



Ohio Legislative Service Commission

Final Analysis

Daniel M. DeSantis

Am. Sub. S.B. 275 129th General Assembly (As Passed by the General Assembly)

Sens. Hite, Bacon, Beagle, Daniels, Lehner, Obhof, Wagoner

Reps. Beck, Combs, Hackett, Henne, Maag, Patmon, Sprague, Terhar, Wachtmann

Effective date: September 4, 2012; emergency for Sections 1, 2, and 18, effective June 4, 2012

ACT SUMMARY

- Corrects the property description in a previously authorized state land conveyance to the Board of County Hospital Trustees of the MetroHealth System in Cuyahoga County.
- Authorizes the Governor to execute the necessary deeds for the conveyance of 14 state properties.
- Authorizes the Ohio Historical Society to execute a deed conveying to the United States, the Ohio Historical Society's right, title, and interest in real estate situated in Ross County.
- Authorizes the Director of Administrative Services to execute a perpetual easement granting to the City of Cambridge, a perpetual easement in real estate associated with an existing water supply line at the Cambridge Developmental Center.
- Authorizes release of the state's rights of reversion, deed restrictions, and covenants, with respect to real estate located in Montgomery County that has been previously conveyed by the state.
- Alters the legal description of a perpetual easement that was previously granted by the Governor to the City of Columbus, for ingress/egress access to a city water tower site in Franklin County.
- Declares an emergency.

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CONTENT AND OPERATION

H.B. 153 land conveyance correction

(Sections 1 and 2)

The act corrects the property description in a state land conveyance that previously was authorized in H.B. 153 of the 129th General Assembly.¹ The act continues the authorization for the Governor to convey all of the state's right, title, and interest in the described state-owned real estate to the Board of County Hospital Trustees of the MetroHealth System, in the name of Cuyahoga County, its successors and assigns. The consideration and conditions for the conveyance continue as specified in H.B. 153. The authorization for the conveyance expires one year after its effective date in H.B. 153.

¹ Section 753.25 of H.B. 153, 129th General Assembly.



Conveyances by Governor's deed

(Sections 3, 4, 5, 6, 7, 8, 9, 11, 13, 14, 15, 16, 17, and 20)

The act authorizes the Governor to execute deeds in the name of the state, conveying all of the state's right, title, and interest in certain real estate, a legal description of which is provided in the act, to various grantees. Unless otherwise specified, the authority to convey the real estate expires one year after the effective date of the section in which it is contained. Also, the act generally requires that the grantee pay the costs of the conveyance, including recordation costs of the deed.

For each conveyance, the act requires the Auditor of State, with the assistance of the Attorney General, to prepare a deed to the real estate. The deed must state the consideration and any applicable conditions or requirements. The deed must be executed by the Governor in the name of the state, countersigned by the Secretary of State, sealed with the Great Seal of the State, and presented for recording in the Office of the Auditor of State. The deed must be delivered to the grantee, who must present the deed for recording in the office of the county recorder of the county in which the real estate is located.

Listed below is a brief description of the 13 parcels to be conveyed, the grantee specified to receive the conveyance, and the consideration.

(1) Real estate associated with the Marion Armory, the Eaton Armory, and the Eaton MVSB, to a purchaser or purchasers who are to be determined in the manner described below.

(2) Real estate in Defiance County to the City of Defiance for consideration of \$90,000, \$20,000 of which is to be paid at closing, and \$70,000 of which is to be credited at closing for tenant improvements that have been made by the City of Defiance.

(3) Real estate in Erie County to the Spanish War Veteran Association for consideration of \$10.

(4) Real estate in Wayne County to a buyer or buyers to be determined in the manner described below.

(5) Real estate in Guernsey County to the Board of County Commissioners of Guernsey County for consideration of \$5,000.

(6) Real estate in Summit County, known as the Rubber Bowl, to a buyer or buyers as to be determined in the manner described below.



(7) Real estate in Franklin County to the Columbus City School District for consideration of \$3,131.96.

(8) Real estate in Hamilton County to Robert A. Olson and Nancy A. Olson for consideration of \$1,200.

(9) Real estate in Franklin County to the City of Columbus for consideration of \$3,070. The City of Columbus is to be credited at closing with the value paid by the city for an existing easement on the real estate in the amount of \$3,070.

(10) Real estate in Wayne County, Franklin County, and Brown County held for the use and benefit of The Ohio State University to one or more purchasers.

(11) Real estate in Medina County to the Brunswick City School District for consideration of \$10.

(12) Real estate in Delaware County to one or more purchasers for consideration of the purchase price set forth in one or more purchase agreements.

(13) Real estate in Brown County to the Ripley Union Lewis Huntington Local School District for consideration of \$10.

(14) Real estate in Warren County to the Lebanon Trotting Club, Inc., and Miami Valley Trotting, Inc., for consideration of \$4,500,000.

The following paragraphs describe provisions in the act that are unique to the specific land conveyance authorization being discussed. The number prior to each heading corresponds with the number for that land conveyance authorization as listed above.

1. Marion Armory, the Eaton Armory, and the Eaton MVSB

(Section 3)

The act requires that the deed for the Marion Armory property contain the following requirement: the grantee must maintain all existing utility lines that traverse the property and service the Marion Engineer Depot, and must bear the entire cost of maintenance of the utilities. The existing utility lines include the water service line, sanitary sewer lines, storm sewer lines, electric pole and power lines, and appurtenances thereto.

Also, the act requires that if a parcel associated with this conveyance is sold to a municipal corporation, township, or county and that political subdivision sells the parcel within two years after its purchase, the political subdivision must pay to the

state, for deposit into the state treasury to the credit of the Armory Improvements Fund, an amount representing one-half of any net profit derived from that subsequent sale.

The act authorizes the Department of Administrative Services, upon the request of the Adjutant General, to assist in the sale of any of the parcels.

The act requires the sale of the real estate to be carried out according to the following procedures:

First, the Adjutant General's Department must appraise the parcels or have them appraised by one or more disinterested persons for a fee to be determined by the Adjutant General. The Adjutant General must offer the parcels for sale in their "as is" condition as follows:

The Adjutant General first must offer a parcel for sale at its appraised value to the municipal corporation or township in which it is located. If, after 60 days, the municipal corporation or township has not accepted the Adjutant General's offer to sell the parcel at its appraised value or has accepted the offer but has failed to complete the purchase, the Adjutant General must offer the parcel at its appraised value to the county in which it is located. If, after 60 days, the county has not accepted the Adjutant General's offer to sell the parcel at its appraised value or has accepted the offer but has failed to complete the purchase, the Adjutant General must, in concert with the Department of Administrative Services, arrange a public auction, and the parcel must be sold to the highest bidder at a price acceptable to the Adjutant General. The Adjutant General may reject any and all bids through the auctioneer.

The Adjutant General must advertise each public auction in a newspaper of general circulation within the county in which the parcel is located, once a week for three consecutive weeks prior to the date of the auction. The terms of sale of the parcel pursuant to the public auction must be payment of 10% of the purchase price in cash, bank draft, or certified check on the date of sale, with the balance payable within 60 days after the date of sale. A purchaser who does not timely complete the conditions of sale must forfeit to the state the 10% of the purchase price paid on the date of sale, as liquidated damages.

Should a purchaser not complete the conditions of sale as described above, the Adjutant General and auctioneer are authorized to accept the next highest bid from the auction by collecting 10% of the purchase price from the secondary bidder and proceed to close the sale, so long as the secondary bid meets all other criteria provided for in the conveyance authorization.

Advertising costs, appraisal fees, and other costs of the sale of the parcels must be paid by the Adjutant General's Department.

The act requires that the net proceeds of the sale of the parcels be deposited into the state treasury to the credit of the Armory Improvements Fund.

Authority to make the conveyance expires five years after the effective date of the section in which it is contained.

2. Real estate in Defiance County to the City of Defiance

(Section 4)

The act requires that the real estate be sold as an entire tract and not in parcels. The act specifies that prior to the execution of the deed, possession of the real estate must be governed by an existing interim lease between the Department of Administrative Services and the grantee.

The net proceeds of the sale of the real estate must be deposited into the state treasury to the credit of the Armory Improvements Fund.

3. Real estate in Erie County to the Spanish War Veteran Association

(Section 5)

The act states that the real estate was originally conveyed to the state of Ohio in 1934 to qualify for a federal Works Projects Administration erosion and tidal wave mediation project. Once the construction project was completed, the state was to have returned title to this property to the Spanish War Veteran Association. The intent of the act is to correct this oversight.

4. Real estate in Wayne County to a buyer or buyers

(Section 6)

The act authorizes the conveyance of specified real estate in Wayne County that the Director of Administrative Services has determined is no longer required for state purposes. The real estate must be sold as an entire parcel and not subdivided. The Director must offer the real estate for sale as is, according to the following process:

The Director of Administrative Services must conduct a public auction, and the real estate must be sold to the highest bidder at a price acceptable to both the Director of Administrative Services and the Director of Developmental Disabilities. The Director of Administrative Services must advertise the public auction in a newspaper of general

circulation within Wayne County, once a week for three consecutive weeks prior to the date of the auction. The Director of Administrative Services may reject any and all bids at the public auction. The terms of sale must be 10% of the purchase price in cash, bank draft, or certified check on the date of sale, with the balance payable within 60 days after the date of sale. A purchaser who does not complete the conditions of the sale must forfeit the 10% of the purchase price presented at the time of sale to the state, as liquidated damages. Should a purchaser not complete the conditions of sale, the Director of Administrative Services may accept the next highest bid by collecting 10% of the revised purchase price from that bidder and proceed to close the sale, so long as the secondary bid meets all other required criteria.

The act requires that advertising costs, appraisal fees, and other costs incident to the conveyance must be paid by the Department of Developmental Disabilities. The net proceeds of the sale of the real estate must be deposited into the state treasury to the credit of the Mental Health Facilities Improvement Fund to offset bond indebtedness for Gallipolis Developmental Center capital projects.

Authority to make the conveyance expires three years after the effective date of the section in which it is contained.

5. Real estate in Guernsey County to the Board of County Commissioners of Guernsey County

(Section 7)

The authorization in the act requires that the real estate be sold as an entire tract and not in parcels. The act specifies that prior to the execution of the deed, possession of the real estate must be governed by an existing interim lease.

6. Real estate in Summit County, known as the Rubber Bowl, to a purchaser or purchasers

(Section 8)

The parcels may be conveyed individually, as a group, or as multiple groups, to a single purchaser or to multiple purchasers.

Consideration for conveyance of the real estate is a purchase price and any terms and conditions acceptable to the Board of Trustees of The University of Akron.

The net proceeds of the sale of the real estate must be paid to The University of Akron and deposited in university accounts for purposes to be determined by the Board of Trustees of the University of Akron.

The act authorizes the Board of Trustees of The University of Akron to release any exceptions, reservations, or conditions or any right of reentry or reverter contained in any deed authorized under this section of the act.

Authority to make the conveyance expires three years after the effective date of the section of law in which it is contained.

7. Real Estate in Franklin County to the Columbus City School District

(Section 9)

The act requires that the real estate be sold as an entire tract and not in parcels. The act specifies that prior to the execution of the deed possession of the real estate must be governed by an existing interim lease between the Department of Administrative Services and the grantee.

The net proceeds of the sale of the real estate must be deposited into the state treasury to the credit of the Department of Developmental Disabilities Fund 1520 (sale of Town Street Extension).

8. Real Estate in Hamilton County to Robert A. Olson and Nancy A. Olson

(Section 11)

The act requires that the real estate be sold as an entire tract and not in parcels. The act specifies that prior to the execution of the deed, possession of the real estate is to be governed by an existing interim lease between the Department of Administrative Services and the grantee.

9. Real Estate in Franklin County to the City of Columbus

(Section 13)

The act requires that the real estate be sold as an entire tract and not in parcels. The act specifies that prior to the execution of the deed, possession of the real estate is to be governed by an existing interim lease between the Department of Administrative Services and the grantee.

10. Real Estate in Wayne County, Franklin County, and Brown County to one or more purchasers

(Section 14)

The act specifies that the various parcels may be transferred individually, as a group, or as multiple groups and to a single purchaser or to multiple purchasers. The



act requires that each deed to any real estate must contain any exceptions, reservations, or conditions, and any right of re-entry or reverter, specified in the resolution adopted by the Board of Trustees of The Ohio State University. Any exceptions, reservations, or conditions, or any right of re-entry or reverter, contained in any deed may be released by The Ohio State University without the necessity of further legislation, provided the release is specifically authorized by the Board of Trustees of The Ohio State University.

The net proceeds of the sale of the real estate must be paid to The Ohio State University and deposited into university accounts for purposes to be determined by the Board of Trustees.

Authority to make the conveyance expires three years after the effective date of the section of law in which it is contained.

11. Real Estate in Medina County to the Brunswick City School District

(Section 15)

The act specifies that, prior to execution of the deed, possession of the real estate is to be governed by an existing interim lease between the state and the Brunswick City School District.

The net proceeds of the sale of the real estate must be deposited into the state treasury to the credit of the General Revenue Fund.

12. Real estate in Delaware County to one or more purchasers

(Section 16)

The act authorizes the Director of Administrative Services, on behalf of the Department of Youth Services, to enter into one or more real estate purchase agreements for the sale to one or more purchasers of the state's right, title, and interest in certain real estate described in the act.

The real estate is to be conveyed subject to all easements, covenants, conditions, and restrictions of record, all legal highways, zoning, building, and other laws, ordinances, and regulations, and real estate taxes and assessments not yet due and payable.

The deed may contain any terms and conditions the Director of Youth Services and the Director of Administrative Services determine to be in the best interest of the state. The deed may contain any restrictions that the Director of Administrative Services and the Director of Youth Services determine are reasonably necessary to protect the state's interest in neighboring state-owned land.

The real estate may be sold as an entire tract or in parcels.

The net proceeds from the sale of the real estate must be deposited into the state treasury to the credit of the Juvenile Correctional Building Fund to offset bond indebtedness on state bonds issued for the real estate.

Authority to make the conveyance expires three years after the effective date of the section of law in which it is contained.

13. Real estate in Brown County to the Ripley Union Lewis Huntington Local School District

(Section 17)

The act specifies that possession of the premises prior to the conveyance is to be governed by an existing interim lease between the state and the grantee.

The net proceeds of the sale of the real estate must be deposited into the state treasury to the credit of the General Revenue Fund.

14. Real estate in Warren County to the Lebanon Trotting Club and Miami Valley Trotting

(Section 20)

The act requires that the net proceeds of the sale of the real estate be deposited in the state treasury to the credit of the Department of Rehabilitation and Correction, Fund 2000, appropriation item 501607, Ohio Penal Industries, which contains funds for expenditures on farm and agricultural uses for which these proceeds must be used.

The act requires the Lebanon Trotting Club, Inc., and Miami Valley Trotting, Inc. (hereinafter the "grantees"), following conveyance of the real estate, and in accordance with the terms of the purchase contract, to do all of the following:

(1) Permit the state and its successors and assigns perpetual ingress and egress rights to the culvert and roadway located along the easterly line of the real estate, which culvert and roadway are presently used by the state to access the Lebanon Correctional Institution's dairy barn. The grantees are responsible for all costs related to continued maintenance of the culvert and roadway in their current condition.

(2) Create and maintain, at the grantee's sole cost, a landscape buffer zone along the perimeter of the real estate. The design, location, and materials used in the landscape buffer zone must be approved by the state.

(3) Coordinate with the appropriate state and local authorities to improve State Route 63 with new signage and adequate turning lanes.

The act prohibits the grantees from any use, development, or sale of the premises that would interfere with the quiet enjoyment of the neighboring state-owned land.

The act requires the real estate to be sold as an entire tract and not in parcels.

The act requires the grantees to pay all costs associated with the purchase and conveyance of the real estate, which costs include, but are not limited to, the following: surveying costs; title costs; preparation of metes and bounds property descriptions; appraisals; environmental studies, assessments, and remediation; and deed recordation costs.

Authority to make the conveyance expires two years after the effective date of the section in which it is contained.

Ohio Historical Society land conveyance

(Section 12)

The act authorizes the Ohio Historical Society (formerly the Ohio State Archaeological and Historical Society) to execute a deed conveying to the United States of America and its successors and assigns, all of the Ohio Historical Society's right, title, and interest in real estate situated in Ross County, a legal description for which is provided in the act.

Consideration for conveyance of the real estate is the mutual benefit accruing to the society and the United States from the use of the real estate by the National Park Service as a part of the Hopewell Culture National Historical Park.

The real estate must be sold as an entire tract and not in parcels.

The National Park Service must pay the costs of the conveyance.

Within two years after the effective date of the conveyance authorization, the Ohio Historical Society must prepare a deed to the real estate. The deed must state the consideration and the conditions. The deed must be executed by the Ohio Historical Society, presented in the Office of the Auditor of State for recording, and delivered to the National Park Service. The National Park Service must present the deed for recording in the Office of the Ross County Recorder.

Authority to make the conveyance expires two years after the effective date of the section in which it is contained.

Perpetual easement to City of Cambridge

(Section 10)

The act authorizes the Director of Administrative Services to execute a perpetual easement in the name of the state, granting to the City of Cambridge, and its successors and assigns, a perpetual easement in real estate, a legal description for which is provided in the act. The easement is associated with an existing water supply line at the Cambridge Developmental Center in Cambridge, Guernsey County.

The act states that the Director of Administrative Services exercises general custodial care of all real property of the state, and that the director has determined that the granting of a perpetual easement would be in the best interest of the state.

Conveyance in Montgomery County

(Section 18)

The act authorizes the Governor to execute, with respect to specified real estate located in the City of Dayton, County of Montgomery, that has previously been conveyed by the state, a release of any and all rights of reversion for the benefit of the state and any deed restrictions and covenants with respect to the construction on or use of the real estate contained in any prior deeds from the state as follows: a Governor's deed dated June 22, 1982, and recorded in Deed Microfiche 82-334B03 of the Montgomery County, Ohio, Records, a Governor's deed dated September 11, 1984, and recorded in Deed Microfiche 84-0547B11 of the Montgomery County, Ohio, Records, and a Governor's deed dated August 16, 2001, and recorded in Deed Microfiche 01-0590A04 of the Montgomery County, Ohio, Records.²

H.B. 552 easement modifications

(Section 19)

The act alters the legal description of a perpetual easement that was granted by the Governor pursuant to Am. Sub. H.B. 552 of the 122nd General Assembly. The easement was granted in the name of the state to the City of Columbus, and was for ingress/egress access to a city water tower site in Franklin County.

² Section 18.

HISTORY

ACTION	DATE
Introduced	12-22-11
Reported, S. State & Local Government & Veterans' Affairs	02-02-12
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