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Bill Analysis
Legislative Service Commission

Am. H.B. 81
125th General Assembly
(As Passed by the House)

Reps. Core, S. Patton, Flowers, Schmidt, Walcher

BILL SUMMARY

- Expands the powers that a political subdivision may authorize a community improvement corporation that is designated as an agency on behalf of the political subdivision to perform to include taking any actions, in addition to those authorized by existing law, on behalf of the political subdivision that are consistent with the purposes of the Community Improvement Corporation Law.
- Prohibits a community improvement corporation from providing information service or cable service in competition with private enterprise.

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 (CIC) as the agency of each political subdivision for industrial, commercial, distribution, and research development in the political subdivision provided when its legislative authority 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 its agency. (R.C. 1724.10(A).) Such a political subdivision may enter into an agreement with the CIC to provide any one or more of the following (R.C. 1724.10(B)):

(1) Prepare an industrial, commercial, distribution, and research development plan for the political subdivision. The plan must provide the extent to which the CIC must participate in carrying out the plan.

(2) Authorize the CIC to sell or lease any lands or interests in lands owned by the political subdivision that the political subdivision periodically determines not to be required for its purposes, for uses determined by the legislative authority to promote the welfare of its people; stabilize the economy; provide employment; and assist in the development of industrial, commercial, distribution, and research activities to the benefit of its people and provide additional opportunities for their gainful employment.

(3) Convey or lease lands or interests in lands owned by the political subdivision to the CIC that the political subdivision determines are not required

for its purposes and determines that the conveyance or lease will promote the welfare of its people; stabilize the economy; provide employment; and assist in the development of industrial, commercial, distribution, and research activities to the benefit of its people 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)).

However, the bill prohibits a community improvement corporation from providing, directly or indirectly, information service or cable service, as these terms are defined in federal law, in competition with private enterprise (R.C. 1724.12).

The bill relocates existing provisions dealing with the composition of the governing board of a community improvement corporation, the effect of that membership on a member's right to hold a public office, the corporation's compliance with planning and zoning regulations, and amending the agreement between the political subdivision and the corporation (R.C. 1724.10(C), (D), and (E)).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-25-03	p. 167
Reported, H. State Gov't	03-19-03	pp. 267-268
Passed House (97-0)	03-25-03	p. 280

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