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Bill Analysis

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Primary Sponsor: Rep. Hall

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SUMMARY

- Simplifies the process a township must follow to donate unneeded property.
- During an emergency declared by a township, allows the board of township trustees to conduct and attend meetings via electronic means.
- During an emergency declared by a township, allows the board of township trustees to adopt a resolution establishing a curfew during the emergency period.
- Allows a township to establish a preservation commission to preserve historic properties in the unincorporated territory of the township.
- References the Auditor of State's fraud-reporting system in a provision allowing employees to report unlawful activity occurring at the workplace.
- Allows townships engaged in redevelopment to create a special tax increment financing (TIF) district with the goal of providing funding for any project delineated by the township.
- Authorizes school districts to levy property taxes for the sole purpose of contracting for school resource officer (SRO) services.
- Authorizes municipalities and townships to levy property taxes to provide for SRO services for school districts located within their territory.

DETAILED ANALYSIS

Donating unneeded property

The bill modifies the method a township follows to donate unneeded property, including vehicles, road machinery, equipment, and tools. Unchanged by the bill, any property exceeding \$2,500 in value must be sold by public auction or sealed bid to the highest bidder.

Property valued at or below \$2,500 may either be sold directly (without a public process) or donated to an eligible nonprofit. The bill modifies the process for donating property.

Currently, the board of trustees follow a longer process to donate the property to an eligible nonprofit (must be located in the state and must be a 501(a) or 501(c)(3) organization). The trustees first must adopt a resolution stating their intent to donate unneeded property, with guidelines and procedures for doing so. The board must post notice in the board of trustees' office, and must publish notice via newspaper, via trade papers, and on the board's website. Nonprofit organizations interested in receiving donated property must submit written notice to the board; the notice must include evidence that the organization is eligible (located in the state and a 501(a) or 501(c)(3) nonprofit), its purpose, what types of property the organization needs, and the name, address, and phone number of the organization's agent. The board maintains a list of all eligible nonprofit organizations that have expressed interest in receiving donated property.

The board also maintains a list of all unneeded property that the board intends to donate, which must be posted continuously in the board of trustees' office and on its website. The board must donate the unneeded property to the eligible nonprofit that first declares its desire to obtain the property, or to whichever nonprofit has priority on the township's list of eligible organizations (trustees must specify the reasons why the organization is given priority).

Under the bill, these requirements are eliminated, except two: (1) the nonprofit organization still is required to be located in the state and still must be a 501(a) or 501(c)(3) organization, and (2) the nonprofit must submit evidence of its eligibility. Therefore, under the bill, a township may donate the property to an eligible nonprofit, which must provide evidence of its eligibility before receiving the property. The bill retains the option to directly sell the property.¹

Emergency resolutions

The bill expands a township's authority during an emergency. Under continuing law, a board of township trustees may adopt a resolution declaring an emergency exists that threatens life or property within the township, or that such an emergency is imminent. This provides the township trustees up to six months of special authority, currently related only to snow removal or acquiring emergency equipment without bidding. The bill expands the board's authority during the emergency period by allowing the board to: (1) conduct and attend meetings via electronic means and (2) adopt a resolution establishing a curfew during the emergency period.²

¹ R.C. 505.10.

² R.C. 505.82 and 505.89.

Electronic meetings

Generally, the Ohio Open Meetings Law³ requires public bodies to take official action and conduct all deliberations only in open meetings where the public may attend and observe. The bill allows boards of township trustees to hold meetings electronically during an emergency period, and specifies that any action taken during an electronic meeting has the same effect as if it had occurred during an open meeting. Trustees who attend a meeting by electronic means are considered to be present at the meeting, are counted for quorum purposes, and are allowed to vote.

The board must provide notice of an electronic meeting to the public and to any media that have requested notification. The notice must be provided at least 24 hours in advance by reasonable methods by which any person may determine the time, location, and the manner by which the meeting will be conducted. The 24 hours' notice is not required if an emergency requires immediate official action; in that case, the board must immediately notify any media that have requested notification. These provisions mirror the Open Meetings Law requirements for all open meetings.

The board must provide the public access to an electronic meeting, commensurate with the method in which the meeting is being conducted. The bill lists examples such as live-streaming on the internet, local radio, television, cable, or public access channels, call-in information for a teleconference, or any other similar electronic technology. The board must ensure the public can observe and hear each trustee's discussions and deliberations, whether the trustee is participating in person or electronically.

The bill states that the authority applies notwithstanding any conflicting provision of the Revised Code, and specifies that nothing in the bill may be construed to negate any provision of the Open Meetings Law, or other provision of the Revised Code, that does not conflict with this provision.⁴

Curfew

Townships currently have authority to issue a curfew that applies only to individuals younger than 18 years old; no emergency need exist for the township to utilize this authority. The bill provides a township the authority, during a period of emergency, to enact a curfew applicable to *all persons* within the unincorporated territory of the township. The board of township trustees may adopt a resolution to declare the curfew; the resolution must state the necessity for the curfew and how the curfew will be enforced.

³ R.C. 121.22, not in the bill.

⁴ R.C. 505.82(C)(3) and 505.821.

Penalty

For individuals younger than 18 years old, the bill applies the same penalty currently applicable to township curfews: the individual is charged as an “unruly child” in juvenile court.⁵ Individuals 18 and older are subject to a fine of up to \$100; the board must set the amount in the resolution.⁶

Township preservation commissions

The bill allows a township to establish a Township Preservation Commission, tasked with preserving historic properties in the unincorporated territory of the township. A board of township trustees may adopt a resolution to establish a commission and appoint seven members. Commission members serve three-year terms, though initial terms are one, two, or three years long to create staggered terms indefinitely. Four members constitute a quorum, with any action requiring a majority of members present. The members are not compensated.

Within 30 days of being appointed, the members must select a chairperson and vice-chairperson. The members must adopt rules of procedure (for meetings, etc . . .); within six months of being appointed, the members must adopt procedures and guidelines for performing their duties (preserving properties, etc . . .). Both sets of rules are subject to the approval of the township trustees. The commission can only take official action during a public meeting open to the public, and must maintain a record of proceedings that is available for inspection.

The commission has the following duties:

- Promote the importance of historic preservation throughout the unincorporated territory of the township.
- Maintain a register of historic properties located within the unincorporated township.
- Make recommendations to the board of township trustees regarding properties that may be designated as registered, historic properties.
- Consider applications and issue certificates for exterior alterations at registered properties.

The commission’s primary purpose is to protect the unique historical and architectural character of registered properties and promote the conservation of the registered properties. The commission itself does not designate properties as registered properties; that is the duty of the board of township trustees, upon recommendation of the commission. If a township has established a preservation commission, the exterior of a registered property may only be altered after obtaining a certificate from the commission allowing the alteration.⁷

⁵ Juvenile courts have a number of options regarding the disposition of an “unruly child.” See R.C. 2151.354, not in the bill.

⁶ R.C. 505.82(B)(4).

⁷ R.C. 511.51, 511.52, and 511.53.

Auditor of State fraud-reporting system

Continuing law requires the Auditor of State to maintain a fraud-reporting system.⁸ Any Ohio resident or public employee may make an anonymous complaint about fraud by a public official or public office, which the Auditor of State reviews. The bill simply references the Auditor's fraud-reporting system in a provision of law related to employees reporting unlawful activity in the workplace.⁹ The provision currently lists a number of persons whom the employee may file a complaint with (e.g., the county prosecutor), but the list does not currently include the Auditor of State.

Township redevelopment TIFs

The bill expands the options available to a township that wishes to create a tax increment financing (TIF) arrangement. Currently, townships may establish a TIF with the goal of funding public infrastructure improvements. Under the option authorized in the bill, which is currently only available to municipalities, a township that is engaged in redevelopment activities may create a TIF and use payments in lieu of taxes ("PILOTs") received through the TIF for any project described by the township in the resolution authorizing the use of PILOTs – effectively expanding the types of projects such townships may fund using PILOTs.

TIF background

Under continuing law, townships, municipalities, and counties may create a TIF. Generally, the goal of the TIF is to finance public infrastructure improvements, e.g., roads and bridges, water and sewer lines, other utility projects, and similar improvements. Through a TIF, the subdivision grants a real property tax exemption with respect to the incremental increase in the assessed value of designated parcels that are part of a development project. The owners of the parcels make PILOTs to the subdivision equal to the amount of taxes that would otherwise have been paid with respect to the exempted improvements. TIFs thereby create a flow of revenue back to the subdivision that created the TIF, which generally uses those PILOTs to pay the public infrastructure costs necessitated by the development project.

In addition, municipal corporations may establish a special type of TIF district, known as a "municipal redevelopment TIF," in which the municipal corporation, engaging in urban redevelopment, acquires land, leases or conveys it to another person, and exempts from taxation the improvements on the land it declares to be a public purpose. These TIFs can only extend to residential parcels if they are located in certain cities' blighted areas, i.e., areas in which at least 75% of the properties are a menace to public health and safety due to being vacant, dilapidated, contaminated, or some similar combination of factors.¹⁰ The PILOTs that

⁸ R.C. 117.103, not in the bill.

⁹ R.C. 4113.52. A similar reference appears in a provision specifically regarding civil service employees. See R.C. 124.341, not in the bill.

¹⁰ R.C. 1.08, not in the bill.

the municipality receives can be used for any project described in the municipal TIF ordinance authorizing the use of PILOTs.

Expansion of redevelopment TIFs to townships

The bill allows townships to create this latter type of TIF. The same requirements that apply to municipal redevelopment TIFs apply to townships as well: the township must have acquired the property while engaged in redevelopment, then subsequently have leased or conveyed the property to another person. Similar to the municipal redevelopment TIFs, the township TIFs may include residential improvements, provided that the property is located in a blighted area of the township. And, the township may use PILOTs for any project described in the PILOT resolution.¹¹

School resource officer property taxes

A school resource officer (SRO) is a law enforcement officer that provides security services to a school district pursuant to an agreement between the school board and the officer's law enforcement agency. Continuing law requires that agreement, known as a memorandum of understanding, to include certain information, such as SRO background requirements and clearly defined responsibilities, and generally provides for certain training requirements for SROs.¹²

School district property taxes

Continuing law authorizes city, local, exempted village, cooperative education, or joint vocational school boards to levy property taxes, with voter approval, for the purpose of providing for school safety and security. Ohio law does not specifically define what is meant by school safety and security, but does state that school safety and security includes safety-related permanent improvements, mental health services and counseling, safety training, and safety personnel services, which likely includes SRO services.

The bill authorizes school boards to levy a property tax, with voter approval, for the specific purpose of providing for SRO services, as opposed to safety and security in general.¹³ Similar to the property tax for safety and security, the board may propose the levy for a specified term of up to five years and may also renew the levy, with voter approval, at the same, or a higher or lower rate. The tax is to be submitted to school district voters in the same manner as the tax for safety and security.

Municipal and township property taxes

The bill also authorizes municipalities and townships to levy a property tax for the specific purpose of funding SRO services for school districts located within their territory.

¹¹ R.C. 5709.41, 5709.74, 5709.75, 5709.78, and 5709.85.

¹² R.C. 3313.951, not in the bill.

¹³ R.C. 5705.21.

To do so, the school board that intends to utilize SRO services must first certify to each municipality or township in which the school district is located that the district's revenues are insufficient to provide for the requirements of the district. After the municipal legislative authority or township board of trustees receives such a certification from each school district in its territory, the legislative authority or board may then adopt a resolution proposing a tax for SRO services for each such district. If there is more than one school district located in its territory, the resolution must specify how the revenue is to be apportioned to each district. Similar to the SRO services property tax levied by school districts, the municipality or township may propose the levy for a specified term of up to five years and may also renew the levy, with voter approval, at the same, or a higher or lower rate.¹⁴

The tax must be submitted to voters of the municipal corporation or township in the same manner as nearly every other property tax, except that the ballot must list each school district and the amount of revenue apportioned to each district. If voters approve the tax, any tax collections are paid to each school district in the proportion provided for in the resolution, and each district must use the revenue to contract for SRO services for the district.¹⁵

HISTORY

Action	Date
Introduced	12-07-21

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¹⁴ R.C. 5705.19, not in the bill.

¹⁵ R.C. 5705.231.