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## LOCAL GOVERNMENT

### County officials present in office

- Requires a county officer to appear at the officer's principal office location at least one day out of any 30-day period to satisfy the officer's duties.
- Decreases from 90 to 30 the number of days after which the office of county auditor or county treasurer becomes vacant if the auditor or treasurer fails to perform their duties.

### County employee cash awards

- Limits the total amount of cash awards per county employee per calendar year to 10% of the employee's annual compensation, but permits the board of county commissioners to approve a higher amount.

### County engineer

- Changes, from 100% to a range of 80-100%, the supplemental compensation amount a county engineer receives to perform the duties of county engineer in another county during a vacancy.

### County sheriff

- Requires a county sheriff to provide a successor with a certificate of transition including an inventory of items and other information.

### County nonemergency patient transport services

- Increases the population limit of a county at or under which a county may operate a nonemergency medical transport service organization.

### Village dissolution

- Modifies the village dissolution process for small villages by eliminating the acreage maximum (currently two square miles) and increasing the population maximum from 150 to 500.
- Adds electric services to the list of services that may be counted when evaluating whether a village has provided the necessary number of services, and therefore, may not be subject to an automatic ballot question on village dissolution.

### Local referenda

- For municipal corporations and limited home rule townships, increases the referendum signature requirement from 10% to 35%.

### Local zoning

- For townships only, increases from 15% to 35% the number of signatures required on a referendum petition related to zoning amendments.

- Requires a referendum petition for local zoning amendments about planned-unit development regulations to include 35% of electors in the area to which the proposed amendment would apply.

### **Local fiscal emergency receivership**

- Establishes a process for the creation of a receivership for counties, townships, and municipal corporations in fiscal emergency.

### **Local option election for alcohol sales**

- Requires a petitioner of a local option election for alcohol sales to pay the entire cost of an election if it is held on a day other than the day of a primary election, general election, or special election of a political subdivision for a question or issue, nomination for office, or election to office.

### **Political subdivision communications**

- Subjects chartered counties and municipal corporations to the requirements of an existing law that prohibits a political subdivision from using public funds to finance certain communications or from paying its staff for time spent on certain political activities.

### **Cybersecurity program**

- Requires political subdivisions to adopt a cybersecurity program.
- Prohibits a political subdivision experiencing a ransomware incident from paying or otherwise complying with a ransom demand unless the political subdivision's legislative authority formally approves the payment or compliance.

### **New community districts**

- Modifies the criteria that determine the organizational board of commissioners of a new community district.
- Modifies the criteria for qualification as a proximate community and a developer under New Community Organization Law.

### **Eminent domain, parkways, and recreational trails**

- Establishes that the taking of property for parkways or recreational trails does not satisfy the public use requirement of Ohio's eminent domain law if the property sought to be acquired was previously the subject of a failed and final eminent domain action.

### **Battery-charged fences**

- Eliminates state law requirements concerning the installation and operation of battery-charged fences on private nonresidential property.
- Prohibits local governments from adopting or enforcing battery-charged fence regulations that expressly, implicitly, or functionally prohibit the installation, operation, or use of battery-charged fences that meet certain criteria.

## **Port authority common bond fund program**

- Allows a port authority to establish a common bond fund program to finance port authority facilities and enhance the credit of port authority obligations using credit enhancement facilities, cash reserves, or other money available for that purpose.

## **Port authority capital leaseback and construction agreements**

- Prohibits a port authority from entering into a capital leaseback agreement with a nonpublic entity for projects involving property located outside of the port authority's jurisdiction without approval from the board of county commissioners in which the property is located.
- Prohibits a port authority from contracting with a nonpublic entity for construction or renovation of such property without approval from the board of county commissioners in which the property is located when certain criteria are met.
- Provides that if the property is located in more than one county, the board of county commissioners of each county in which the property is located must approve the capital leaseback, construction, or renovation agreement.
- Defines "capital leaseback agreement" to mean the sale or transfer of property by a port authority to another person contemporaneously followed by the leasing of the property to the port authority.

## **Conservancy district maintenance assessments**

- For purposes of the annual maintenance assessment levied by a conservancy district, eliminates the \$2 minimum annual maintenance assessment on the total appraisal of benefits on a property.

## **County officials present in office**

(R.C. 305.03)

The bill modifies the law regarding vacancy in county offices. Currently, if a county officer fails to perform the duties of their office for 90 consecutive days (30 consecutive days in the case of county auditors and county treasurers), the office is deemed vacant by operation of law. The bill modifies this in two ways. First, the bill subjects all county officials to the 30-day standard. Second, the bill specifies that appearing at the officer's principal office location on at least one day out of 30 consecutive days is a duty of office, thus requiring an officer to appear at their principal office location at least one day out of any 30-day period to avoid vacating the office.

## **County employee cash awards**

(R.C. 325.25)

Continuing law allows county departments to establish programs to recognize outstanding employee performance. The bill places an annual limit on the total amount of cash

awards given to an employee under a program: 10% of an employee's annual compensation. The board of county commissioners can approve a higher amount.

## **County engineer**

(R.C. 305.021)

Continuing law allows a county engineer to perform the duties of county engineer in another county when that county is experiencing a vacancy. The bill changes the supplemental compensation amount a county engineer receives from the county, from 100% under current law to a range of 80%-100% under the bill.

## **County sheriff**

(R.C. 311.14)

The bill requires a county sheriff, before leaving office, to prepare a certificate of transition. The purpose is to provide a successor with an inventory of items being delivered to the successor and with other information prescribed by AOS. AOS also must prescribe the form and substance of the certificate. Before prescribing the information to be contained in the certificate, AOS must solicit input from county sheriffs.

## **County nonemergency patient transport services**

(R.C. 307.05)

The bill increases the population limit to 60,000 or less for which a county may operate a nonemergency transport service organization, contract for nonemergency patient transport services, and furnish or obtain the interchange of such services. Under current law, a county with a population of 40,000 or less may do so.

## **Village dissolution**

(R.C. 703.34 and 703.331)

Continuing law provides various pathways to dissolving a village, including one pathway to dissolve smaller villages. The bill modifies this pathway by eliminating the acreage maximum (currently two square miles) and increasing the population maximum from 150 to 500.

Another pathway to dissolution involves the provision of services. The bill adds electric services to the list of services that may be counted when evaluating whether a village has provided the necessary number of services, and therefore, may not be subject to an automatic ballot question on village dissolution. Under continuing law, a village must provide, contract with a private nongovernmental entity or a regional council of governments that includes three or more political subdivisions at least two of which are municipal corporations, to provide, at least five specified services. Other eligible services under current law are police protection; fire-fighting services; garbage collection; water service; sewer service; emergency medical services; road maintenance; park services or other recreation services; human services; and a public library established and operated solely by the village. Under continuing law, in order to avoid an automatic ballot question, a village must also have at least one candidate on the ballot for each elected village position.

For more information about village dissolution and the various pathways to dissolving a village, see [LSC's Village Dissolution Members Brief \(PDF\)](#), available at [lsc.ohio.gov](http://lsc.ohio.gov).

## Local referenda

(R.C. 504.14 and 731.29)

The bill increases the signature requirement for referendum petitions from 10% to 35% (of the total votes cast for Governor in the last election) for municipal corporations and limited home rule townships. This also applies to initiative petitions in limited home rule townships. Under local self-government home rule authority, a municipality that has adopted a charter probably can deviate from the petition percentage requirement.<sup>196</sup>

## Local zoning

(R.C. 303.12, 519.12, 731.29, and 731.291)

Continuing law subjects township county and township zoning amendments to a referendum process; a proposed amendment takes effect in 30 days unless a referendum petition with sufficient signatures (15% of the total votes cast for Governor in that area in the last election), forces a ballot issue to approve or deny the proposed amendment. For townships only, the bill increases this from 15% to 35%. The bill does not modify the nearly identical county provision, R.C. 303.12.

Additionally, the bill modifies the referendum process in counties, townships, and municipalities for petitions about zoning changes related to planned-unit developments (PUD). First, a petition for PUD-related regulations must include 35% of electors in the area to which the proposed amendment would apply (the default county zoning referendum percentage is 15% while the general statutory referendum percentage for municipalities is 10%; the bill already makes the township zoning referendum percentage 35%). Second, the bill specifies that the board of elections must determine the sufficiency and validity of the petition not later than 30 days after the petition is certified to the board of elections (the full referendum period itself is 30 days). Third, the bill gives an additional ten days to provide additional valid signatures if the initial signatures were insufficient. Under local self-government home rule authority, a municipality that has adopted a charter probably can deviate from the petition percentage requirement.<sup>197</sup>

## Local fiscal emergency receivership

(R.C. 118.29 and 2743.03)

Continuing law provides a framework for identifying and addressing financial crises in counties, townships, and municipalities by outlining conditions for fiscal watch, fiscal caution, and fiscal emergency status and efforts to overcome those conditions. The bill establishes a process for the creation of a receivership for a county, township, or municipal corporation that

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<sup>196</sup> *Youngstown v. Craver*, 127 Ohio St. 195 (1933).

<sup>197</sup> *Youngstown v. Craver*, 127 Ohio St. 195 (1933).

is in fiscal emergency. The process begins with a referral from the financial supervisor, or the board of county commissioners, board of township trustees, or legislative authority to the Attorney General if both of the following conditions are met:

- The county, township, or municipal corporation has been in a state of fiscal emergency for a continuous period of ten years, or it has been in a state of fiscal emergency at least twice in a period of ten years and the combined period of fiscal emergency is at least five years.
- The county, township, or municipal corporation, has demonstrated one or more of the following, as determined by the financial supervisor (these can be retroactive):
  - Failure to comply with the Ohio's budgetary and spending laws;
  - Failure to ensure that appropriations comply with the financial plan;
  - Assuming debt without the approval of the financial planning and supervision commission;
  - Undertaking administrative or legislative action that is not in accordance with the terms of the financial plan or, when applicable, without permission of the commission.

Upon receiving a referral, the Attorney General promptly must file a petition for a receivership with the court of claims. The judge that has served the longest on the court as of the date the petition is filed promptly must appoint a receiver. With the approval of the court, the receiver can request reasonable fees for work performed, specifically including costs associated with retaining legal counsel, accountants, or other similar advisors that the receiver considers necessary in the performance of the receiver's duties. The fees must be paid from funds appropriated to OBM during the period of fiscal emergency.

A receiver appointed under this section has all of the following powers and duties:

- Consult with the board of county commissioners, board of township trustees, or legislative authority of the municipal corporation to make recommendations or, if necessary, to assume responsibility for implementing cost reductions and revenue increases to achieve a balanced budget and carry out the financial plan, and to make reductions in force or spending to resolve the fiscal emergency conditions;
- Ensure the county, township, or municipal corporation in fiscal emergency complies with all aspects of the financial plan or, if no financial plan has been approved by the commission, the receiver must consult with the county, township, or municipal corporation and make recommendations, or assume, if necessary, the responsibility for crafting and submitting the financial plan to the commission;
- Ensure the county, township, or municipal corporation complies with any other relevant aspects of the fiscal emergency laws;
- Provide monthly, written reports about the progress toward resolving the conditions of fiscal emergency to the commission to the board of county commissioners, board of

township trustees, or legislative authority and mayor or city manager of the municipal corporation;

- Appear at least quarterly to present information about progress toward resolving the conditions of fiscal emergency at an open meeting and, if allowable under the Ohio Open Meetings Law, in executive session, of the board of county commissioners, board of township trustees, or legislative authority of the municipal corporation;
- Appear at least quarterly to present information about progress toward resolving the conditions of fiscal emergency at an open meeting and, if allowable under the Ohio Open Meetings Law, in executive session, of the financial planning and supervision commission of the county township, or the municipal corporation in fiscal emergency;
- At the receiver's initiative or upon invitation, attend executive sessions of the board of county commissioners, board of township trustees, or legislative authority of the municipal corporation;
- Exercise any other powers granted to the receiver by the court necessary to perform these duties.

If, in the judgment of the receiver, the criteria required to file for bankruptcy under the Federal Bankruptcy Act are satisfied and no reasonable alternative exists to eliminate the fiscal emergency condition within three years, the receiver can present findings and submit a written recommendation on filing for bankruptcy to the financial planning and supervision commission and the board of county commissioners, board of township trustees, or legislative authority of the municipal corporation. Beginning 60 days after submitting the recommendation, the receiver can initiate bankruptcy proceedings unless: (1) the board or legislative authority adopts an ordinance or resolution opposing the recommendation, which must include a plan to satisfy and discharge the debts and liabilities within seven years and promptly alleviate the fiscal emergency conditions using expenditure reductions or available and future tax revenue, and (2) the financial planning and supervision commission determines the plan is sufficient to satisfy and discharge the debts and liabilities included in the receiver's recommendation for bankruptcy within seven years of the adoption of the resolution and promptly alleviate the fiscal emergency conditions. If the commission determines that the plan is not sufficient, the receiver can initiate bankruptcy proceedings.

If the commission determines the plan is sufficient and the plan requires voted taxes, the board of county commissioners, board of trustees, or legislative authority of the municipal corporation must direct the board of elections to submit the tax question to the electors at the next general election or at a special election conducted on the day of the next primary election in the county, township, or municipal corporation occurring not less than 90 days after the resolution is certified to the board, as applicable under the provision authorizing the tax question. If the taxes are not approved by the electors, the receiver can initiate bankruptcy proceedings. If the taxes are approved by the electors, the board of county commissioners, board of trustees, or legislative authority of the municipal corporation must implement the plan to satisfy and discharge the debts and liabilities within seven years and promptly alleviate the fiscal emergency conditions.

The court terminates the receivership when the county, township, or municipal corporation has corrected and eliminated the fiscal emergency conditions and no new fiscal emergency conditions have occurred.

## **Local option election for alcohol sales**

(R.C. 3501.17)

A political subdivision must pay the entire cost of a special election held on a day other than on the day of a primary or general election and a share of the cost of conducting an election at which it has an item on the ballot if held on the day of a primary or general election. Costs are shared among the entities placing items on the ballot based on a statutory formula. The bill creates an exception to paying the cost of an election and requires a petitioner of a local option election for alcohol sales to pay the entire cost of an election if it is held on a day other than the day of a primary election, general election, or special election of a political subdivision seeking to submit a question or issue, nomination for office, or election to office.

## **Political subdivision communications**

(R.C. 9.03)

The bill subjects chartered counties and municipal corporations to the requirements of an existing law that prohibits a political subdivision from using public funds to finance certain communications. Currently, the law applies to all political subdivisions other than chartered counties and municipal corporations.

The statute, which the bill does not otherwise change, prohibits the governing body of a political subdivision from using public funds to publish, distribute, or otherwise communicate information that does any of the following (as noted below, existing law already prohibits a chartered subdivision from engaging in some of those actions):

- Contains defamatory, libelous, or obscene matter. Currently, officials of a chartered subdivision that did so could be sued for defamation (which includes libel) or prosecuted for pandering obscenity.<sup>198</sup>
- Promotes alcohol, tobacco, or any illegal product, service, or activity.
- Promotes illegal discrimination on the basis of race, color, religion, national origin, disability, age, or ancestry. Under existing law, a chartered subdivision that did so might be vulnerable to a discrimination action by its employees.<sup>199</sup>
- Supports or opposes any labor organization (union) or any action by, on behalf of, or against any labor organization. Depending on the circumstances, a chartered subdivision

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<sup>198</sup> R.C. 2907.32, not in the bill.

<sup>199</sup> R.C. 4112.02, not in the bill.

that did so with respect to its employees already might run afoul of Ohio's Public Employee Collective Bargaining Law.<sup>200</sup>

- Supports or opposes the nomination or election of a candidate for public office or the investigation, prosecution, or recall of a public official. A separate provision of continuing law prohibits any person, including the governing body of a chartered subdivision, from knowingly conducting a direct or indirect transaction of public funds to the benefit of a candidate or a political entity.
- Supports or opposes the passage of a levy or bond issue. As is mentioned above, continuing law prohibits a chartered county or municipal corporation from giving public funds to a political entity, such as a political action committee (PAC) organized to support a ballot issue. But, existing law *does* appear to allow a chartered county or municipal corporation to spend public funds on its own advertising regarding a levy or bond issue without going through a PAC. The bill prohibits that activity.

Additionally, the law prohibits the governing body of a political subdivision from compensating its employees for time spent on any activity to influence the outcome of an election regarding any candidate or any levy or bond issue.

- The home rule provisions of the Ohio Constitution give all municipal corporations, regardless of whether they are chartered, and all chartered counties the authority to exercise all powers of local self-government.<sup>201</sup> Under the Constitution, a municipal corporation or a chartered county might have the right to spend its funds for certain purposes, despite a state law to the contrary. It appears that Ohio's courts have not considered whether, for example, a city may use its home rule authority to spend public funds to promote a levy or bond issue. By eliminating the exemption for chartered subdivisions, the bill might make such a case more likely to come before the courts.

## **Cybersecurity program**

(R.C. 9.64)

The bill requires that the legislative authority of each political subdivision (a county, township, municipal corporation, or other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state) adopt a cybersecurity program that safeguards the political subdivision's data, information technology, and information technology resources to ensure availability, confidentiality, and integrity. The program must be consistent with generally accepted best practices for cybersecurity, such as the National Institute of Standards and Technology Cybersecurity Framework, and the Center for Internet Security Cybersecurity Best Practices. The program should do at least all of the following:

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<sup>200</sup> R.C. 4117.11, not in the bill.

<sup>201</sup> Ohio Const., art. X, sec. 3 and art. XVIII, sec. 3.

- Identify and address the critical functions and cybersecurity risks of the political subdivision.
- Identify the potential impacts of a cybersecurity breach.
- Specify mechanisms to detect potential threats and cybersecurity events.
- Specify procedures for the political subdivision to establish communication channels, analyze incidents, and take actions to contain cybersecurity incidents.
- Establish procedures for the repair of infrastructure impacted by a cybersecurity incident, and the maintenance of security after the incident.
- Establish cybersecurity training requirements for all employees of the political subdivision; the frequency, duration, and detail of which must correspond to the duties of each employee. The bill specifies that annual cybersecurity training provided by the state, and training provided for local governments by the Ohio Persistent Cyber Initiative Program of the Ohio Cyber Range Institute, satisfy this requirement.

Under the bill, “cybersecurity incident” means any of the following:

- A substantial loss of confidentiality, integrity, or availability of a covered entity’s information system or network;
- A serious impact on the safety and resiliency of a covered entity’s operational systems and processes;
- A disruption of a covered entity’s ability to engage in business or industrial operations, or deliver goods or services;
- Unauthorized access to an entity’s information system or network, or nonpublic information contained therein, that is facilitated through or is caused by:
  - A compromise of a cloud service provider, managed service provider, or other third-party data hosting provider; or
  - A supply chain compromise.

“Cybersecurity incident” does not include mere threats of disruption as extortion; events perpetrated in good faith in response to a request by the system owner or operator; or lawfully authorized activity of a U.S., state, local, tribal, or territorial government entity.

## **Ransomware incident**

The bill prohibits a political subdivision experiencing a ransomware incident from paying or otherwise complying with a ransom demand unless the political subdivision’s legislative authority formally approves the payment or compliance with the ransom demand in a resolution or ordinance that specifically states why the payment or compliance with the ransom demand is in the best interest of the political subdivision.

If the requirements regarding a political subdivision's response to a ransom demand were challenged, a court might examine it with respect to home rule.<sup>202</sup> Municipal corporations and charter counties have local self-government authority, which according to the Ohio Supreme Court includes powers of government that are local in nature, or stated differently, that relate solely to the government and administration of the internal affairs of the municipality or charter county.<sup>203</sup> A court might examine whether managing the response to an incident regarding data and information technology falls within this authority.

Under the bill, a "ransomware incident" means a malicious cybersecurity incident in which a person or entity introduces software that gains unauthorized access to or encrypts, modifies, or otherwise renders unavailable a political subdivision's information technology systems or data and thereafter the person or entity demands a ransom to prevent the publication of the data, restore access to the data, or otherwise remediate the impact of the software.

### **Notification of cybersecurity incident or ransomware incident**

The bill requires the legislative authority of a political subdivision, following each cybersecurity incident or ransomware incident, to notify both of the following:

- The Executive Director of the Division of Homeland Security within the DPS, in a manner prescribed by the Executive Director, as soon as possible but not later than seven days after the political subdivision discovers the incident;
- The AOS, in a manner prescribed by the Auditor, as soon as possible but not later than 30 days after the political subdivision discovers the incident.

### **Public records**

The bill specifies that any records, documents, or reports related to the cybersecurity program and framework, and the reports of a cybersecurity incident or ransomware incident, are not public records, and are not subject to the disclosure requirements of Ohio Public Records Law.<sup>204</sup> A record identifying cybersecurity-related software, hardware, goods, and services, that are being considered for procurement, have been procured, or are being used by a political subdivision, including the vendor name, product name, project name, or project description, is a security record and also not subject to disclosure.<sup>205</sup>

### **New community districts**

(R.C. 349.01)

The bill modifies the criteria that determine the organizational board of commissioners of certain new community districts. Under continuing law, the board of township trustees of a

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<sup>202</sup> Ohio Const., art. XVIII, sec. 3 and art. X, sec. 3.

<sup>203</sup> *Beachwood v. Bd. of Elections of Cuyahoga Cty.*, 167 Ohio St. 369 (1958) and *State ex rel. Toledo v. Lynch*, 88 Ohio St. 71 (1913).

<sup>204</sup> See R.C. 149.43.

<sup>205</sup> See R.C. 149.433, not in the bill.

township serves as the organization board of commissioners of a new community district that is comprised entirely of unincorporated territory within the boundaries of a township that has a population of at least 5,000, and that is located in a county with a population of at least 200,000 and not more than 400,000. Under the bill, the board of township trustees will also serve as the organizational board of commissioners if the new community district is located within the boundaries of a limited home rule township that adopted a resolution creating an incentive district before January 1, 1995, and that is located in a county with a population of more than 400,000. Under the bill, such a township also will qualify as a proximate community and a developer under New Community Organization Law.

## **Eminent domain, parkways, and recreational trails**

(R.C. 163.01)

Under continuing law, property can only be taken by appropriation, i.e., eminent domain, if necessary for a public use.<sup>206</sup> The bill alters the definition of public use by establishing that the taking of property for parkways or certain recreational trails for nonmotorized travel does not satisfy this public use requirement when two conditions are met:

- The property to be acquired was previously the subject of an eminent domain action that was dismissed, on or after January 1, 2024, because the agency that sought to use eminent domain lacked authority or jurisdiction to do so or there was no necessity for the taking;
- The agency in the original action has no remaining right of appeal.

## **Battery-charged fences**

(R.C. 3781.1011)

Current law includes numerous safety standards concerning the installation and use of battery-charged fences on private nonresidential property. Furthermore, the law expressly authorizes counties, townships, and municipal corporations to (1) impose additional regulations that do not conflict with state law, (2) require a permit or fee for the use of a battery-charged fence, and (3) prohibit battery-charged fences that do not meet state law requirements. The bill eliminates the state safety standards and limits the authority of local governments to impose safety standards of their own.

Under the bill, no county, township, or municipal corporation may adopt or enforce an ordinance, order, resolution, or regulation that “expressly, implicitly, or functionally” prohibits the installation, operation or use of a battery-charged fence that meets certain conditions. The bill does not require battery-charged fences to comply with those conditions. It eliminates all state-level safety standards. Instead, the bill establishes a safe harbor in which certain battery-charged fences are not subject to local regulation. The table below compares the safe harbor conditions established by the bill to the safety standards prescribed by current law.

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<sup>206</sup> R.C. 163.021(A), not in the bill.

Comparison of Safety Standards to Safe Harbor	
Safety standards (current law)	Safe harbor (under the bill)
The fence must be connected to a monitored alarm system.	Same.
The fence must have a battery-operated energizer that is powered by a commercial storage battery that is not more than 12 volts of direct current, and that meets the standards set forth by the International Electrotechnical Commission.	Similar, but the storage battery does not need to meet the standards set by the International Electrotechnical Commission.
The fence must be completely surrounded by a nonelectric perimeter fence or wall that is at least five feet tall.	The fence must be four to twelve inches behind a nonbattery-charged perimeter fence, wall, or structure that is at least five feet in height.
The fence must be no taller than ten feet, or two feet higher than the height of the nonbattery-charged perimeter fence or wall, whichever is higher.	The fence must be exactly ten feet in height, or two feet higher than the perimeter fence, whichever is higher.
The fence must be marked with conspicuous warning signs, no more than 40 feet apart, that read "WARNING—ELECTRIC FENCE."	Similar, but requires the signs to be placed in intervals not exceeding 30 feet and to read: "WARNING – SHOCK HAZARD" or a similar warning message.

The bill retains the authority of a county, township, or municipal corporation to require a permit or fee for the installation or use of a battery-charged fence or to prohibit or impose requirements on the installation, operation, or use of a fence that does not meet the safe harbor standards described above.

## Port authority common bond fund program

(R.C. 4582.72)

The bill allows a port authority, by resolution of its board of directors, to establish a common bond fund program to finance port authority facilities and enhance the credit of port authority obligations using credit enhancement facilities, cash reserves, or other money available for such purpose. Accordingly, it allows port authorities to do all of the following under the program:

1. Operate and manage the program and authorize agreements and other documents related to a program;
2. Appropriate port authority funds for the support of the program; and
3. Authorize the use of one or more credit enhancement facilities and cash reserves or other money available to finance port authority facilities as authorized in the bond proceedings associated with the obligations issued as part of the program.

Under the bill, any obligations issued by a port authority and secured by a trust agreement between the port authority and a corporate trustee may, in the discretion of the port authority, be issued as part of the program. Any trust agreement used in a program, and the establishment, deposit, investment and application of special funds, and the safeguarding of money, must be governed by the bond proceedings associated with the obligations and by the law governing port authorities. Additionally, the bill allows more than one obligation to be secured by a trust agreement used in a program.

All terms, provisions, and authorizations in the law governing port authorities and bond proceedings apply to obligations issued as part of a program and the associated bond proceedings, except as otherwise provided in those obligations and associated bond proceedings.

The bill specifies that it must be liberally construed to effect the purpose of authorizing common bond fund programs. Additionally, the powers and authorizations so granted may be exercised jointly or separately by one or more port authorities and are in addition to and supplemental to the powers and authorizations otherwise granted to port authorities under applicable Ohio law. The provisions are not to be construed as a limitation on any port authority powers or authorizations.

It also specifies that the bill's provisions provide additional optional authority for the establishment of a common bond fund program and that those provisions do not impair or affect any common bond fund program created prior to the bill's effective date. Furthermore, the bill's provisions do not apply to any common bond fund program created prior to its effective date unless the port authority elects to apply the bill's provisions to its common bond fund program by one or more resolutions of its board of directors.

## **Port authority capital leaseback and construction agreements**

(R.C. 4582.61, 4582.72, and 5739.02(B)(13))

The bill prohibits a port authority from entering into a capital leaseback agreement or a construction agreement meeting certain criteria with a nonpublic entity for projects involving property located outside of the port authority's jurisdiction without approval from the board of county commissioners in which the property is located. If the property is located in more than one county, the board of county commissioners of each county in which the property is located must approve the capital leaseback agreement.

Under the bill, "capital leaseback agreement" means the sale or transfer of property by a port authority to another person contemporaneously followed by the leasing of the property to the port authority. A construction agreement is covered by the bill if it involves the construction or renovation of improvements to real property when the majority of the floor space will not be

used by the port authority and building materials will be exempt from sales tax due to the port authority's involvement.

## **Conservancy district maintenance assessments**

(R.C. 6101.53 and 6101.54)

Current law allows a conservancy district board of directors to levy annual maintenance assessments on property owners in the district to maintain and operate various infrastructure in the district. For purposes of those assessments, the bill eliminates the \$2 minimum annual maintenance assessment on the total appraisal of benefits on a property, but retains the 1% maximum of the total appraisal of benefits on a property.