



**H.B. 81**

125th General Assembly  
(As Introduced)

Rep. Core

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**BILL SUMMARY**

- Expands the powers of a community improvement corporation that is designated as an agency on behalf of a political subdivision to do all things necessary or convenient to carry out, and take any actions consistent with, the purposes of the Community Improvement Corporation Law.

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**CONTENT AND OPERATION**

**Background--creation of community improvement corporation**

Current law authorizes a corporation not for profit to be organized for the sole purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of a community or area (community improvement corporation) (R.C. 1724.01, not in the bill). A community improvement corporation must be incorporated according to the procedures of the Nonprofit Corporation Law, which permits any person or persons, without regard to residence, domicile, or state of incorporation, to form a corporation by signing and filing required articles of incorporation with the Secretary of State (R.C. 1702.04, not in the bill).

Existing law sets forth the powers of a community improvement corporation, which include the following:

- (1) To borrow money, to issue evidence of indebtedness, and to secure that indebtedness with a lien;
- (2) To make loans and to establish and regulate the terms and conditions with respect to those loans;
- (3) To purchase or otherwise acquire, and to sell or otherwise dispose of, real and personal property;

(4) To acquire the good will, business rights, real and personal property, and other assets of any person or business, to assume, or pay the liabilities of any person or business; and to acquire real estate for certain specified purposes;

(5) To acquire, sell, or otherwise dispose of the stock or other securities of any person or business;

(6) To mortgage or otherwise encumber any property acquired (R.C. 1724.02, not in the bill).

**Designation of a community improvement corporation as an agency of a political subdivision**

Under existing law (1) a county, (2) one or more townships, (3) one or more municipal corporations, (4) two or more adjoining counties, or (5) any combination of those political subdivisions may designate a community improvement corporation as the agency of each political subdivision for the industrial, commercial, distribution, and research development in the political subdivision. The political subdivisions may so designate a community improvement corporation as the agency when the legislative authority of the political subdivision has determined that the policy of the political subdivision is to promote the health, safety, morals, and general welfare of its inhabitants through the designation of a community improvement corporation as the agency. (R.C. 1724.10(A).)

Existing law also provides that a political subdivision that has designated a community improvement corporation as an agency of the political subdivision may enter into an agreement with the corporation to perform certain specified functions. These functions include any one or more of the following (R.C. 1724.10(B)):

(1) Preparation of a plan by the community improvement corporation for the political subdivision of industrial, commercial, distribution, and research development. The plan must provide the extent to which the community improvement corporation must participate as the agency of the political subdivision in carrying out the plan.

(2) Authorization for the community improvement corporation to sell or to lease any lands or interests in lands owned by the political subdivision determined periodically by the legislative authority of the political subdivision not to be required by the political subdivision for its purposes, for uses determined by the legislative authority as those that will promote the welfare of the people of the political subdivision; stabilize the economy; provide employment; and assist in the development of industrial, commercial, distribution, and research activities to the

benefit of the people of the political subdivision and will provide additional opportunities for their gainful employment.

(3) Conveyance or lease by the political subdivision to the community improvement corporation lands or interests in lands owned by the political subdivision that its legislative authority determines are not to be required by the political subdivision for its purposes and that conveyance or lease of the land or interests in land will promote the welfare of the people of the political subdivision; stabilize the economy; provide employment; and assist in the development of industrial, commercial, distribution, and research activities to the benefit of the people of the political subdivision and provide additional opportunities for their gainful employment.

**Changes proposed by the bill**

The bill authorizes the political subdivision to enter into an agreement with the community improvement corporation that authorizes the community improvement corporation to take any other actions on behalf of the political subdivision that are consistent with the purposes of the Community Improvements Corporation Law (R.C. 1724.10(B)(4)).

The bill also provides that when a political subdivision enters into an agreement with a community improvement corporation, the corporation retains its statutory powers (see "**Background--creation of community improvement corporation**") to do all things necessary or convenient to carry out its purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of the community or area (R.C. 1724.10(F)(2)).

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	02-25-03	p. 167

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