



Bill Rowland

Final Analysis
Legislative Service Commission

Sub. S.B. 24

127th General Assembly
(As Passed by the General Assembly)

Sens. Carey, Niehaus, Grendell, Spada, Harris, Padgett, Mumper, Buehrer, Schaffer, Clancy, Roberts, D. Miller, Kearney, Cates, Goodman, Sawyer, Cafaro, Faber, Wilson, Morano, Fedor, Stivers

Reps. Collier, Celeste, Zehringer, R. Hagan, Wolpert, Mallory, J. Hagan, Reinhard, Schindel, Otterman, Heard, Combs, B. Williams, DeBose, Lundy, J. McGregor, Ujvagi, Chandler, Stebelton, Aslanides, Blessing, Daniels, Domenick, Fende, Flowers, Garrison, Harwood, Hottinger, Hughes, Letson, Luckie, Patton, Raussen, Sayre, Schlichter, Seitz, Setzer, Szollosi, Uecker, Wagoner, Webster, Yates, Yuko

Effective date: September 29, 2007

ACT SUMMARY

- Requires the Director of Development to adopt rules under the Administrative Procedure Act to administer the Job Ready Site Program's annual competitive process for obtaining grants.
- Bars the administrative rules from having the effect of excluding grant applicants from any county.
- Requires that the forwarding of prioritized applications to the Director, project progress reports, the recovery of costs incurred in conducting the Program, and the Director's annual report comply with the rules.
- Increases from \$500,000 to \$750,000 the maximum amount that may be granted to an eligible county under the Industrial Site Improvement Program.

CONTENT AND OPERATION

Overview of the Job Ready Site Program

(R.C. 122.085 to 122.0820)

Under continuing law, the Job Ready Site Program is administered by the Department of Development and provides grants to pay certain acquisition, construction, renovation, planning, demolition, and remediation costs of projects that, once completed, are sites and facilities primarily intended for commercial, industrial, or manufacturing use. Political subdivisions, non-profit economic development organizations, and, with prior approval of the Director of Development, private, for-profit entities may apply for grants under the Program. Public or private institutions of higher education may not apply.

Law retained in part by the act requires the Director to establish guidelines for awarding project grants through an annual competitive process or a discretionary process. Under the annual competitive process, a grant applicant files an application with the district public works integrating committee with jurisdiction over the area in which a project is located.¹ Each application is evaluated by the executive committee of the district committee to determine whether the application is complete and whether a project meets statutory requirements (which are unchanged by the act--see R.C. 122.0815(A)). If the application is complete and the requirements are met, the executive committee prioritizes the project under statutory criteria (unchanged by the act--R.C. 122.0816) and pursuant to local priorities determined by the committee. The committee may select up to three projects from among the projects it has prioritized each year. The executive committee forwards the applications for those selected projects to the Department of Development in the time and manner required by the Director's guidelines.

In turn, the Department evaluates each project and prioritizes it with all other projects received from executive committees throughout the state under criteria unchanged by the act (R.C. 122.0816). The Director makes recommendations to the Controlling Board, which must approve grants for any of the projects selected by the Director. The Director is required to consider "geographic diversity" in selecting grant recipients.

¹ The district public works integrating committees are committees established under the Ohio Public Works Commission Law in each of 19 districts into which the state has been divided for purposes of allocating state infrastructure bond proceeds among local subdivisions (R.C. 122.085(B), 164.03, and 164.04, not in the act).

The discretionary process for awarding grants is used "in situations that include those in which the timing of a proposed eligible project is such that the annual competitive process is not suitable." Grant applicants file applications directly with the Director under a process established by the Director's guidelines. The Director evaluates each application to determine whether the application is complete and whether the project meets requirements unchanged by the act (R.C. 122.0815(B)). If the application is complete and the requirements are met, the Director makes recommendations to the Controlling Board, which must approve the discretionary grants for any of the projects selected by the Director.

The guidelines that govern the Job Ready Site Program under law retained in part by the act may provide for recovery of the costs incurred by district public works integrating committees and executive committees conducting their duties under the program.

Changes to the Program's competitive process

Adoption of administrative rules

(R.C. 122.086 and 122.087)

The act requires the Director of Development to adopt rules under the Administrative Procedure Act to administer the Job Ready Site Program's annual competitive process rather than administering that process under guidelines established by the Director. (Rulemaking under the Administrative Procedure Act requires public notice of rulemaking and a public hearing.) The act provides that the rules cannot establish criteria that have the effect of excluding grant applications from any county of Ohio.

The discretionary grant awarding process remains unchanged and continues to be administered by the Department of Development pursuant to guidelines established by the Director.

Filing prioritized applications

(R.C. 122.0810)

The act requires the executive committees of the district public works integrating committees to forward applications for their prioritized projects in the time and manner required by the administrative rules governing the annual competitive process rather than by guidelines.

Reports

(R.C. 122.0814 and 122.0817)

Annual reports made by grant recipients regarding the progress of projects, and the Director's annual report about the Job Ready Site Program (all required by continuing law), must comply with the administrative rules adopted by the Director pursuant to the act.

Recovery of costs

(R.C. 122.0819)

The act provides that the administrative rules adopted by the Director, instead of guidelines, must provide for recovery of the costs incurred by the district committees and their executive committees in conducting program duties.

Industrial Site Improvement Fund grants

(R.C. 122.951)

The Director of Development is authorized under continuing law to make a grant under the Industrial Site Improvement Program to an "eligible county" if the grant creates new jobs or preserves jobs in the county. In general, the grants are for counties in the Appalachian region, in a distressed area (high unemployment, low income), or in a county experiencing high job losses and are to be used for expanding, remodeling, renovating, and modernizing buildings, remediating environmentally contaminated property on which hazardous substances exist, or infrastructure improvements.

Law retained in part by the act provides that the Director may grant up to \$500,000 from the Industrial Site Improvement Fund to an eligible county. The act increases the maximum grant amount to \$750,000.

HISTORY

ACTION	DATE
Introduced	02-20-07
Reported, S. Ways & Means & Economic Development	03-28-07
Passed Senate (33-0)	03-28-07
Reported, H. Economic Development & Environment	05-23-07
Passed House (96-1)	06-26-07

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