



Ohio Legislative Service Commission

Bill Analysis

Bethany Boyd

H.B. 387

129th General Assembly
(As Introduced)

Reps. Sears and Ashford, Letson, Gardner, Hill, McGregor, Antonio, Combs, Fedor, Stebelton

BILL SUMMARY

- Permits a county to enter into a sale and leaseback agreement for any county-owned building under which the purchaser must lease the building back to the county and also make improvements to the building.
- Specifies that existing limitations on county lease and sale agreements, including restrictions on the type of building to be leased or sold and competitive-bidding requirements, do not apply to a sale and leaseback authorized by the bill.

CONTENT AND OPERATION

County sale and leaseback agreements

The bill permits a board of county commissioners to enter into a sale and leaseback agreement under which the board agrees to convey any county-owned building to a purchaser. The purchaser is obligated, immediately upon closing, to lease the building back to the board. The only limitation that the bill imposes on the agreement is that it must obligate the lessor to make improvements to the building, including renovations, energy conservation measures, and other measures necessary to improve functionality and reduce the operating costs of the building.¹

Existing limitations on county leases and sales do not apply

The bill specifies that existing limitations on county leases and sales do not apply to the sale and leaseback authorized by the bill. These limitations include the following:

¹ R.C. 307.093.

- The type of building that a county may lease (e.g. courthouse, jail, public stadium);
- A maximum county-lease term of 40 years for certain contracts;
- The requirement to competitively bid a lease-purchase plan;²
- The requirement that county real property be not needed for public use in order for the property to be sold; and
- Provisions regarding the use of funds from the sale of county real property not used for county purposes.³

HISTORY

ACTION	DATE
Introduced	12-01-11

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² R.C. 307.02, not in the bill.

³ R.C. 307.09, not in the bill.

