



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 519
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Hall and Sweeney

Abby Gerty, Research Analyst

SUMMARY

- Revives the Clean Ohio Revitalization Fund (CORF) and the associated grant and loan programs, which have been inactive since 2013, and were repealed by H.B. 33 of the 135th General Assembly.
- Adds county land reutilization corporations to the list of eligible applicants for CORF funding.
- Credits 80% of the deferred liquor payments received by the state from JobsOhio after July 1, 2025, to the CORF and directs the remainder to the GRF.
- Eliminates the role of district integrating committees in prioritizing CORF grants and loans.
- Requires several notices and communications required under CORF grant and loan programs to be delivered electronically.
- Allows an applicant for CORF funds to resubmit the application directly to the Clean Ohio Council within ten business days after receiving notice from the Council that the application is incomplete.
- Requires development partners, in addition to the applicant, to submit an affidavit confirming that they did not contribute to the release of hazardous substances or petroleum at the brownfield that is being cleaned up or remediated.
- Requires the Director of Development to establish scoring criteria respecting applications for CORF grants funding projects in distressed areas.
- Adds “clearance of the property” as an expenditure that may be counted towards the applicant’s share of the total cost of the project, which must not be less than 25%.
- Requires the Clean Ohio Council to be reappointed within 120 days after the bill’s effective date.

DETAILED ANALYSIS

Clean Ohio Revitalization Fund

The bill revives and makes several changes to the Clean Ohio Revitalization Fund (CORF),¹ which has been inactive since 2013, and was repealed by H.B. 33 of the 135th General Assembly. Before its repeal, CORF provided grants to municipalities and other public entities, such as counties and port authorities, for cleanup or remediation of brownfield sites. Brownfield sites are vacant or underused properties originally developed for industrial or commercial uses and containing hazardous substances or petroleum. The Department of Development, the Ohio Environmental Agency, and the Clean Ohio Council administered the program.

In the interest of succinctness, this analysis addresses only the changes made by the bill to the CORF and the associated grant and loan programs. For a full discussion of the fund and those programs, see pages 11-28 of [the LSC Final Analysis of H.B. 3 of the 124th General Assembly \(PDF\)](#).

Applicants

The bill adds county land reutilization corporations to the list of eligible applicants for CORF funding. A county land reutilization corporation, or more commonly known as a county land bank, is a quasi-governmental organization with the public purpose of reclaiming, rehabilitating, and reutilizing economically nonproductive land. Under prior law, reenacted by the bill, a county, township, municipal corporation, port authority, or conservancy district or a park district, or other similar park authority, nonprofit organization, or organization for profit that has entered into an agreement with one of these public entities to work in conjunction with the public entity are also eligible to apply for CORF funding.²

Funding from deferred liquor payments

In 2013, JobsOhio issued bonds to lease the state's liquor franchise and its profits for a 25-year term. The terms of this arrangement were set forth in a Franchise and Transfer Agreement between JobsOhio and the state. Under this agreement, nearly all liquor profits are directed to JobsOhio to fund its programs and the operations of the state's liquor franchise. However, JobsOhio is obligated under the agreement to make annual "deferred payments" to the state when liquor profits exceed a predetermined level. These payments equal 75% of these excess profits.³ Currently, these deferred payments are credited to the GRF.

¹ R.C. 122.65 to 122.659.

² R.C. 122.65(B) and (E).

³ Section 3.5 of the Franchise and Transfer Agreement (January 4, 2013), pp. 20-21 (copy on file in the LSC library).

The bill credits 80% of the deferred payments received by the state after July 1, 2025, to the CORF and directs the remainder to the GRF. The bill also requires the issuance of Clean Ohio bonds supported by these deferred payments. Current law, preceding the lease of the state liquor franchise to the state, allows the state to pledge liquor profits to support Clean Ohio bonds. The bill reflects the lease of the liquor franchise to JobsOhio and the state's forfeiture of control over those profits and specifies that only the liquor profits not retained or used by JobsOhio, i.e., the deferred payments to the state, may be pledged to support these bonds.⁴

Integrating committees

The bill eliminates the role of integrating committees in prioritizing CORF grants and loans. The state is divided into 19 districts for the purposes of allocating resources under certain infrastructure improvement programs administered by the Ohio Public Works Commission. Each of those districts encompasses one or more counties. Furthermore, each district has a public works integrating committee, and in 11 of the districts there is also an executive committee.⁵

Under prior law, CORF grant and loan applications were required to be submitted to local public works integrating committees for prioritization before being forwarded to the Clean Ohio Council, which awards the grants and loans. Under the bill, grant and loan applications are instead submitted directly to the Director of Development. The Director then prioritizes the applications, and must choose not more than six projects from each of the state's 19 districts for consideration by the Clean Ohio Council.⁶

Electronic communications

The bill requires several notices and communications required under the program to be delivered electronically. For example, under the bill and prior law, the applicant for a grant or loan must submit a copy of its application to a public library in the vicinity of the proposed project for public review. The bill specifies that it must be an electronic copy.⁷

Prior law and the bill require the applicant to conduct a public meeting on the proposed project before it is submitted for review by the Clean Ohio Council. Prior law required that notice of this public meeting be published in a newspaper of general circulation in the county in which the project is located. The bill instead requires that such notice be published online, in a manner accessible to the public.⁸

⁴ R.C. 151.40 and 122.658(G).

⁵ R.C. 164.03 and 164.04, not in the bill.

⁶ R.C. 122.652.

⁷ R.C. 122.652(A)(3)(c).

⁸ R.C. 122.652(A)(3)(a).

Incomplete applications

The bill and prior law require the Clean Ohio Council to review grant or loan applications upon receipt for completeness. If the application is not complete, the Council must notify the applicant, provide a description of the missing information, and return the application and all accompanying information. The bill allows the applicant to resubmit the application directly to the Council within ten business days after receiving the notice.⁹

Development partners

Prior law and the bill require an applicant for CORF funding to submit an affidavit signed by the applicant's authorized representative certifying that they did not contribute to the release of hazardous substances or petroleum at the brownfield. The bill adds that an affidavit must also be submitted by the applicant's development partners, if any.¹⁰

Scoring criteria

Prior law and the bill require that 20% of CORF funds to be allocated to remediation projects in distressed areas. The distressed area grants have their own application procedures and requirements and are awarded directly by the Director of Development. The Director is required to establish criteria to be used in awarding those grants. The bill specifies that such criteria must include scoring metrics to be used in evaluating grant applications. It also eliminates the "name and qualifications of the cleanup or remediation contractor" as a criterion to be used in determining which projects will receive a grant.¹¹

Clearance of property

Both prior law and the bill require the applicant to privately finance at least 25% of the total cost of the project. The bill adds "clearance of the property" as an expenditure that may be counted towards the applicant's share of the total cost.¹²

Clean Ohio Council

Under prior law and the bill, the Clean Ohio Council consists of the Director of Development or the Director's designee; the Director of Environmental Protection or the Director's designee; two members of the Senate appointed by the President of the Senate, one of whom represents the majority party and one the minority party; two members of the House of Representatives appointed by the Speaker of the House, one of whom represents the majority party and one the minority party; and the following seven members appointed by the Governor:

⁹ R.C. 122.653(A).

¹⁰ R.C. 122.652(A)(2) and 122.656(A)(2).

¹¹ R.C. 122.657(E)(1).

¹² R.C. 122.658(B)(1)(c).

- One representing the interests of counties;
- One representing the interests of municipal corporations;
- One representing the interests of business and development;
- One representing the interests of county land reutilization corporations;
- One “certified professional” representing environmental interests;
- Two representing the public.

The Governor’s appointments must represent all areas of the state and must reflect the demographic and economic diversity of the population of the state. The bill requires all appointments to the Council to be made not later than 120 days after the effective date of the bill.¹³

HISTORY

Action	Date
Introduced	05-21-24

ANHB0519IN-135/ar

¹³ R.C. 122.651(A).