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H.B. 444
133rd General Assembly

Bill Analysis

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Version: As Reported by House State and Local Government

Primary Sponsors: Reps. Baldrige and Abrams

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SUMMARY

Industrial development bonds

- Authorizes a township to issue industrial development bonds.
- Eliminates the requirement that a county or municipal corporation designate a community improvement corporation as its agency for industrial, commercial, distribution, and research development before the county or municipal corporation may issue industrial development bonds.

Notice of conforming boundary changes

- Requires municipalities to give notice to affected townships when the municipality seeks to conform boundaries.

Nuisance

- Removes the requirement for townships to collect certain nuisance costs "as other taxes."
- Requires that certain nuisance costs be returned to the township and placed in the township's general fund as is provided by other existing nuisance provisions of township law.

Employee dishonesty and faithful performance of duty policy

- Allows a political subdivision to switch from utilizing bonds to a policy when its officers are mid-term or during its employees' employment, whereas current law requires a policy to be in place before an officer takes office or before an employee begins employment.
- Allows certain park districts, juvenile facilities, and detention facilities to utilize an employee dishonesty and faithful performance of duty policy in lieu of surety bonds as otherwise would be required under current law.

- Specifically authorizes a policy to be used in lieu of a surety bond by the following: certain park district commissioners, juvenile facility superintendents, detention facility superintendents, county homes, deputy registrars, and executive directors and superintendents of a children's home.
- Expands the definition of a policy to include one that protects against losses that otherwise would be protected against under a surety bond and other losses as determined by the political subdivision.
- Allows a political subdivision to utilize a policy to cover any entity or individual as determined by the political subdivision, whereas current law only allows the policy to cover officers, employees, and appointees who otherwise must give a surety bond.

Cemetery conveyance

- Requires a cemetery association or religious society that conveys cemetery grounds to a township to also transfer all cemetery records and funds to the township.
- Eliminates the requirement that a township accept conveyance of, and responsibility for, cemetery grounds if the cemetery association or religious society attempting to convey the grounds will retain an interest in, or use of, abutting property or property from which the grounds were divided.

EMS ambulance staffing requirements

- Authorizes a first responder to staff an ambulance alone while traveling to the scene of an emergency, if the first responder is meeting an emergency medical technician (EMT), an advanced EMT, or a paramedic at the scene of the emergency.

Special improvement districts boundaries

- Allows special improvement districts to be created within the territory of noncontiguous townships or municipal corporations.

Property tax

- Specifically authorizes a municipal corporation or township to use revenue from a combined levy for fire, emergency medical, and police services to fund police and firefighter pension contributions, contracts for police services, and annuities for volunteer firefighters, which currently may be funded with single-purpose police or fire service levies.
- Specifies that an existing levy renewed, with voter approval, at the same or a higher or lower rate may commence during the last tax year that the existing levy may apply or the following tax year.

DETAILED ANALYSIS

Industrial development bonds

The bill authorizes townships to issue industrial development bonds; counties and municipal corporations have this authority under continuing law. The board of township

trustees, which acts as the issuing authority, is subject under the bill to the existing requirements and limitations for issuing industrial development bonds including, for example, that the project for which the bonds are issued relates to industry, commerce, distribution, or research.

Currently, in order to issue bonds, a county or municipal corporation must designate a community improvement corporation (CIC) as its agency for industrial, commercial, distribution, and research development; the bill eliminates this requirement.¹

Notice of conforming boundary changes

The bill requires a municipal corporation to give notice to affected townships when the municipal corporation seeks to conform its boundaries thereby affecting a township's boundaries. Under continuing law, a municipality may seek to conform its boundaries at any time following an annexation by petitioning the board of county commissioners when the limits of the municipal corporation do not comprise the whole of the township in which the municipal corporation is situated. The bill requires a municipality seeking to conform boundaries to give affected townships notice at least ten days before a vote of the municipal legislative authority is anticipated. If a vote is not taken, or if a vote is taken but does not result in an affirmative vote of the majority, the municipal corporation must provide notice to any affected township within ten days after the result is known or the vote is not taken.²

By conforming boundaries, the township lines are made identical, in whole or in part with the limits of the municipality, or a new township may be erected out of the portion included within municipal limits. When the boundaries are conformed, the township essentially ceases to have jurisdiction within those boundaries; it may have continuing jurisdiction in areas existing outside those boundaries. The result of conforming boundaries to make them *identical* is that all township offices are abolished and the municipal officers then have sole jurisdiction over the property.³

The bill does not affect the expedited forms of annexation that generally prohibit the use of conforming boundaries in order to maintain dual residency and taxation by both the township and the municipal corporation.⁴

Nuisance costs

Current provisions of township law authorize townships to take actions to abate certain nuisances: unsafe buildings/structures; vegetation/garbage/debris; and junk motor vehicles. Generally, after the township provides notice to a property owner and the owner fails to remedy the nuisance, the township may abate the nuisance or provide for the abatement. After

¹ R.C. 165.01 and 165.03, with a conforming change in 715.82.

² R.C. 503.07.

³ R.C. 703.22, not in the bill.

⁴ R.C. 709.023(H) (Type II) and 709.024(H) (Type III), not in the bill.

a township certifies its abatement costs to the county auditor, the county auditor places the costs on the tax duplicate as a lien against the property. With respect to costs for the abatement of vegetation/garbage/debris and junk motor vehicles, current law specifies the county auditor must *collect the costs in the same manner as other taxes*; the bill removes this requirement that the costs be collected in the same manner as other taxes. The bill also specifies – with respect to costs recovered by the county auditor for the abatement of unsafe buildings/structures – that the costs be returned to the township and placed into the township’s general fund; this is currently specified in law regarding costs recovered for the abatement of vegetation/garbage/debris and junk motor vehicles.⁵

Employee dishonesty and faithful performance of duty policy

Continuing law authorizes certain political subdivisions and their officers and employees to utilize an insurance policy in lieu of a surety bond, which otherwise would be required. The bill expands the law in the following ways:

1. By allowing a political subdivision to switch from utilizing bonds to a policy when its officers are mid-term or during its employees’ employment; current law requires a policy to be in place *before* an officer takes office or *before* an employee begins employment.⁶
2. By including certain park district commissioners, juvenile facility superintendents, detention facility superintendents, county homes, deputy registrars, and executive directors and superintendents of a children’s home.⁷
3. By broadening the definition of an insurance policy to include a policy that protects against losses that otherwise would be protected against under a surety bond and other losses as determined by the political subdivision. Current law limits a policy to one that covers only financial or property loss caused by the fraudulent or dishonest actions of, or the failure to perform a duty by, an officer or employee.⁸
4. By allowing a political subdivision to utilize a policy to cover any entity or individual as determined by the political subdivision; current law only allows the policy to cover officers, employees, and appointees who otherwise must give a surety bond.⁹

⁵ R.C. 505.86 (unsafe buildings and other structures), 505.87 (vegetation, garbage, and other debris), and 505.871 (junk motor vehicles).

⁶ R.C. 3.061(C) and (D) and 3.30.

⁷ R.C. 3.061(A)(1) (includes park districts, juvenile facilities, and detention facilities in definition of political subdivision), 1545.05 (park district commissioners), 2151.70 (juvenile facility superintendents), 2152.42 (detention facility superintendents), 3721.15 (county homes), 4503.03 (deputy registrars), and 5153.13 (executive directors and superintendents of a children’s home).

⁸ R.C. 3.061(A)(2).

⁹ R.C. 3.061(B).

Cemetery conveyance

Current law allows cemetery associations and religious societies to convey cemetery grounds used exclusively for cemetery purposes to a board of township trustees at any time. The board of township trustees is required to accept conveyance of the cemetery grounds, and to take care of, keep in repair, hold, treat, and manage the grounds.

The bill provides that when a cemetery association or religious society conveys a cemetery, the association or religious society also must transfer all cemetery records and funds to the township to be used for cemetery purposes.

The bill also provides an exception to a township's duty to accept the conveyance and responsibility for the cemetery based on certain conditions applicable to the remaining parcel abutting the cemetery grounds or from which the grounds were partitioned or subdivided. The township is not required to accept and take possession of the grounds or to maintain the property if any of the following conditions apply:

1. The parcel is owned by the cemetery association or religious society that conveyed the cemetery grounds or an association or a religious society that is a successor to the association or religious society that conveyed the cemetery grounds.
2. Any part of the parcel, including any building or structure situated on the parcel, is used for social, educational, recreational, or religious activities of the association or religious society or of a successor association or religious society.
3. Any part of the parcel, including any building or structure situated on the parcel, is exempted from property taxation under specified provisions of state law¹⁰ based on use by the association or religious society exclusively for charitable purposes.¹¹

EMS ambulance staffing requirements

Current law specifies ambulance staffing requirements both for traveling to the scene of an emergency and for transporting a patient away from the scene of an emergency. In short, an ambulance may be staffed by one person on the way to an emergency, but must be staffed by at least two people if transporting a person away from the emergency (one person drives while the other person attends to the patient). The law is structured to ensure that either an emergency medical technician (EMT), an advanced EMT, or a paramedic is in the ambulance and able to attend to the patient while transporting the patient away from the emergency. As

¹⁰ R.C. 5709.07 (real property owned and operated by a church that is used primarily for church retreats or church camping; houses used exclusively for public worship), 5709.14 (burial grounds, if nonprofit), 5709.12(B) (real property belonging to institutions that is used exclusively for charitable purposes), not in the bill.

¹¹ R.C. 517.27.

such, current law requires that the ambulance be staffed by an EMT, advanced EMT, or paramedic while traveling to the scene of an emergency.¹²

However, current law also specifies that if the medical service organization operating the ambulance substantially uses volunteers or only uses volunteers, that organization may allow a medical first responder to staff the ambulance, along with an EMT, advanced EMT, or paramedic while transporting the patient from the scene of an accident.¹³ In such a circumstance, the first responder must serve as the driver (so that the other individual can attend to the patient).¹⁴ This exception combined with the staffing requirements for traveling to the emergency means that either:

1. The ambulance must be staffed by both the first responder **and** the EMT, advanced EMT, or paramedic while traveling to the emergency; or
2. The ambulance must be staffed by the EMT, advanced EMT, or paramedic traveling to the emergency and the first responder can meet at the scene of the emergency to drive the ambulance on the return trip.

The bill authorizes an additional staffing option: the first responder may staff the ambulance traveling to an emergency, provided the first responder is meeting an EMT, an advanced EMT, or a paramedic at the scene of the emergency.¹⁵

The bill does not affect the current law requirement that an ambulance operated by a medical service organization that generally uses paid individuals have two EMTs, advanced EMTs, or paramedics staffing the ambulance while transporting a patient away from the scene of an emergency.¹⁶ (Under the bill, the ambulance could be staffed solely by a first responder while traveling to the scene of an emergency. But, the person would have to meet two persons with the advanced certifications for the return trip.)

Special improvement district boundaries

Continuing law authorizes the creation of special improvement districts (SIDs) to facilitate the development and implementation of public services or improvements within the district. A SID typically is created on the initiative of property owners, who must file a petition with a municipality or township that would include the proposed SID's territory. Once created, a SID is governed by a nonprofit corporation, and improvements or services provided in the SID

¹² R.C. 4765.43(C).

¹³ "Substantial" use of volunteers occurs when a medical service organization's paid individuals, taken as a whole, work less than 192 hours in a week. R.C. 4765.43(A)(2).

¹⁴ R.C. 4765.43(D)(2).

¹⁵ R.C. 4765.43(C)(4).

¹⁶ R.C. 4765.43(D)(1).

are funded by special assessments levied by each municipality or township on property in the SID.¹⁷

A SID may be established within the boundaries of a single township or municipality within a single county. Or, under current law, a SID may be located within multiple contiguous townships or municipalities. The territory of a SID must be contiguous, unless the SID is created for the purpose of financing special energy projects, i.e., solar, geothermal, or customer-generated energy projects or energy efficiency improvements, or shoreline improvement projects, i.e., improvements to abate erosion along the Lake Erie shore.¹⁸

The bill authorizes SIDs to be created within the territory of noncontiguous municipalities and townships, provided those subdivisions are located in either the same county or in counties that adjoin one another.¹⁹ However, the territory of a SID still must be contiguous, except a special energy project or a shoreline improvement SID.

Property tax

Use of revenue from combined levies

The bill permits a township or municipal corporation to use revenue from a combined levy for fire and emergency medical services (EMS) and police services to fund certain expenditures that they currently may fund with a single-purpose fire/EMS levy or police levy. The expenditures are for firefighter and police pension contributions, contracts with other jurisdictions for police services, and annuities for volunteer firefighters.²⁰

Commencement of a renewed levy

Under continuing law, a resolution adopted by a taxing authority to renew an existing levy may be placed on the ballot, for voter approval, of the general election held during the last year that levy can be extended on the tax list or the following year (i.e., the year the tax is paid). A renewal levy may renew the same tax rate or may increase or decrease the rate of the existing levy.

The bill specifies that a taxing authority's resolution to renew, renew and increase, or renew and decrease an existing levy may state that the renewal may be extended on the property tax list for the last year the existing levy may apply (i.e., commence in the last year the existing tax may be levied) or the following year. If such a resolution is approved by voters during the last year the existing levy can be extended on the property tax list, the final authorized year of the existing levy is forfeited and replaced by the renewed levy at the same or new rate. If the resolution is not approved by voters, however, the existing levy is not terminated.

¹⁷ R.C. 1710.02 and 1710.06, not in the bill.

¹⁸ R.C. 1710.01(I) and (O), not in the bill, and 1710.02(A).

¹⁹ R.C. 1710.02(A).

²⁰ R.C. 9.65, 505.43, 742.33, and 742.34.

Continuing law also requires specific ballot language for questions that, if approved, would place a levy on the property tax list for the current year. The bill specifies that the required ballot language applies to questions to renew, renew and decrease, or renew and increase an existing levy.²¹

Application

Ballot questions to renew an existing levy apply to general elections held on or after 100 days after the bill's effective date.²²

HISTORY

Action	Date
Introduced	12-12-19
Reported, H. State & Local Gov't	11-12-20

H0444-RH-133/ts

²¹ R.C. 5705.25.

²² Section 3.