
Detailed Fiscal Analysis

Ohio Agriculture to Chemicals, Polymers, and Advanced Materials Task Force

The bill creates the Ohio Agriculture to Chemicals, Polymers, and Advanced Materials Task Force. The Task Force is to be composed of three members of the House of Representatives; three members of the Senate; one representative each from the Ohio Chemistry Technology Council, PolymerOhio, the Ohio BioProducts Innovation Center, and the Ohio Farm Bureau Federation; a representative of the Department of Development; a representative of the Department of Agriculture; and the Governor's Energy Advisor.

No later than four months after the bill's effective date, the Task Force is to submit a report to the General Assembly and the Governor on the state of the agriculture industry, specialty chemicals industry, and polymer industry in Ohio, including conditions and trends, and identify and recommend ways that the three industries can align and expand in the state.

The bill does not specify a funding source for the Task Force or whether any members will be compensated. It is likely that the General Revenue Fund or any other state or agency funds used to support the Task Force will experience a minimal increase in expenditures in order to cover the costs incurred by the Task Force in the execution of its duties. These may include travel costs, printing costs, and other expenses associated with producing the final report to the General Assembly and the Governor.

Rural Industrial Park Loan Program

Sections 122.23 through 122.27 of the Revised Code, which authorized the Rural Industrial Park Loan (RIPL) Program, sunset on July 1, 2007, although Am. Sub. H.B. 119, the biennial budget act, included funding for this program for FYs 2008 and 2009. This bill re-enacts those sections of the Revised Code in order to continue the program without an expiration date specified in statute.

The RIPL Program is administered by the Department of Development to promote economic development in rural areas through loans and loan guarantees to finance projects involving industrial parks, including land acquisition, construction, renovation, and infrastructure and other improvements. Revenues to the RIPL Fund (Fund 4Z6) are provided by Facilities Establishment Fund bond proceeds and repayments from loans issued by the fund. Appropriations to the fund are \$3,000,000 in each of FYs 2008 and 2009 under Am. Sub. H.B. 119. The maximum loan amount is the lesser of \$1,000,000 or 75% of total project costs for a period of up to 15 years.

While there is currently spending authority for the fund, the legal authority has expired. The bill would restore the legal authority for the program and allow the appropriated funds to be expended. Because of the expiration of the Revised Code sections pertaining to the RIPL Program, the Department has found another way to distribute funds to rural industrial park projects in the interim.

Specifically, two projects that would have been funded through RIPL have instead been put before the Controlling Board as 166 Direct Loan projects, -with the intention of using moneys from the Facilities Establishment Fund (Fund 037) to accomplish what would otherwise be allowable under RIPL.

There is no change in the appropriation authority for the RIPL Program under the bill. For all intents and purposes, the bill would re-enact the expired sections in permanent law in order to allow for the expenditure of the funds appropriated in the biennial budget and allow for continued funding in future years.

Local Government Services Collaboration Grant Program

Existing temporary law under Am. Sub. H.B. 119 established the Local Government Services Collaboration Grant Fund to provide incentives to counties, municipal corporations, and townships to conduct feasibility studies regarding the combination of local government services between governments. The act specified that funding for the program would be in the form of \$1,000,000 to be redirected from amounts otherwise scheduled to be credited to the Local Government Fund (LGF) in December 2007, and that the \$1,000,000 reduction would be borne entirely by the countywide nontownship and nonvillage distribution in January 2008.

The bill changes the timing of the \$1,000,000 deposit into the Local Government Services Collaboration Grant Fund from December 2007 to January 2008 and removes the requirement that the amount be borne by the countywide nontownship and nonvillage distribution. The bill does not affect the provisions allowing grants from the fund or the eligibility requirements for receiving grants.

The bill also removes existing temporary law that requires the Director of Budget and Management, when determining the total tax revenues credited to the General Revenue Fund in December 2007, to disregard transfers made from the LGF, Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund. In effect, removing this apparently superfluous language would not have any net fiscal effect. Rather, OBM would continue to make these distributions according to the current practice.

Since the actions specified in the existing versions of these provisions have not yet been carried out, the amendments made by this bill do not have any immediate fiscal effect on the current state of the Local Government Fund, Local Government Services Collaboration Grant Fund, or the General Revenue Fund. The only changes made are with respect to timing and conforming language with current OBM practice.

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