

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

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

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

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

Sec. 1724.02. (A) In furtherance of the purposes set forth in section 1724.01 of the Revised Code, a community improvement

corporation shall have the following powers: 106

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

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

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

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

(II) If the land subject to reutilization is located 133
within the corporate boundaries of a municipal corporation, that 134

the municipal corporation issue bonds for the purpose of 135
constructing public infrastructure improvements and take such 136
other actions as the municipal corporation determines are in its 137
interest and are authorized under sections 5709.40 to 5709.43 of 138
the Revised Code. 139

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

(3) To purchase, receive, hold, manage, lease, lease- 154
purchase, or otherwise acquire and to sell, convey, transfer, 155
lease, sublease, or otherwise dispose of real and personal 156
property, together with such rights and privileges as may be 157
incidental and appurtenant thereto and the use thereof, 158
including but not restricted to, any real or personal property 159
acquired by the community improvement corporation from time to 160
time in the satisfaction of debts or enforcement of obligations, 161
and to enter into contracts with third parties, including the 162
federal government, the state, any political subdivision, or any 163
other entity. A county land reutilization corporation shall not 164
acquire an interest in real property if such acquisition causes 165

the number of occupied real properties held by the corporation 166
to exceed the greater of either fifty properties or twenty-five 167
per cent of all real property held by the corporation for 168
reutilization, reclamation, or rehabilitation. For the purposes 169
of this division, "occupied real properties" includes all real 170
properties that are not unoccupied as that term is defined in 171
section 323.65 of the Revised Code. 172

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

(5) To acquire, subscribe for, own, hold, sell, assign, 192
transfer, mortgage, pledge, or otherwise dispose of the stock, 193
shares, bonds, debentures, notes, or other securities and 194
evidences of interest in, or indebtedness of, any person, firm, 195
corporation, joint stock company, association, or trust, and 196

while the owner or holder thereof, to exercise all the rights, 197
powers, and privileges of ownership, including the right to vote 198
therein, provided that no tax revenue, if any, received by a 199
community improvement corporation shall be used for such 200
acquisition or subscription. 201

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

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

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

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

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

~~(10)~~ (11) To engage in code enforcement and nuisance 218
abatement, including, but not limited to, cutting grass and 219
weeds, boarding up vacant or abandoned structures, and 220
demolishing condemned structures on properties that are subject 221
to a delinquent tax or assessment lien, or property for which a 222
municipal corporation or township has contracted with a county 223
land reutilization corporation to provide code enforcement or 224
nuisance abatement assistance. 225

(11) <u>(12)</u> To charge fees or exchange in-kind goods or	226
services for services rendered to political subdivisions and	227
other persons or entities for whom services are rendered.	228
(12) <u>(13)</u> To employ and provide compensation for an	229
executive director who shall manage the operations of a county	230
land reutilization corporation and employ others for the benefit	231
of the corporation as approved and funded by the board of	232
directors. No employee of the corporation is or shall be deemed	233
to be an employee of the political subdivision for whose benefit	234
the corporation is organized solely because the employee is	235
employed by the corporation.	236
(13) <u>(14)</u> To purchase tax certificates at auction,	237
negotiated sale, or from a third party who purchased and is a	238
holder of one or more tax certificates issued pursuant to	239
sections 5721.30 to 5721.43 of the Revised Code.	240
(14) <u>(15)</u> To be assigned a mortgage on real property from	241
a mortgagee in lieu of acquiring such real property subject to a	242
mortgage.	243
(15) <u>(16)</u> To do all acts and things necessary or	244
convenient to carry out the purposes of section 1724.01 of the	245
Revised Code and the powers especially created for a community	246
improvement corporation in Chapter 1724. of the Revised Code,	247
including, but not limited to, contracting with the federal	248
government, the state or any political subdivision, a board of	249
county commissioners pursuant to section 307.07 of the Revised	250
Code, a county auditor pursuant to section 319.10 of the Revised	251
Code, a county treasurer pursuant to section 321.49 of the	252
Revised Code, and any other party, whether nonprofit or for-	253
profit. An employee of a board of county commissioners, county	254
auditor, or county treasurer who, pursuant to a contract entered	255

into in accordance with section 307.07, 319.10, or 321.49 of the Revised Code, provides services to a county land reutilization corporation shall remain an employee of the county during the provision of those services.

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

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

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

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

(C) The director of development services shall administer the land reutilization demolition program by awarding grants to county land reutilization corporations for the purpose of funding demolitions on blighted parcels. The director may award grants for that purpose subject to both of the following conditions:

(1) A county land reutilization corporation that receives

a grant from the land reutilization demolition program commits 285
additional funds, in an amount that is equal to or greater than 286
the amount of the grant, to the demolition of structures on 287
blighted parcels. 288

(2) Any other condition on the use of funds the director 289
finds appropriate. 290

(D) The director shall not, during any fiscal year, award 291
any county land reutilization corporation more than twenty per 292
cent of the funds appropriated to the land reutilization 293
demolition program by the general assembly in that fiscal year. 294

Section 2. That existing sections 122.011 and 1724.02 of 295
the Revised Code are hereby repealed. 296

Section 3. All items in this section are hereby 297
appropriated as designated out of any moneys in the state 298
treasury to the credit of the designated fund. For all 299
appropriations made in this act, those in the first column are 300
for fiscal year 2020 and those in the second column are for 301
fiscal year 2021. The appropriations made in this act are in 302
addition to any other appropriations made for the FY 2020-FY 303
2021 biennium. 304

DEV DEVELOPMENT SERVICES AGENCY 305

General Revenue Fund 306

GRF	195400	Land Reutilization	\$50,000,000	\$50,000,000	307
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		Demolition Program			308
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TOTAL GRF General Revenue Fund			\$50,000,000	\$50,000,000	309
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TOTAL ALL BUDGET FUND GROUPS			\$50,000,000	\$50,000,000	310
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LAND REUTILIZATION DEMOLITION PROGRAM 311

The foregoing appropriation item 195400, Land 312
Reutilization Demolition Program, shall be used for the Land 313
Reutilization Demolition Program as described under section 314
1724.13 of the Revised Code. 315

Section 4. Within the limits set forth in this act, the 316
Director of Budget and Management shall establish accounts 317
indicating the source and amount of funds for each appropriation 318
made in this act, and shall determine the form and manner in 319
which appropriation accounts shall be maintained. Expenditures 320
from appropriations contained in this act shall be accounted for 321
as though made in the main operating appropriations act of the 322
133rd General Assembly. 323

The appropriations made in this act are subject to all 324
provisions of the main operating appropriations act of the 133rd 325
General Assembly that are generally applicable to such 326
appropriations. 327