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H.B. 675
133rd General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Hillyer and Swearingen

Carla Napolitano, Attorney

SUMMARY

- Expands the list of entities eligible to apply for Clean Ohio Revitalization Fund grants to include a county land reutilization corporation.
- Directs deferred payments received by the state from JobsOhio from the gross profit on the sale of spirituous liquors to the Clean Ohio Revitalization Fund.
- Authorizes those deferred payments to be pledged for Clean Ohio bonds.

DETAILED ANALYSIS

Clean Ohio Revitalization Fund

The Clean Ohio Revitalization Fund (CORF or Program),[1] awards 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.[2] The Ohio Development Services Agency and the Ohio Environmental Agency administer the program. The bill makes two changes to the law relating to CORF. First, the bill expands the list of entities eligible to apply for CORF grants to include a county land reutilization corporation. Second, the bill provides a funding method for CORF by directing the state's excess liquor profits to be transferred to the fund and pledged for Clean Ohio bonds.

[1] R.C. 122.65 to 122.659.

[2] R.C. 122.65(D).

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 continuing law, 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 eligible to apply for CORF funding.[3]

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.[4] Currently, these deferred payments are credited to the GRF.

The bill credits any deferred payments received by the state after July 1, 2020, to the CORF.[5]

The bill also authorizes 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.[6]

HISTORY

Action	Date
Introduced	05-26-20

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[3] R.C. 122.65(B) and (G).

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

[5] R.C. 122.658(G), Sections 3 and 4.

[6] R.C. 151.40.