

As Introduced

**133rd General Assembly
Regular Session
2019-2020**

S. B. No. 204

Senators Schuring, Sykes

A BILL

To enact sections 308.20, 308.21, 308.22, 308.23, 1
308.24, 308.25, 308.26, 308.27, 308.28, and 2
308.29 of the Revised Code to authorize the 3
creation of an airport development district for 4
the purpose of funding public infrastructure 5
improvements and attracting airlines and 6
additional flights to a qualifying airport. 7

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

Section 1. That sections 308.20, 308.21, 308.22, 308.23, 8
308.24, 308.25, 308.26, 308.27, 308.28, and 308.29 of the 9
Revised Code be enacted to read as follows: 10

Sec. 308.20. As used in sections 308.20 to 308.29 of the 11
Revised Code: 12

(A) "Qualifying airport" means an airport and any 13
contiguous airport facilities owned, operated, or maintained by 14
a regional airport authority under this chapter, provided the 15
airport and facilities include territory located in two 16
counties, one of which has a population greater than five 17
hundred thousand but less than eight hundred thousand based on 18
the most recent federal decennial census. 19

(B) "Church" and "church property" have the same meanings 20
as in section 1710.01 of the Revised Code. 21

Sec. 308.21. (A) The board of trustees of a regional 22
airport authority that owns, operates, or maintains a qualifying 23
airport may, by resolution, propose the creation of an airport 24
development district for the purpose of developing and 25
implementing plans for public infrastructure improvements that 26
benefit the qualifying airport and to finance expenditures to 27
attract or retain airlines or increase the number of scheduled 28
flights to and from the qualifying airport. The resolution shall 29
include a development plan for the district that, at minimum, 30
specifies all of the following: 31

(1) The manner in which the nonprofit corporation that is 32
to govern the district will be formed, operated, and organized; 33

(2) A procedure by which territory may be added or removed 34
from the district; 35

(3) The manner in which the board of directors of the 36
nonprofit corporation that is to govern the district are 37
appointed; 38

(4) A plan for the public infrastructure improvements and 39
other expenditures to be financed by the district; 40

(5) A description of the development charge the board of 41
directors of the district is authorized to impose on the 42
property located within the district, including: 43

(a) The amount of the development charge. The development 44
charge may be determined on the basis of the square footage of 45
buildings and other structures located on the property or the 46
profits, gross receipts, or other revenues of a business 47
operating on the property, including rentals received from 48

leases of the property. If the amount of the development charge 49
is determined based on square footage of buildings and other 50
structures, it shall not exceed two dollars per square foot. If 51
the amount of the development charge is determined based on 52
profits, gross receipts, or other revenues, it shall not exceed 53
two per cent of such profits, gross receipts, or other revenues. 54
The amount of the development charge shall be determined in the 55
same manner and at the same rate for all real property located 56
within or all businesses operating in the district. 57

(b) The termination date of the development charge. The 58
development charge shall not be collected after the expiration 59
or termination of the district. 60

(c) The terms by which the board of directors of the 61
district shall collect the development charge; 62

(d) A requirement that the proceeds of the development 63
charge be used exclusively for the purposes of the district. 64

(B) All territory in an airport development district shall 65
be contiguous and the district shall encompass or be contiguous 66
to a qualifying airport. Additional territory may be added to a 67
district in the manner authorized by the development plan for 68
the district. No district shall include any church property, or 69
property of the federal government or the state or of a county, 70
township, or municipal corporation, unless the church or the 71
county, township, or municipal corporation specifically requests 72
in writing that the property be included within the district. 73

(C) A resolution proposing the creation of an airport 74
development district shall not go into effect unless the owners 75
of at least sixty per cent of the area of all real property 76
located within the proposed district sign a petition supporting 77

the district. The petition shall include the full text of the 78
board's resolution and shall clearly indicate that, by signing 79
the petition, the property owner supports creating the district 80
and consents to the development charge described in the 81
development plan for the district. 82

(D) (1) After obtaining a petition with the number of 83
signatures required under division (C) of this section, the 84
board of trustees of the regional airport authority shall submit 85
copies of the resolution and the petition supporting it to the 86
director of development services. If the director determines 87
that the requirements of this section have been met, the 88
director shall send notice to the board of trustees approving 89
the creation of the airport development district. The board of 90
trustees shall then notify each owner of real property located 91
within the district, including those that did not sign the 92
petition in support of the district, that the district has been 93
approved. 94

(2) If the director determines that the requirements of 95
this section have not been met, the director shall send notice 96
to the board of trustees declining to approve the creation of 97
the district and stating the reason or reasons for such 98
determination. The board of trustees may address the reason or 99
reasons that the resolution and petition were declined and 100
resubmit them to the director for approval at any time. 101

(3) Notwithstanding divisions (D) (1) and (2) of this 102
section, the director shall decline to approve any resolution 103
and petition submitted after December 31, 2023. 104

(E) An airport development district is not a political 105
subdivision for any purpose prescribed in the Revised Code. A 106
district shall be considered a public agency under section 107

102.01 of the Revised Code and a public authority under section 108
4115.03 of the Revised Code. Each member of the board of 109
directors of a district, each member's designee or proxy, and 110
each officer and employee of a district shall be considered a 111
public official or employee under section 102.01 of the Revised 112
Code and a public official and public servant under section 113
2921.42 of the Revised Code. Districts are subject to sections 114
121.22 and 121.23 of the Revised Code, but are not subject to 115
sections 121.81 to 121.83 of the Revised Code. 116

Sec. 308.22. (A) An airport development district shall be 117
governed by the board of trustees of a nonprofit corporation 118
which shall be known as the board of directors of the airport 119
development district. The board shall consist of seven 120
directors. One director shall be the chief executive officer of 121
the qualifying airport that is encompassed by or contiguous to 122
the district. Two directors shall be appointed by the board of 123
trustees of the regional airport authority that owns, operates, 124
or maintains the qualifying airport. The remaining four 125
directors shall be appointed by the owners of real property 126
located within the district in the manner specified in the 127
resolution creating the district. 128

(B) Notice of the time, date, place, and agenda for any 129
meeting of the board of directors shall be by written notice to 130
each director, transmitted by certified mail, personal service, 131
or electronic device before the meeting. If possible, the notice 132
shall be served at least one week before the meeting. The board 133
of directors shall act by a majority vote of those present and 134
authorized to vote at any meeting where proper notice has been 135
served. 136

Before making any expenditure, including those authorized 137

under section 308.25 of the Revised Code, the board of directors 138
of the district shall notify the board of trustees of the 139
regional airport authority that owns, operates, or maintains the 140
qualifying airport of the proposed expenditure. The board shall 141
not make that expenditure unless the authority adopts and 142
certifies a resolution to the board of directors approving that 143
expenditure. 144

(C) The board of directors shall elect a chairperson, 145
vice-chairperson, secretary, and treasurer of the board. These 146
officers shall serve at the board's pleasure. A director may be 147
elected to more than one office, except that the director 148
elected as treasurer shall not be elected to any other office of 149
the board. 150

(D) By the first day of March of each year the treasurer 151
shall submit to each owner of real property located within the 152
district and to the board of trustees of regional airport 153
authority a report of the district's activities and financial 154
condition for the preceding year. 155

(E) Membership on the board of directors of the district 156
shall not be considered holding a public office. Directors and 157
their designees shall be entitled to the immunities provided by 158
Chapter 1702. of the Revised Code and to the same immunity as an 159
employee under division (A)(6) of section 2744.03 of the Revised 160
Code, except that directors and their designees shall not be 161
entitled to the indemnification provided in section 2744.07 of 162
the Revised Code. 163

(F) District officers, directors, and their designees or 164
proxies are not required to file a statement with the Ohio 165
ethics commission under section 102.02 of the Revised Code. All 166
records of the district shall be treated as public records under 167

section 149.43 of the Revised Code, except that records of 168
organizations contracting with a district shall not be 169
considered to be public records under that section or section 170
149.431 of the Revised Code solely by reason of that contract. 171

Sec. 308.23. (A) Except as otherwise provided in this 172
section, the nonprofit corporation that governs an airport 173
development district shall be organized in the manner described 174
in Chapter 1702. of the Revised Code. The nonprofit corporation 175
may do the following: 176

(1) Exercise all powers of nonprofit corporations granted 177
under Chapter 1702. of the Revised Code that do not conflict 178
with this chapter; 179

(2) Develop, adopt, revise, implement, and repeal plans 180
for public infrastructure improvements that benefit the 181
qualifying airport that is encompassed by or contiguous to the 182
district and make expenditures to attract or retain airlines or 183
increase the number of scheduled flights to and from the 184
qualifying airport; 185

(3) Impose a development charge on the owners of real 186
property within the district in accordance with the development 187
plan for the district; 188

(4) Contract with any person or state agency or with a 189
political subdivision as defined in section 2744.01 of the 190
Revised Code to develop and implement plans for infrastructure 191
improvements that benefit the qualifying airport or for other 192
expenditures that will assist the qualifying airport in 193
attracting or retaining airlines or increasing the number of 194
scheduled flights to and from the qualifying airport; 195

(5) Contract and pay for insurance for the district and 196

for directors, officers, agents, contractors, employees, or 197
members of the district for any consequences of the 198
implementation of any plan adopted by the district or any 199
actions of the district. 200

(B) In addition to meeting the requirements for articles 201
of incorporation set forth in Chapter 1702. of the Revised Code, 202
the articles of incorporation for the nonprofit corporation 203
governing an airport development district shall provide all the 204
following: 205

(1) The name of the district, which shall include the name 206
of the qualifying airport that is encompassed by or contiguous 207
to the district; 208

(2) A description of the territory included within the 209
district that is specific enough to enable real property owners 210
to determine if their property is located within the district; 211

(3) The full text of the resolution creating the district, 212
the development plan for the district, and any amendments to 213
that plan that are subsequently adopted by the board of 214
directors of the district; 215

(4) A description of the procedure by which the articles 216
of incorporation and the development plan for the district may 217
be amended, which shall conform to the requirements of division 218
(D) of this section; 219

(5) The reasons for creating the district and an 220
explanation of how the district will be conducive to the public 221
health, safety, peace, convenience, and welfare of the district. 222

(C) The articles of incorporation shall be filed in the 223
secretary of state's office. The articles shall be accompanied 224
by a copy of the notice approving the airport development 225

district sent by the director of development services under 226
section 308.21 of the Revised Code. The secretary of state shall 227
not accept articles that do not meet the requirements of this 228
chapter. 229

(D) Neither the articles of incorporation nor the 230
development plan for the airport development district shall be 231
amended without first obtaining the approval of the majority of 232
the members of the board of directors, the owners of sixty per 233
cent of the area of all real property located within the 234
district, and the majority of the members of the board of 235
trustees of the regional airport authority that owns, operates, 236
or maintains the qualifying airport . All amendments to the 237
articles shall be filed with the secretary of state along with 238
documentation sufficient to prove that the requirements of this 239
division have been met. 240

Sec. 308.24. A development charge authorized by the 241
development plan for an airport development district is hereby 242
deemed to be a covenant running with each parcel of land within 243
the district. The covenant is fully binding on behalf of and 244
enforceable by the board of directors of the district against 245
any person that owns the land at the time the district is 246
created, any person who subsequently acquires an interest in the 247
land, and all successors and assigns of such persons. 248

No purchase agreement for real estate or any interest in 249
real estate upon which a development charge is levied shall be 250
enforceable by the seller or binding upon the purchaser unless 251
the purchase agreement specifically refers to the development 252
charge. If a conveyance of such real estate or interest in such 253
real estate is made pursuant to a purchase agreement that does 254
not make such reference, the development charge shall continue 255

to be a covenant running with the land fully binding on behalf 256
of and enforceable by the board of directors of the district 257
against the person accepting the conveyance pursuant to the 258
purchase agreement. 259

If a development charge is not paid when due, the overdue 260
amount shall be collected according to the terms specified in 261
the development plan for the district. If the development plan 262
does not specify a procedure for collecting overdue development 263
charges, the board of directors may certify the charge to the 264
county auditor. The county auditor shall enter the unpaid charge 265
on the tax list opposite the parcel against which it is charged 266
and certify the charge to the county treasurer. The unpaid 267
development charge is a lien on property against which it is 268
charged from the date the charge is entered on the tax list, and 269
shall be collected in the manner provided for the collection of 270
real property taxes. Once the charge is collected, it shall be 271
paid immediately to the board of directors. 272

Sec. 308.25. The expenditures of an airport development 273
district may include the following: 274

(A) The cost of creating and operating the district under 275
this chapter, including creating and operating a nonprofit 276
organization organized under this chapter, hiring employees and 277
professional services, contracting for insurance, and purchasing 278
or leasing office space or office equipment; 279

(B) The cost of planning, designing, and implementing 280
public infrastructure improvements that benefit the qualifying 281
airport, including payment of architectural, engineering, legal, 282
appraisal, insurance, consulting, energy auditing, and planning 283
fees and expenses, and, for public services, the management, 284
protection, and maintenance costs of public or private 285

<u>facilities;</u>	286
<u>(C) The cost of airport advertising, airline recruitment,</u>	287
<u>market research, ticket purchase guarantees, and incentives</u>	288
<u>designed to attract or retain airlines or increase the number of</u>	289
<u>scheduled flights to and from the qualifying airport;</u>	290
<u>(D) Any court costs incurred by the district in</u>	291
<u>implementing the plan outlined in the articles of incorporation;</u>	292
<u>and</u>	293
<u>(E) Any damages resulting from implementing that plan.</u>	294
<u>Sec. 308.26. An airport development district may contract</u>	295
<u>with any person, community improvement corporation, or state</u>	296
<u>agency or with a political subdivision as defined by section</u>	297
<u>2744.01 of the Revised Code to develop, manage, or implement</u>	298
<u>part or all of the development plan for the district.</u>	299
<u>Sec. 308.27. The board of directors of an airport</u>	300
<u>development district shall adopt written rules prescribing</u>	301
<u>competitive bidding procedures for contracts awarded under this</u>	302
<u>chapter. The rules shall provide for advertising for bids and</u>	303
<u>specify the bidding procedures to be followed, and may specify</u>	304
<u>conditions under which competitive bidding is not required and</u>	305
<u>other conditions such as establishing a dollar limit per</u>	306
<u>contract or specifying particular parties to a contract.</u>	307
<u>Sec. 308.28. Any owner of an interest in real property</u>	308
<u>that is located within a proposed or existing airport</u>	309
<u>development district who enters into a contract to transfer the</u>	310
<u>interest shall give to the transferee of the interest within the</u>	311
<u>specified period of time both of the following:</u>	312
<u>(A) Within five days after entering into the contract,</u>	313
<u>each notice that the owner received under this chapter within</u>	314

ninety days before entering into the contract; 315

(B) Within five days after its receipt, each notice that 316
the owner receives under this chapter after entering into the 317
contract until the contract is completely performed or 318
terminated. 319

Sec. 308.29. (A) An airport development district exists 320
until it is dissolved under this section. The process for 321
dissolving an airport development district or repealing a 322
development plan may be initiated by a petition filed with the 323
board of directors of the district and signed by the owners of 324
at least twenty per cent of the taxable value of the real 325
property located in the district, excluding church property or 326
real property owned by the federal government, the state, or a 327
county, township, or municipal corporation, unless the church, 328
county, township, or municipal corporation has specifically 329
requested in writing that the property be included in the 330
district. 331

(B) The board of directors shall organize and hold a 332
meeting to consider the petition not later than forty-five days 333
after it is filed. The board shall notify each owner of real 334
property within the district of the time, place, and subject of 335
the meeting at least two weeks before the meeting is held. Upon 336
the affirmative vote of the property owners who collectively own 337
more than fifty per cent of the taxable value of the real 338
property in the district, the district shall be dissolved, or 339
the plan shall be repealed, as applicable. The dissolution of a 340
district shall not be finalized until all debts and obligations 341
of the district are paid in full. 342

(C) No rights or obligations of any person under any 343
contract shall be affected by the dissolution of the district or 344

the repeal of a development plan, except with the consent of 345
that person or by order of a court with jurisdiction over the 346
matter. Upon dissolution of a district, any assets or rights of 347
the district, after payment of all obligations of the district, 348
shall be returned to the owners of real property located within 349
the district, prorated to reflect the amount of development 350
charges collected on the owner's property in the preceding 351
twelve months. 352

(D) Once the property owners have approved the repeal of a 353
development plan, all obligations of the district associated 354
with the plan shall be paid. Thereafter, the plan shall be 355
repealed. 356