



# OHIO LEGISLATIVE SERVICE COMMISSION

## Final Analysis

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### **Sub. H.B. 122**

132nd General Assembly  
(As Passed by the General Assembly)

**Reps.** Hambley and Rogers, West, K. Smith, Sheehy, Antonio, Arndt, Ashford, Barnes, Boggs, Boyd, Brenner, Brown, Celebrezze, Craig, Edwards, Fedor, Galonski, Gavarone, Hill, Holmes, Howse, Kent, Lepore-Hagan, Miller, O'Brien, Patterson, Sprague, Strahorn, Sweeney, Sykes

**Sens.** Coley, Eklund, Hackett, Hoagland, Huffman, O'Brien, Oelslager, Terhar, Uecker

**Effective date:** August 1, 2018

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## **ACT SUMMARY**

### **Regional Economic Development Alliance Study Committee**

- Creates the Regional Economic Development Alliance Study Committee to study the features, benefits, and challenges of establishing regional economic development alliances.
- Requires the Committee to submit a report of its findings and conclusions to the Governor, Speaker of the House, and Senate President, at which time the Committee ceases to exist.

### **Liquor permit modifications**

- Allows the Division of Liquor Control to issue a D-5j liquor permit (on-premises alcohol sales in a community entertainment district) in a municipal corporation that was incorporated as a village before 1880 (rather than 1860 as in prior law) and that has a downtown business district.
- Authorizes the Division to issue a D-5l liquor permit (on- and off-premises alcohol sales in a revitalization district) in a county with a population between 172,000 and 195,000 according to the most recent federal decennial census.

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\* This version updates the effective date.

## **Police and fire levies**

- Allows municipal corporations to levy a single tax to provide for both police and fire services.
- Ratifies a joint fire and police services tax levied by a municipal corporation and approved at an election held before the act's effective date.
- Ratifies a ten-year term for a fire services levy that was approved for that term at the 2017 general election.

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## **CONTENT AND OPERATION**

### **Regional Economic Development Alliance Study Committee**

#### **Duties**

The act creates the Regional Economic Development Alliance Study Committee to do the following:

- Study the features, benefits, and challenges involved in establishing regional economic development alliances that would:
  - Enhance collaboration for successful regional economic development efforts;
  - Allow for the sharing of services; and
  - Permit the mobilization of necessary resources among alliance members.
- Examine the ways in which these alliances would address the needs of regions throughout Ohio.

In completing its study, the Committee must consult with various resource groups, including county commissioners, township trustees, mayors, city council members, members of statewide and regional organizations that represent political subdivisions, and members of chambers of commerce.<sup>1</sup>

#### **Membership**

The Committee consists of 17 members, including:

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<sup>1</sup> Section 3(B) of the act.



- ◆ The following 11 voting members:
  - Three members of the House, not more than two of whom are members of the same party, appointed by the Speaker;
  - Three members of the Senate, not more than two of whom are members of the same party, appointed by the Senate President;
  - The Governor, or the Governor's designee;
  - Two representatives from academia engaged in relevant fields of study, appointed by the Committee's co-chairpersons;
  - Two individuals who are economic development professionals, appointed by the Committee's co-chairpersons.
  
- ◆ The following 6 nonvoting members:
  - The chairperson of the Regional Prosperity Initiative or the chairperson's designee;
  - The president of the Ohio Association of Regional Councils or the president's designee;
  - The executive director of the Ohio Economic Development Association or the executive director's designee;
  - One person, appointed by the Governor, who is recommended by an Ohio-based advocacy group selected by the Governor;
  - One person, appointed by the Governor, who is recommended by an Ohio-based foundation selected by the Governor;
  - One person, appointed by the Governor, who is a representative of a metropolitan planning organization.

Committee members must be appointed by August 31, 2018 (30 days after the act's effective date). Vacancies on the Committee must be filled in the same manner as the original appointment.

The Speaker of the House and the Senate President must each appoint one Committee member to serve as a co-chairperson. The Committee must hold its initial



meeting as soon as practicable after the last member is appointed, and all subsequent meetings are to be held at the call of the co-chairpersons.<sup>2</sup>

### **Submission of a report**

By August 1, 2019, the Committee must submit a report of its findings and conclusions to the Governor, the Speaker of the House, and the Senate President. The Committee ceases to exist upon the submission of its report.<sup>3</sup>

## **Liquor permit modifications**

### **D-5j liquor permit population requirements**

#### **Background**

Under continuing law, the Division of Liquor Control may issue a D-5j liquor permit for a premises located in a community entertainment district created by a municipal corporation or township. A D-5j permit generally authorizes the permit holder to:

- (1) Sell beer, wine, mixed beverages, and spirituous liquor by the individual glass for consumption on the permit premises; and
- (2) Sell beer, wine, and mixed beverages for off-premises consumption.

Community entertainment districts are bounded areas located in municipal corporations or unincorporated areas of townships. They may include a combination of entertainment, retail, educational, sporting, social, cultural, or arts establishments within close proximity to establishments such as restaurants, sports facilities, and convention facilities. Continuing law establishes procedures by which a municipal corporation or township may approve or disapprove an application to designate an area as a community entertainment district. A community entertainment district also may be created in a joint economic development district.

The purpose of a community entertainment district is to allow for issuance of liquor permits (specifically D-5j permits) in areas that otherwise are not eligible for the permits due to population quota restrictions. A municipal corporation or township may create a community entertainment district only if certain criteria are met.<sup>4</sup>

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<sup>2</sup> Section 3(A) of the act.

<sup>3</sup> Section 3(C) of the act.

<sup>4</sup> R.C. 4303.181(J) and 4301.80, not in the act.



### **Criteria for issuance of a D-5j permit**

The act alters one of the criteria for one type of municipal corporation in which a D-5j permit may be issued in a community entertainment district. Under that set of criteria, the act allows a D-5j permit to be issued in a municipal corporation to which all of the following apply:<sup>5</sup>

(1) The municipal corporation has a population between 7,000 and 20,000 (unchanged by the act);

(2) The municipal corporation was incorporated as a village before calendar year 1880 (instead of 1860, as under prior law) and currently has a historic downtown business district; and

(3) The municipal corporation is located in the same county as another municipal corporation with at least one community entertainment district (unchanged by the act).

This alteration allows the D-5j permit to be issued in the City of Loveland, which is located in Hamilton, Clermont, and Warren Counties, and potentially other municipal corporations in Ohio.

### **D-5l liquor permit population requirements**

The act modifies the population requirements for issuance of a D-5l liquor permit, which may be issued only in a revitalization district. A D-5l permit is similar to a D-5j permit and may be issued for the same purposes. A revitalization district is nearly identical to a community entertainment district, but only may be formed by a municipal corporation or township with a population under 100,000. Under continuing law, the Division may issue a D-5l permit to a premises to which all of the following apply:

(1) The premises has gross annual receipts from the sale of food and meals that constitute not less than 75% of its total gross annual receipts;

(2) The premises is located within a revitalization district;

(3) The premises is located in a municipal corporation or township in which the number of D-5 liquor permits issued equals or exceeds the quota limit for those permits; and

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<sup>5</sup> R.C. 4303.181(J)(5)(a).



(4) The premises is located in a county or municipal corporation that meets any of a number of population qualifications.

The act modifies (4) above by allowing the Division to issue a permit to a premises that is located in a county with a population of between 172,000 and 195,000 according to the most recent federal decennial census.<sup>6</sup> This modification allows the D-51 permit to be issued in Delaware and Medina Counties.

## **Police and fire levies**

### **Property tax levy for police and fire services**

Under continuing law, any political subdivision may levy a tax for (a) firefighting services and EMS services provided by a fire department, (b) police services and EMS services provided by a police department, or (c) EMS services. Each of these taxes must be levied separately.

In addition, continuing law allows townships to levy a single tax to provide for both police and fire services (and EMS services provided by a police or fire department). The act expands this authority to municipal corporations.<sup>7</sup>

Recently, a few municipal corporations placed joint fire and police services levies on the ballot, and voters approved those levies. The act allows these municipalities to continue to levy these taxes, even though they did not comply with the law when they were approved.<sup>8</sup>

### **Ratification of fire services levy with 10-year term**

Continuing law authorizes political subdivisions to levy a tax to fund fire protection services either for a term of five years or for a continuing period of time. During the 2017 general election, a political subdivision placed a fire services levy on the ballot for a term of 10 years, and the levy was approved by voters. The act allows this tax to be levied for the entire 10-year term for which it was approved, even though that term is not otherwise authorized by continuing law.<sup>9</sup>

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<sup>6</sup> R.C. 4303.181(L)(2)(d)(vi) and 4301.81, not in the act.

<sup>7</sup> R.C. 5705.19(JJ).

<sup>8</sup> Section 5 of the act.

<sup>9</sup> Section 4 of the act.



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## HISTORY

ACTION	DATE
Introduced	03-09-17
Reported, H. State & Local Gov't	05-10-17
Passed House (91-6)	09-13-17
Reported, S. Gov't Oversight & Reform	04-11-18
Passed Senate (32-0)	04-11-18
House concurred in Senate amendments (89-2)	04-11-18

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