

As Introduced

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Representatives Rogers, Hambley

**Cosponsors: Representatives Blair, Cross, Crossman, Galonski, Howse,
Lightbody, Lepore-Hagan, Miller, J., O'Brien, Patterson, Scherer, Weinstein, West**

A BILL

To enact sections 5755.01, 5755.02, 5755.03, and 1
5755.04 of the Revised Code to authorize 2
municipal corporations to establish regional 3
economic development alliances for the sharing 4
of services or resources among alliance members. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 5755.01, 5755.02, 5755.03, and 6
5755.04 of the Revised Code be enacted to read as follows: 7

Sec. 5755.01. As used in this chapter: 8

(A) "Region" means the territory included within the 9
boundaries of a central county and of each county that is 10
adjacent to that central county. If two or more central counties 11
are adjacent to each other, "region" means the entire territory 12
included within the boundaries of those central counties and 13
each county adjacent to either of those central counties. If two 14
or more central counties are each adjacent to a common county, 15
"region" may mean either of the following: 16

(1) The territory included within the boundaries of those 17

central counties and each county that is adjacent to either of 18
those central counties; 19

(2) The territory included within the boundaries of one of 20
the central counties and of each county that is adjacent to that 21
central county, provided that, if a county is adjacent to two or 22
more central counties that are included in separate regions 23
under this division, the municipal corporations in that county 24
may choose to join an alliance in any one of those separate 25
regions. 26

(B) "Central county" means a county that has adopted a 27
charter under Sections 3 and 4 of Article X, Ohio Constitution 28
and that has a population of at least four hundred thousand 29
according to the most recent federal decennial census as of the 30
date an agreement is entered into under this chapter by 31
municipal corporations located in the county. 32

(C) "Eligible municipal corporation" means a municipal 33
corporation that is located within a region or in a county 34
adjacent to a county within a region. 35

(D) "Regional economic development alliance" or "alliance" 36
means a regional council that is established under sections 37
167.01 and 5755.02 of the Revised Code. 38

(E) "Agreement" means an agreement entered into under 39
section 5755.02 of the Revised Code establishing a regional 40
economic development alliance. 41

(F) "Governing board" means the governing board of a 42
regional economic development alliance. 43

(G) "Member" means a municipal corporation that is a 44
member of a regional economic development alliance. 45

(H) "Member representative" means one or more persons 46
appointed by a member's chief executive officer, with the 47
approval of the legislative authority of the member, to 48
represent the member in a regional economic development 49
alliance. 50

(I) "Resource gain allocation program" or "allocation 51
program" means an arrangement in which the members of a regional 52
economic development alliance agree to contribute to or receive 53
distributions from an alliance contribution fund in accordance 54
with the formula specified in section 5755.04 of the Revised 55
Code. 56

Sec. 5755.02. (A) Ten or more eligible municipal 57
corporations located within a single region may enter into an 58
agreement with each other to establish a regional economic 59
development alliance. Only one alliance may be established in 60
each region. 61

(B) A regional economic development alliance shall be 62
established and shall operate pursuant to this chapter and 63
Chapter 167. and section 9.482 of the Revised Code, except that: 64

(1) The membership of the alliance shall be the eligible 65
municipal corporations within the region that enter into the 66
agreement on the date of the agreement or within two years after 67
that date. An eligible municipal corporation within the region 68
that seeks membership after two years following the date of the 69
agreement, or any eligible municipal corporation that is not 70
within the region, may be admitted as a member only with the 71
approval of a majority of the current members. An eligible 72
municipal corporation that is located within more than one 73
region or within a county that is adjacent to more than one 74
region may choose to join an alliance in any one of those 75

regions. No eligible municipal corporation may be a member of 76
more than one alliance. 77

(2) A member may withdraw from the alliance only by 78
submitting a request to withdraw to the members and receiving 79
approval for that request from at least two-thirds of the other 80
members. 81

(3) In addition to the activities, powers, and functions 82
authorized in Chapter 167. of the Revised Code, and unless 83
otherwise prohibited by law, an alliance may engage in other 84
activities, programs, or functions as authorized by the 85
governing board or in the agreement. The alliance may establish 86
funds and accounts in connection with all such activities, 87
programs, or functions, including any allocation program. In 88
carrying out such activities, programs, or functions, the 89
alliance may cooperate with transportation improvement 90
districts, metropolitan planning organizations as defined in 91
section 5552.01 of the Revised Code, political subdivisions, 92
state agencies, and other public entities, all of which are 93
hereby authorized to cooperate with the alliance. The alliance 94
shall have no taxing powers. 95

(C) An agreement establishing a regional economic 96
development alliance shall include all of the following: 97

(1) Procedures by which an eligible municipal corporation 98
that is not a party to the agreement may be admitted as a 99
member, in accordance with division (B)(1) of this section; 100

(2) Procedures by which a member may withdraw from the 101
alliance, in accordance with division (B)(2) of this section; 102

(3) Provisions for the creation of a governing board and 103
committees thereof, the selection of member representatives to 104

the governing board, the election of governing board officers, 105
the specification of officer duties, and the adoption of bylaws 106
governing the organization and operation of the alliance; 107

(4) A provision stating the length of the initial term of 108
the allocation program and a procedure for the approval of any 109
renewal terms for the program, subject to the limits specified 110
in division (C) of section 5755.03 of the Revised Code; 111

(5) The method or methods by which members are to 112
determine their respective taxable income values in accordance 113
with section 5755.04 of the Revised Code. If a member shares 114
income tax revenue with a school district under section 718.09 115
or 718.10 of the Revised Code, the agreement may specify whether 116
and how the participant's taxable income value shall be adjusted 117
to account for such sharing. If a member derives revenue 118
pursuant to a contract or agreement creating a joint economic 119
development district or joint economic development zone, the 120
agreement may specify how the taxable income value of the member 121
shall be adjusted to account for such revenue. The agreement may 122
provide for other adjustments to taxable income values. 123

(6) Provisions for the establishment of funds and accounts 124
necessary for the operation of the alliance; 125

(7) Any other provisions determined necessary for the 126
operation of the alliance and its programs. 127

(D) Within ten days after the date of the agreement, the 128
member having the greatest population shall certify a copy of 129
the agreement to the secretary of state and to the county 130
auditor and the county treasurer of each county in which the 131
members have territory. If an additional eligible municipal 132
corporation is admitted as a member after the date of the 133

agreement, or if a member withdraws, the governing board shall 134
notify the secretary of state and the county auditor and county 135
treasurer of each county in which the new or withdrawn member 136
has territory of the admission or withdrawal. 137

(E) Unless otherwise provided in the agreement, members 138
may amend an agreement only with the written approval of the 139
majority of the members, and the terms of an agreement relating 140
to a resource gain allocation program may be amended only with 141
the written approval of at least three-fourths of the members. 142

(F) In order to encourage initiative and flexibility in 143
the establishment and operation of regional economic development 144
alliances, the agreement may include provisions that expand 145
upon, modify, or do not comply with the requirements of this 146
section or sections 5755.03 and 5755.04 of the Revised Code if 147
the provisions relate to any of the following subjects: 148

(1) Governance and administration of the alliance; 149

(2) The establishment of and the procedures governing an 150
allocation program; 151

(3) The establishment of and the procedures governing 152
other programs for the benefit of the region; 153

(4) Generation of revenue from the allocation program or 154
from other alliance programs; 155

(5) The distribution and use of those revenues. 156

(G) Each member shall pay, in the manner and at the times 157
set forth in the agreement, an annual contribution to the 158
alliance for administrative and other expenses of the alliance 159
and its programs. The annual contribution may be paid from the 160
general fund or any other fund of the member legally available 161

for such purpose. Annual contributions shall be deposited into 162
the alliance contribution fund in the custody of the alliance's 163
fiscal officer. A member's annual contribution shall equal the 164
following: 165

(1) If the member is a recipient member as defined in 166
section 5755.04 of the Revised Code, fifty dollars if the member 167
is a village or one hundred dollars if the member is a city, 168
unless otherwise specified in the agreement. 169

(2) If the member is a contributing member as defined in 170
section 5755.04 of the Revised Code, the amount determined for 171
that member in accordance with division (E) of that section. 172

(H) In the fifth year after a regional economic 173
development alliance is established pursuant to this section, 174
the governing body of the alliance shall conduct a review of the 175
alliance's programs and their effectiveness. The governing body 176
shall receive input from each of the alliance members and shall 177
compile a report of its findings. Upon completion, the report 178
shall be made available to the public and submitted to the 179
president of the senate and the speaker of the house of 180
representatives. 181

Sec. 5755.03. (A) (1) A regional economic development 182
alliance may establish and administer, for the benefit of the 183
members and of the region, programs that do any of the 184
following: 185

(a) Increase the region's competitiveness for new 186
employment and other economic development opportunities while 187
decreasing competition among the region's political subdivisions 188
regarding the location of those opportunities; 189

(b) Promote the sharing of services, including staff, 190

equipment, and facilities, among members, other political 191
subdivisions in the region, and regional technology and service 192
centers; 193

(c) Promote cooperation, collaboration, and coordination 194
in planning activities, development of infrastructure, purchases 195
of goods and services, and other activities that may lead to the 196
cost-efficient delivery of governmental services. 197

(2) An alliance may provide grants, loans, and other 198
support to members that develop or participate in programs 199
described in division (A)(1) of this section in accordance with 200
procedures established in the agreement or by the governing 201
board. 202

(B) A regional economic development alliance may establish 203
and administer a resource gain allocation program in accordance 204
with section 5755.04 of the Revised Code. The alliance may 205
engage in any activities and functions necessary of the creation 206
and administration of the allocation program. The alliance may 207
contract with a political subdivision, private or public entity, 208
or other regional council for the administration of the 209
allocation program, including for making the determinations 210
required under section 5755.04 of the Revised Code. 211

(C) The initial term of an allocation program shall be not 212
less than five and not more than fifty years. An allocation 213
program may be approved for up to four renewal terms of up to 214
twenty-five years each. An allocation program shall terminate at 215
the end of the initial term specified for that allocation 216
program in the agreement if the agreement does not provide for a 217
renewal term. If the agreement provides for one or more renewal 218
terms, the allocation program shall terminate at the end of the 219
last approved renewal term. An allocation program may terminate 220

at any time upon the vote of at least three-fourths of the 221
members. 222

Sec. 5755.04. (A) As used in this section: 223

(1) "Base period" means the three-year, four-year, or 224
five-year period specified in an agreement over which initial 225
values are determined for the purpose of the computations under 226
this section. The period constituting a "base period" shall 227
include the year immediately preceding the year in which the 228
alliance is established. 229

(2) "Calculation year" means the calendar year immediately 230
preceding the calendar year in which the governing board of an 231
alliance makes the determinations required in division (C) of 232
this section. 233

(3) "Income tax" means a tax on or measured by income 234
levied by a municipal corporation in accordance with Chapter 235
718. of the Revised Code and, if applicable, the charter and 236
ordinances of the municipal corporation. 237

(4) "Taxable income value" means the dollar value of 238
income that was taxable by a member in a calculation year, as 239
determined under the methods and terms prescribed by the 240
agreement and in accordance with, as applicable, Chapter 718. of 241
the Revised Code. "Taxable income value" shall be the measure 242
used in determining resource gain allocation under this section. 243

(5) "CPI" means one of the annual consumer price indexes 244
prepared by the United States bureau of labor statistics for the 245
United States (U.S. city average), the midwest region, or the 246
urban area comprising all or the majority of the territory of 247
the members, as specified in the agreement or bylaws of the 248
alliance. 249

(6) "Base period CPI" means the average of the CPIs for 250
the years constituting the base period. If the bureau of labor 251
statistics changes the composition or base year of the CPI, the 252
base period CPI shall be adjusted accordingly. 253

(7) "Annual CPI" means the CPI for the calculation year. 254

(8) "Base period taxable income value" of a member means 255
the average of its taxable income values for the years included 256
in the base period. 257

(9) "Contributing member" means a member for which the 258
amount computed in division (C) (6) of this section is greater 259
than zero. 260

(10) "Recipient member" means a member for which the 261
amount computed in division (C) (6) of this section is less than 262
or equal to zero. 263

(B) The governing board of an alliance shall determine 264
each of the following: 265

(1) The base period CPI; 266

(2) The base period taxable income value of each member. 267
The member's fiscal officer shall provide the governing board 268
with the member's base period taxable income value or any 269
information necessary for the governing board to determine the 270
member's base period taxable income value. 271

(C) Annually, at the time specified in the agreement, the 272
governing board shall determine each of the following for the 273
calculation year: 274

(1) The annual CPI; 275

(2) The taxable income value of each member. The member's 276

fiscal officer shall provide the governing board with the 277
member's taxable income value or any information necessary for 278
the governing board to determine the member's taxable income 279
value. 280

(3) The sum of the taxable income values of all members; 281

(4) The "inflation factor," which is the quotient of the 282
annual CPI divided by the base period CPI. If the annual CPI is 283
less than or equal to the base period CPI, the inflation factor 284
equals one. 285

(5) The "inflation-adjusted base period taxable income 286
value" of each member, which is the base period taxable income 287
value of the member multiplied by the inflation factor; 288

(6) The amount, if any, by which the taxable income value 289
of each member exceeds the member's inflation-adjusted base 290
period taxable income value; 291

(7) For each member for which the amount computed in 292
division (C) (6) of this section is greater than zero, the 293
"contribution base," which equals the product obtained by 294
multiplying the amount computed under that division by one-fifth 295
or a different fraction specified in the agreement; 296

(8) The "alliance contribution base pool," which equals 297
the sum of the contribution bases computed under division (C) (7) 298
of this section. 299

(D) After making the determinations required under 300
division (C) of this section, the governing board shall 301
determine the following: 302

(1) The "income tax capacity" of each member, which equals 303
the quotient obtained by dividing the taxable income value of 304

the member by the population of the member; 305

(2) The "distribution index" of each member, which equals 306
the member's population divided by the income tax capacity of 307
the member; 308

(3) The "distribution ratio" of each member, which equals 309
the quotient obtained by dividing the member's distribution 310
index by the sum of the distribution indexes of all members; 311

(4) The "distribution allocation" for each member, which 312
equals the member's distribution ratio multiplied by the 313
alliance contribution base pool; 314

(5) For each contributing member, the member's "net 315
contribution base," which equals the amount by which the 316
member's contribution base exceeds its distribution allocation; 317

(6) For each recipient member, the member's "recipient 318
allocation," which equals the member's distribution allocation 319
multiplied by the income tax rate levied in the calculation year 320
by the member. 321

(E) At the times and in the manner provided in the 322
agreement, each contributing member shall contribute to the 323
alliance contribution fund in the custody of the alliance's 324
fiscal officer an amount equal to the member's net contribution 325
base multiplied by the income tax rate levied by the member in 326
the calculation year, provided that such amount shall not exceed 327
either three per cent of the total revenue received by the 328
member in the calculation year from the member's income tax or a 329
different amount specified in the agreement. The contribution 330
shall be paid from any fund of the member legally available for 331
such purpose. 332

(F) Subject to division (H) of this section, the fiscal 333

officer of an alliance annually shall make the following 334
distributions from the alliance contribution fund: 335

(1) First, an amount necessary to provide for the 336
operation of the alliance and its programs, as determined 337
annually by the governing board, shall be distributed to the 338
alliance operating fund or to other program funds established by 339
the governing board or in the agreement. 340

(2) Second, each recipient member shall receive an amount 341
equal to the member's recipient allocation. If the total amount 342
of recipient allocations does not equal the balance to the 343
credit of the alliance contribution fund, the fiscal officer 344
shall increase or reduce the amount transferred to each 345
recipient member on a proportionate basis. 346

(G) Recipient members shall use recipient allocations for 347
infrastructure improvements, economic development projects, or 348
any other municipal purposes specified in the alliance 349
agreement. 350

(H) In lieu of, or in addition to, the amounts transferred 351
under division (F) of this section, and in accordance with 352
procedures established by the governing board, the alliance 353
fiscal officer may transfer from the alliance contribution fund 354
an amount determined by the governing board to one or more of 355
the following funds, which may be established in the agreement 356
or by the governing board: 357

(1) The alliance infrastructure fund, which shall be used 358
to fund, or assist in the funding of, the construction or 359
reconstruction of infrastructure projects within the region; 360

(2) The alliance economic development fund, which shall be 361
used to fund, or assist in the funding of, economic development 362

<u>projects within the region;</u>	363
<u>(3) The alliance economic reserve fund, which shall be</u>	364
<u>used to distribute money to members that have suffered</u>	365
<u>significant loss of economic resources, as determined according</u>	366
<u>to procedures established by the governing board;</u>	367
<u>(4) Any other fund or account, which shall be used to</u>	368
<u>support programs or activities of the alliance.</u>	369