



Am. S.B. 43
123rd General Assembly
(As Passed by the Senate)

Sens. Gardner, Brady, Latta, Mumper, Ray, Drake, Spada

BILL SUMMARY

- Creates a coastal erosion loan program under which a board of county commissioners may apply to the Ohio Water Development Authority for a loan, the proceeds of which are to be lent to property owners along Lake Erie to construct erosion control structures.

CONTENT AND OPERATION

The bill authorizes the Ohio Water Development Authority (OWDA) to make loans to a board of county commissioners to provide financial assistance to an owner of real property along Lake Erie to construct an erosion control structure there if (1) the Director of Natural Resources has identified the area in which the property is located as a coastal erosion area and (2) the Chief Engineer of the Department of Natural Resources has granted the owner a permit to construct an erosion control structure in the area. The board may pledge any lawfully available revenue to repay the loan so long as it does not include money raised by taxation (secs. 1507.071(A) and (C) and 6121.04(V)).

OWDA may enter into an agreement with the board--which is not subject to the limitations of the Uniform Public Securities Law--and adopt rules establishing requirements and procedures for making the loans and agreements (secs. 1507.071(C) and 6121.04(V)). The board, in turn, may enter into an agreement with a landowner and, pursuant to its agreement with OWDA, agree to cause payments to be made by OWDA to the contractor hired by the landowner to build the erosion control structure. The bill states that construction of the structure is not a public improvement and is not subject to competitive bidding, public bond, or prevailing wage laws. The landowner must agree to make specified installment payments to the board, or to OWDA if the board assigns the agreement to it, together with interest and administrative or other costs of the board or OWDA. (Secs. 1507.071(A)(2) and (3), (B), (C), and (E) and 6121.061.)

The bill requires the board to cause its agreement with a landowner to be recorded in the office of the county recorder and establish an erosion control repayment fund. The fund is to be used for repaying the loan and for other administrative or other costs of the board as specified in the agreement with the landowner. If the amount credited to the fund is inadequate to repay a loan when due, the board may advance money from any other fund that the county may lawfully use for the purpose. Eventually, the county must reimburse the fund from which the advance was made. (Sec. 1507.071(B)(1) and (2).)

If the owner fails to make any payments when due, the board is obliged to certify the amounts to the county auditor. The amounts become a lien on the property, and the auditor must add them to the landowner's real property tax bill, to be collected in the same manner as other taxes. (Sec. 1507.071(B)(3).) As the assignee of any landowner's agreement with the county, OWDA may compel the board and the county auditor by mandamus to establish an erosion control fund and to bill and collect amounts when due (sec. 1507.071(D)).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-02-99	p. 94
Reported, S. Finance & Financial Institutions	03-24-99	p. 236
Passed Senate (27-0)	04-14-99	pp. 285-287

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