



Phil Mullin

Bill Analysis

Legislative Service Commission

H.B. 338

127th General Assembly

(As Reported by H. State Government and Elections)

Reps. Reinhard, Aslanides, Bubb, Combs, Fende, Seitz, Setzer, Webster, Widener, Daniels, Hite, Carmichael, Collier, Domenick

BILL SUMMARY

- Creates the Utility Infrastructure Development Program to provide funding for utility infrastructure development projects to attract new business opportunities to Ohio.

CONTENT AND OPERATION

The bill creates the Utility Infrastructure Development Program to provide funding for utility infrastructure development projects, as an incentive to attract new business opportunities for Ohio (R.C. 122.841). The bill defines "new business opportunity" to mean a business or enterprise for which a facility is planned to be constructed and where the business (1) is new, expanded, or relocated, (2) will create or retain a significant number of jobs, and (3) needs a utility service that is subject to the public utility excise tax in order to operate the planned facility (R.C. 122.84(A)). The bill further defines "utility infrastructure development project" to mean a project to construct a utility service connection to provide utility service to a new business opportunity (R.C. 122.84(C)).

In order to qualify for a grant under the Utility Infrastructure Development Program, a utility infrastructure development project must meet all of the following requirements: (1) the project's viability depends on a grant under the Program, (2) all other public and private sources of financing have been considered, (3) a grant under the Program will act as a catalyst for the infusion into the project of other financing sources, and (4) the project involves a utility subject to the public utility excise tax (R.C. 122.842(A)).

The bill requires the Director of Development to determine whether a business or enterprise is a new business opportunity. The Director of Development, in consultation with the Director of Budget and Management, must determine whether the requirements described in items (1) through (4) in the

immediately preceding paragraph are met with respect to a project. The Public Utilities Commission must assist the Director by providing information as to whether the project complies with the requirement of item (4) above. (R.C. 122.842(B).)

If the Director of Development determines that a utility infrastructure development project meets all the requirements described above, the Director, to the extent funds are available, must make a grant for the project from the Utility Infrastructure Development Fund, which the bill creates in the state treasury. If the Director makes a grant, the Director must submit a request to the Controlling Board for the release of funds equal to the grant. If the Controlling Board releases the funds, the Director must pay that amount to the new business opportunity to construct its utility infrastructure development project. (R.C. 122.843 and 122.844.)

The bill requires that amounts that exceed the revenue from the public utility excise tax forecasted for each fiscal year must be credited to the Utility Infrastructure Development Fund. The Fund consists of these amounts plus the Fund's investment earnings. (R.C. 122.844 and 5727.451.)

HISTORY

ACTION	DATE
Introduced	10-02-07
Reported, H. State Gov't & Elections	04-14-08

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