



Ohio Legislative Service Commission

Bill Analysis

Megan Cummiskey

H.B. 608

129th General Assembly
(As Introduced)

Reps. Amstutz, Barnes

BILL SUMMARY

- Requires a foreign entity to obtain permission before financing certain capital improvement projects from the port authority, municipal corporation, or county in which the project is located.
- Requires a port authority, municipal corporation, or county to approve or deny a foreign entity's application to finance a capital improvement project within 45 days after receiving the application.
- Permits a foreign entity to seek permission to provide financing from the Director of Development Services if the port authority, municipal corporation, or county from which the entity previously sought approval denies the request to approve the financing.
- States that the approval of an application to provide financing is not considered to be an endorsement of the validity, sufficiency, or legality of the proposed financing.
- States that a port authority, municipal corporation, or county that approves a foreign entity's application does not incur any liability or continuing obligation for the proposed financing.
- States that financing of a capital improvement project by a foreign entity does not constitute a general obligation or debt, or a pledge of the general credit, of the port authority, municipal corporation, or county.

CONTENT AND OPERATION

Financing of capital improvement projects

The bill provides that a foreign entity may provide financing for an eligible project, through bonded indebtedness or otherwise, only if the entity obtains permission to finance the project from (1) the port authority, municipal corporation, or county in which the project is located, or (2) the Director of Development Services. Under the bill, "foreign entity" means a foreign country or a state other than Ohio, or a political subdivision or governmental agency created by, or under the authority of the laws of, another state or foreign country. "Eligible project" means any capital improvement project located in Ohio that is designed to enhance, aid, provide, or promote transportation, economic development, housing, recreation, education, government operations, culture, or research.¹

Approval from port authority, municipal corporation, or county

A foreign entity that seeks to finance an eligible project must apply for approval of the proposed financing to the appropriate office or department of one of the following entities:²

(1) If the eligible project will be located within the territory of a port authority, the port authority;

(2) If the eligible project will not be located within the territory of a port authority, but will be located within a municipal corporation, the municipal corporation;

(3) If the eligible project will not be located within the territory of a port authority or a municipal corporation, the county within which the eligible project will be located.

Application

The foreign entity seeking approval of financing for an eligible project must submit an application that includes all of the following:³

(1) The location of the eligible project;

¹ R.C. 122.015(A), (B), and (D).

² R.C. 122.015(C)(1) to (3).

³ R.C. 122.015(C).

- (2) A general description of the purpose and use of the eligible project;
- (3) The name, address, and contact information of the project owner and the foreign entity;
- (4) A commitment letter executed by the foreign entity that describes the proposed financing terms for the project.

Review by local government

The port authority, municipal corporation, or county must review an application for approval of financing and take one of the following actions within 45 days after receipt of the application:

- (1) Approve the application, if the project proposed in the application is an eligible project and if the port authority, municipal corporation, or county determines that it cannot provide financing for the eligible project on terms similar to or better than those described in the foreign entity's commitment letter;
- (2) Deny the application.

The port authority, municipal corporation, or county must provide notice to a foreign entity of its decision to approve or deny an application. If the port authority, municipal corporation, or county does not approve or deny an application or fails to notify the applicant of its approval or denial within 45 days after receiving the application, the application is considered to have been approved.⁴

Approval by Director of Development Services

If a port authority, municipal corporation, or county denies an application, the foreign entity may seek approval to provide the proposed financing directly from the Director of Development Services. The Director may approve the financing notwithstanding a prior denial by the port authority, municipal corporation, or county.⁵

Financial liability

The bill states that the approval of an application to provide financing pursuant to the bill is not to be considered an endorsement of the validity, sufficiency, or legality of the proposed financing. The port authority, municipal corporation, or county that approves an application under the bill does not incur any liability or continuing

⁴ R.C. 122.015(D).

⁵ R.C. 122.015(D).

obligation for the proposed financing, and such financing does not constitute a general obligation or debt, or a pledge of the general credit, of the port authority, municipal corporation, or county.⁶

HISTORY

ACTION	DATE
Introduced	11-21-12

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⁶ R.C. 122.015(E).

