



Bill Analysis

Stacy V. Pollock
Michael Burns

Legislative Service Commission

Sub. H.B. 11

127th General Assembly

(As Reported by H. Local & Municipal Government & Urban Revitalization)

Reps. Setzer, Collier, Adams, Stebelton, J. McGregor, Yuko, Hughes, Chandler, Domenick, Reinhard

BILL SUMMARY

- Expands the municipalities and townships within which a joint economic development district (JEDD) can be created under the first two of the three methods by which a JEDD can be created.
- Prohibits a JEDD created under the first method from including areas zoned for residential use.
- Permits disapproval under the first method of a JEDD contract that does not obligate the contracting party granting a tax exemption under the JEDD, or the district board, to compensate other taxing authorities for certain taxes lost because of the exemption.
- Requires additional published notice of the hearing on creation of a JEDD, and requires notice of the hearing to be mailed to each property owner in the proposed JEDD--both under the first method.
- Specifies that a defect in a notice does not render the JEDD contract invalid.

CONTENT AND OPERATION

One or more municipalities and one or more townships may enter into a contract to create a joint economic development district (JEDD) for the purpose of facilitating economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of Ohio and of the people in the JEDD. There are three sets of procedures under which JEDDs can be created, one in R.C. 715.70, another in R.C. 715.71, and a third in R.C. 715.72 to 715.81. The procedure in R.C. 715.71 is an alternative to the procedure in R.C. 715.70.

Expansion of eligibility to create JEDDs

Currently, a JEDD can be created in a municipality or township, under either the R.C. 715.70 or the R.C. 715.71 procedure, only if one of the following applies:

(1) The municipality or township is within a county that has adopted home rule.

(2) The municipality or township creates a JEDD that is comprised entirely of real property that is owned by a municipality at the time the JEDD is created, and that includes an airport that is owned by the municipality and located entirely beyond the municipality's corporate boundary.

(3) A municipality or township that is part of or contiguous to a transportation improvement district and that created a JEDD before November 15, 1995.

(4) A municipality that previously entered into a contract creating a JEDD under (2) above, even if the territory to be included in the new JEDD does not meet the requirements of (2) above.

The bill removes these four limitations, thus expanding the municipalities and townships within which JEDDs can be created. The bill declares that the expansion, which applies to both the R.C. 715.70 and the R.C. 715.71 procedures, is an alternative to the procedure for creating a JEDD under R.C. 715.72 to 715.81. (R.C. 715.70(A) and (B)(1).)

JEDDs not to include residential zoned areas without meeting certain criteria

Currently, a JEDD cannot exceed 2,000 acres in size, and a JEDD cannot completely surround territory that is not included within its boundaries. The bill adds that a JEDD cannot include any area that has been zoned for residential use unless the district was undeveloped prior to the approval of the JEDD contract, the planned development includes both residential and commercial areas, and the residential areas comprise not more than 20% of the total district area. The bill requires that the petition for creation of a JEDD include a statement that the proposed JEDD does not include any such area. (R.C. 715.70(B)(3) and (C)(1)(a)(i).) This additional requirement, like the existing ones, applies only to JEDDs that are created under R.C. 715.70, and not to JEDDs that are created under R.C. 715.71. (R.C. 715.71(A)--not in the bill.)

JEDD contracts may be disapproved if they do not exclude certain taxes from exemption under the JEDD

The bill authorizes, but does not require, the legislative authority of each county within which a party to a proposed JEDD contract is located to disapprove a petition for the creation of the JEDD unless the contract obligates the contracting party granting an exemption from taxation or the district board of directors to compensate other taxing authorities in an amount equal to the amount of taxes that would be charged and payable to those other taxing authorities from the following levies on the exempted property for the duration of the contract:

- (1) General construction, reconstruction, resurfacing, and repair of streets, roads, and bridges in municipalities, counties, or townships;
 - (2) Parks and recreational purposes;
 - (3) Maintenance of a county home or detention facility;
 - (4) Community mental retardation and developmental disabilities programs and services;
 - (5) Providing or maintaining senior citizens services or facilities;
 - (6) Provision and maintenance of zoological park services and facilities;
 - (7) Establishment and operation of a 911 system;
 - (8) A county-wide public safety communications system;
 - (9) Support by a county of criminal justice services;
 - (10) Maintaining and operating a jail or other detention facility;
 - (11) A board of county commissioners in acquiring agricultural easements and in supervising and enforcing agricultural easements;
 - (12) County hospitals;
 - (13) Alcohol, drug addiction, and mental health services;
 - (14) Libraries; and
 - (15) Support of children services and the placement and care of children.
- (R.C. 715.70(C)(2).)

Any compensation thus received by a taxing authority under a JEDD contract must be allocated among funds and expended for the purposes for which the taxes listed above were levied.

This potential restriction applies only to JEDDs that are created under R.C. 715.70, and not to JEDDs that are created under R.C. 715.71 or R.C. 715.72 to 715.81. (R.C. 715.71(A)--not in the bill.)

Expanded notice of hearing on creation of a proposed JEDD

Before the legislative authority of a municipality or the board of township trustees of a township can pass an ordinance or resolution approving a contract creating a JEDD, the legislative authority or board must each hold a public hearing on the contract. Thirty days' notice of the hearing must be provided in a newspaper of general circulation in the municipality and township. The bill specifies that this publication must be once a week for a period of three consecutive weeks before the hearing.

The bill also requires notice of the hearing to be mailed, by regular mail, to each property owner in the proposed JEDD at least 30 days before the hearing. (The notice is to be mailed to the property owner's address that appears on the county auditor's current tax list.) The property owner is required in turn to notify any lessee of the property of the information contained in the notice. (The notice must include a statement of this requirement.) (R.C. 715.70(D)(2)(a) and (b).)

The petition asking the legislative authority or board of township trustees to approve a JEDD contract must contain evidence that notice by publication and by mail both have been given. (R.C. 715.70(C)(1)(b)(iii).) The bill specifies, however, that an error, irregularity, or defect in any notice does not render a contract creating a JEDD invalid, so long as the contract has been approved by the legislative authority or board of township trustees and signed by all of the participating municipalities and townships. (R.C. 715.70(D)(2).)

The expanded notice requirements apply to JEDDs that are created under R.C. 715.70, and not to JEDDs that are created under R.C. 715.71. (R.C. 715.71(A)--not in the bill.)

HISTORY

ACTION	DATE
Introduced	02-20-07
Reported, H. Local & Municipal Gov't & Urban Revitalization	04-26-07

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