

As Passed by the Senate

135th General Assembly

Regular Session

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Am. S. B. No. 75

Senator Blessing

**Cosponsors: Senators Brenner, Cirino, Craig, DeMora, Ingram, Landis, Smith,
Sykes**

A BILL

To amend section 715.72 of the Revised Code to 1
allow two or more municipalities to create a 2
joint economic development district without 3
involving a township. 4

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

Section 1. That section 715.72 of the Revised Code be 5
amended to read as follows: 6

Sec. 715.72. (A) As used in this section: 7

(1) "Contracting ~~parties~~party" means ~~one or more a~~ 8
~~municipal corporations, one corporation or more townships, and,~~ 9
~~under division (D) of this section, one or more counties~~ 10
township that have has entered or is in the process of entering 11
into a contract under this section to create a joint economic 12
development district or a county that has entered such a 13
contract under division (D) of this section. 14

(2) "District" means a joint economic development district 15
created under this section. 16

(3) "Contract for utility services" means a contract under which a municipal corporation agrees to provide to a township or another municipal corporation water, sewer, electric, or other utility services necessary to the public health, safety, and welfare.

(4) "Business" means a sole proprietorship, a corporation for profit, a pass-through entity as defined in section 5733.04 of the Revised Code, the federal government, the state, the state's political subdivisions, a nonprofit organization, or a school district.

(5) "Owner" means a partner of a partnership, a member of a limited liability company, a majority shareholder of an S corporation, a person with a majority ownership interest in a pass-through entity, or any officer, employee, or agent with authority to make decisions legally binding upon a business.

(6) "Record owner" means the person or persons in whose name a parcel is listed on the tax list or exempt list compiled by the county auditor under section 319.28 or 5713.08 of the Revised Code.

(7) A business "operates within" a district if the net profits of the business or the income of employees of the business would be subject to an income tax levied within the district.

(8) An employee is "employed within" a district if any portion of the employee's income would be subject to an income tax levied within the district.

(9) "Mixed-use development" means a real estate project that tends to mitigate traffic and sprawl by integrating some combination of retail, office, residential, hotel, recreation,

and other functions in a pedestrian-oriented environment that 46
maximizes the use of available space by allowing members of the 47
community to live, work, and play in one architecturally 48
expressive area with multiple amenities. 49

(10) "Water or sewer service plan or agreement" means 50
either of the following: 51

(a) A state water quality management plan adopted by the 52
Ohio environmental protection agency or another authorized 53
planning agency pursuant to 33 U.S.C. 1288 and 1313 that 54
contemplates that a non-contracting municipal corporation will 55
provide sanitary sewer disposal services to an area within a 56
proposed joint economic development district; 57

(b) A binding agreement between a municipal corporation 58
and a third-party water or sanitary sewer services provider, 59
including another municipal corporation or other public or 60
private provider, that provides that a non-contracting municipal 61
corporation or another provider that is not a contracting party 62
will provide water or sanitary sewer services to an area within 63
a proposed joint economic development district. 64

(11) "Non-contracting municipal corporation" means a 65
municipal corporation that is not a contracting party. 66

(B) This section provides alternative procedures and 67
requirements to those set forth in sections 715.70 and 715.71 of 68
the Revised Code for creating and operating a joint economic 69
development district. This Subject to division (C) (1) (b) of this 70
section, this section applies to municipal corporations and 71
townships that are located in the same county or in adjacent 72
counties. 73

(C) ~~One or more municipal corporations, one or more~~ 74

~~townships, and, under division~~ Subject to divisions (C) and (D) 75
of this section, ~~one-two~~ or more ~~counties~~ contracting parties 76
may enter into a contract pursuant to which ~~they~~ the contracting 77
parties designate one or more areas as a joint economic 78
development district for the purpose of facilitating economic 79
development and redevelopment, to create or preserve jobs and 80
employment opportunities, and to improve the economic welfare of 81
the people in this state and in the area of the contracting 82
parties. 83

(1) Except as otherwise provided in division (C) (2) of 84
this section, ~~the~~ : 85

(a) If at least one of the contracting parties is a 86
township or county, the territory of each of the contracting 87
parties shall be contiguous to the territory of at least one 88
other contracting party, or contiguous to the territory of a 89
township, municipal corporation, or county that is contiguous to 90
another contracting party, even if the intervening township or 91
municipal corporation is not a contracting party. 92

(b) If all of the contracting parties are municipal 93
corporations, the territory of each contracting party shall be 94
partially or wholly located in the same county and contiguous to 95
the territory of at least one other contracting party or 96
contiguous to a township that is contiguous to another 97
contracting party. 98

(2) Contracting parties that have entered into a contract 99
under section 715.70 or 715.71 of the Revised Code creating a 100
joint economic development district prior to November 15, 1995, 101
may enter into a contract under this section even if the 102
territory of each of the contracting parties is not contiguous 103
to the territory of at least one other contracting party, or 104

contiguous to the territory of a township or municipal 105
corporation that is contiguous to another contracting party as 106
otherwise required under division (C) (1) of this section. The 107
contract and district shall meet the requirements of this 108
section. 109

(3) At least one of the contracting parties shall be a 110
municipal corporation, and at least one of the contracting 111
parties shall be either of the following: 112

(a) A township; 113

(b) A municipal corporation in which part or all of the 114
area or areas to be included in the joint economic development 115
district is or are located, provided that each such area in that 116
municipal corporation has at least two of the characteristics 117
described in divisions (A) (1) (a) to (h) of section 5709.61 of 118
the Revised Code, pursuant to the rules adopted by the director 119
of development under division (A) (1) of that section. 120

(D) If, on or after December 30, 2008, but on or before 121
June 30, 2009, one or more municipal corporations and one or 122
more townships enter into a contract or amend an existing 123
contract under this section, one or more counties in which all 124
of those municipal corporations or townships are located also 125
may enter into the contract as a contracting party or parties. 126

(E) (1) The area or areas to be included in a joint 127
economic development district shall meet all of the following 128
criteria: 129

(a) The area or areas shall be located within the 130
territory of one or more of the contracting parties and may 131
consist of all of the territory of any or all of the contracting 132
parties. 133

(b) No electors, except those residing in a mixed-use development, shall reside within the area or areas on the effective date of the contract creating the district.

(c) The area or areas shall not include any parcel of land owned in fee by or leased to a municipal corporation or township, unless the municipal corporation or township is a contracting party or has given its consent to have the parcel of land included in the district by the adoption of an ordinance or resolution.

(d) The area or areas shall not include any parcel of land excluded pursuant to division (J) (2) of this section.

(2) The contracting parties may designate excluded parcels within the boundaries of the joint economic development district. Excluded parcels are not part of the district and persons employed or residing on such parcels shall not be subject to any income tax imposed within the district under division (F) (5) of this section.

(F) (1) The contract creating a joint economic development district shall provide for the amount or nature of the contribution of each contracting party to the development and operation of the district and may provide for the sharing of the costs of the operation of and improvements for the district. The contributions may be in any form to which the contracting parties agree and may include, but are not limited to, the provision of services, money, real or personal property, facilities, or equipment.

(2) The contract may provide for the contracting parties to share revenue from taxes levied by one or more of the contracting parties if those revenues may lawfully be applied to

that purpose under the legislation by which those taxes are 163
levied. 164

(3) The contract shall include an economic development 165
plan for the district that consists of a schedule for the 166
provision of new, expanded, or additional services, facilities, 167
or improvements. The contract may provide for expanded or 168
additional capacity for or other enhancement of existing 169
services, facilities, or improvements. 170

(4) The contract shall enumerate the specific powers, 171
duties, and functions of the board of directors of the district 172
described under division (P) of this section and shall designate 173
procedures consistent with that division for appointing members 174
to the board. The contract shall enumerate rules to govern the 175
board in carrying out its business under this section. 176

(5) (a) The contract may grant to the board the power to 177
adopt a resolution to levy an income tax within the entire 178
district or within portions of the district designated by the 179
contract. The income tax shall be used to carry out the economic 180
development plan for the district or the portion of the district 181
in which the tax is levied and for any other lawful purpose of 182
the contracting parties pursuant to the contract, including the 183
provision of utility services by one or more of the contracting 184
parties. 185

(b) An income tax levied under this section shall be based 186
on both the income earned by persons employed or residing within 187
the district and the net profit of businesses operating within 188
the district. 189

Except as provided in this section, the income tax levied 190
within the district is subject to Chapter 718. of the Revised 191

Code, except that no vote shall be required. The rate of the 192
income tax shall be no higher than the highest rate being levied 193
by a municipal corporation that is a contracting party. 194

(c) If the board adopts a resolution to levy an income 195
tax, it shall enter into an agreement with a municipal 196
corporation that is a contracting party to administer, collect, 197
and enforce the income tax on behalf of the district. 198

(d) A resolution levying an income tax under this section 199
shall require the contracting parties to annually set aside a 200
percentage, to be stated in the resolution, of the amount of the 201
income tax collected for the long-term maintenance of the 202
district. 203

(e) An income tax levied under this section shall apply in 204
the district or the portion of the district in which the 205
contract authorizes an income tax throughout the term of the 206
contract creating the district. The tax shall not apply to any 207
persons employed or residing on a parcel excluded from the 208
district under division (E) (2) of this section. 209

(6) If there is unincorporated territory in the district, 210
the contract shall specify that restrictions on annexation 211
proceedings under division (R) of this section apply to such 212
unincorporated territory. The contract may prohibit proceedings 213
under Chapter 709. of the Revised Code proposing the annexation 214
to, merger of, or consolidation with a municipal corporation 215
that is a contracting party of any unincorporated territory 216
within a township that is a contracting party during the term of 217
the contract regardless of whether that territory is located 218
within the district. 219

(7) The contract may designate property as a community 220

entertainment district, or may be amended to designate property 221
as a community entertainment district, as prescribed in division 222
(D) of section 4301.80 of the Revised Code. A contract or 223
amendment designating a community entertainment district shall 224
include all information and documentation described in divisions 225
(B) (1) to (6) of section 4301.80 of the Revised Code. The public 226
notice required under division (I) of this section shall specify 227
that the contract designates a community entertainment district 228
and describe the location of that district. Except as provided 229
in division (F) of section 4301.80 of the Revised Code, an area 230
designated as a community entertainment district under a joint 231
economic development district contract shall not lose its 232
designation even if the contract is canceled or terminated. 233

(8) If any part of the district is located either within 234
one-half of one mile of a non-contracting municipal corporation 235
or within an area covered by or subject to a water or sewer 236
service plan or agreement, the contract shall include all of the 237
following: 238

(a) A preliminary estimate of the costs of providing 239
public utility services, facilities, and improvements to the 240
district, prepared by a professional engineer; 241

(b) An analysis of the anticipated sources for funding the 242
costs of the public utilities infrastructure needed to serve the 243
district and a projection of when such funds will be available 244
and when such costs are likely to be incurred; 245

(c) Evidence or estimates indicating that the construction 246
of the public utility infrastructure needed to serve at least 247
some portion of the district will be completed within five years 248
after the creation of the district. 249

(G) The contract creating a joint economic development district shall continue in existence throughout its term and shall be binding on the contracting parties and on any parties succeeding to the contracting parties, whether by annexation, merger, or consolidation. Except as provided in division (H) of this section, the contract may be amended, renewed, or terminated with the approval of the contracting parties or any parties succeeding to the contracting parties. If the contract is amended to add or remove an area to or from an existing district, the amendment shall be adopted in the manner prescribed under division (L) of this section.

(H) If two or more contracting parties previously have entered into a separate contract for utility services, then amendment, renewal, or termination of the separate contract for utility services shall not constitute any part of the consideration for the contract creating a joint economic development district. A contract creating a joint economic development district shall be rebuttably presumed to violate this division if it is entered into within two years prior or five years subsequent to the amendment, renewal, or termination of a separate contract for utility services that two or more contracting parties previously have entered into. The presumption stated in this division may be rebutted by clear and convincing evidence of both of the following:

(1) That other substantial consideration existed to support the contract creating a joint economic development district;

(2) That the contracting parties entered into the contract creating a joint economic development district freely and without duress or coercion related to the amendment, renewal, or

termination of the separate contract for utility services. 280

A contract creating a joint economic development district 281
that violates this division is void and unenforceable. 282

(I) (1) Before the legislative authority of any of the 283
contracting parties adopts an ordinance or resolution approving 284
a contract to create a district, the legislative authority of 285
each of the contracting parties shall hold a public hearing 286
concerning the contract and district. Each legislative authority 287
shall provide at least thirty days' public notice of the time 288
and place of the public hearing in a newspaper of general 289
circulation in the municipal corporation, township, or county, 290
as applicable. During the thirty-day period prior to the public 291
hearing and until the date that an ordinance or resolution is 292
adopted under division (K) of this section to approve the joint 293
economic development district contract, all of the following 294
documents shall be available for public inspection in the office 295
of the clerk of the legislative authority of a municipal 296
corporation and county that is a contracting party and in the 297
office of the fiscal officer of a township that is a contracting 298
party: 299

(a) A copy of the contract creating the district, 300
including the economic development plan for the district and the 301
schedule for the provision of new, expanded, or additional 302
services, facilities, or improvements described in division (F) 303
(3) of this section; 304

(b) A description of the area or areas to be included in 305
the district, including a map in sufficient detail to denote the 306
specific boundaries of the area or areas and to indicate any 307
zoning restrictions applicable to the area or areas, and the 308
parcel number, provided for under section 319.28 of the Revised 309

Code, of any parcel located within the boundaries of the joint 310
economic development district and excluded from the district 311
under division (E) (2) of this section; 312

(c) If the contract authorizes the board of directors of 313
the district to adopt a resolution to levy an income tax within 314
the district or within portions of the district, a schedule for 315
the collection of the tax. 316

(2) At least thirty days before the first public hearing 317
is to be held by one or more legislative authorities on a 318
proposed district, notice shall be sent in writing to each non- 319
contracting municipal corporation that is located within one- 320
half of one mile of the proposed district or that is identified 321
in a water or sewer service plan or agreement as a future 322
provider of water or sewer services to all or part of the 323
proposed district. 324

(3) A public hearing held under this division shall allow 325
for public comment and recommendations on the contract and 326
district. The contracting parties may include in the contract 327
any of those recommendations prior to approval of the contract. 328

(J) (1) Before any of the contracting parties approves a 329
contract under division (K) of this section, the contracting 330
parties shall circulate one or more petitions to record owners 331
of real property located within the proposed joint economic 332
development district and owners of businesses operating within 333
the proposed district. The petitions shall state that all of the 334
documents described in divisions (I) (1) (a) to (c) of this 335
section are available for public inspection in the office of the 336
clerk of the legislative authority of each municipal corporation 337
and county that is a contracting party or the office of the 338
fiscal officer of each township that is a contracting party. The 339

petitions shall clearly indicate that, by signing the petition, 340
the record owner or owner consents to the proposed joint 341
economic development district. 342

A contracting party may send written notice of the 343
petitions by certified mail with return receipt requested to the 344
last known mailing addresses of any or all of the record owners 345
of real property located within the proposed district or the 346
owners of businesses operating within the proposed district. The 347
contracting parties shall equally share the costs of complying 348
with this division. 349

(2) If any portion of property located within the proposed 350
joint economic development district is also either located 351
within one-half of one mile of a non-contracting municipal 352
corporation or covered by or subject to a water or sewer service 353
plan or agreement under which a non-contracting municipal 354
corporation is identified as a future provider of water or sewer 355
services to all or part of the proposed district, then that 356
property and any property contiguous to that property if owned 357
by the same person shall be excluded from the joint economic 358
development district unless the owner of the property signs the 359
petition. 360

(K) (1) After the public hearings required under division 361
(I) of this section have been held and the petitions described 362
in division (J) of this section have been signed by the majority 363
of the record owners of real property located within the 364
proposed joint economic development district and by a majority 365
of the owners of businesses, if any, operating within the 366
proposed district, each contracting party may adopt an ordinance 367
or resolution approving the contract to create a joint economic 368
development district. Not later than ten days after all of the 369

contracting parties have adopted ordinances or resolutions 370
approving the district contract, each contracting party shall 371
give notice of the proposed district to all of the following: 372

(a) Each record owner of real property to be included in 373
the district and in the territory of that contracting party who 374
did not sign the petitions described in division (J) of this 375
section; 376

(b) An owner of each business operating within the 377
district and in the territory of that contracting party no owner 378
of which signed the petitions described in division (J) of this 379
section. 380

(2) Such notices shall be given by certified mail and 381
shall specify that the property or business is located within an 382
area to be included in the district and that all of the 383
documents described in divisions (I) (1) (a) to (c) of this 384
section are available for public inspection in the office of the 385
clerk of the legislative authority of each municipal corporation 386
and county that is a contracting party or the office of the 387
fiscal officer of each township that is a contracting party. The 388
contracting parties shall equally share the costs of complying 389
with division (K) of this section. 390

(L) (1) The contracting parties may amend the joint 391
economic development district contract to add any area that was 392
not originally included in the district if the area satisfies 393
the criteria prescribed under division (E) of this section. The 394
contracting parties may also amend the district contract to 395
remove any area originally included in the district or exclude 396
one or more parcels located within the district pursuant to 397
division (E) (2) of this section. 398

(2) An amendment adding an area to a district, removing an area from the district, or excluding one or more parcels from the district may be approved only by a resolution or ordinance adopted by each of the contracting parties. The contracting parties shall conduct public hearings on the amendment and provide notice in the manner required under division (I) of this section for original contracts. The contracting parties shall make available for public inspection a copy of the amendment, a description of the area to be added, removed, or excluded to or from the district, and a map of that area in sufficient detail to denote the specific boundaries of the area and to indicate any zoning restrictions applicable to the area.

(3) Before adopting a resolution or ordinance approving the addition of an area to the district, the contracting parties shall circulate petitions to the record owners of real property located within the proposed addition to the district and owners of businesses operating within the proposed addition to the district in the same manner required under division (J) of this section for original contracts. The contracting parties may notify such record owners of real property and owners of businesses that the petitions are available for signing in the same manner provided by that division. The contracting parties shall equally share the costs of complying with this division.

(4) The contracting parties to a joint economic development district may vote to approve an amendment to the district contract under this division after the public hearings required under division (L)(2) of this section are completed and, if the amendment adds an area or areas to the district, the petitions required under division (L)(3) of this section have been signed by the majority of record owners of real property located within the area or areas added to the district and by a

majority of the owners of businesses, if any, operating within 430
the proposed addition to the district. 431

(5) Not later than ten days after all of the contracting 432
parties have adopted ordinances or resolutions approving an 433
amendment adding one or more areas to the district, each 434
contracting party shall give notice of the addition to all of 435
the following: 436

(a) Each record owner of real property to be included in 437
the addition to the district and in the territory of that 438
contracting party who did not sign the petitions described in 439
division (L)(3) of this section; 440

(b) An owner of each business operating within the 441
addition to the district and in the territory of that 442
contracting party no owner of which signed the petitions 443
described in division (L)(3) of this section. 444

The contracting parties shall equally share the costs of 445
complying with division (L)(5) of this section. 446

(M)(1) Except as provided in division (M)(2) of this 447
section, the designation of a joint economic development 448
district is subject to elector approval in each contracting 449
party that is a township or, if none of the contracting parties 450
are townships, a municipal corporation within which all or part 451
of the territory of the district is located and that does not 452
levy an income tax in accordance with Chapter 718. of the 453
Revised Code at a rate exceeding one per cent. 454

(2) A board of township trustees that is a party to a 455
contract creating a joint economic development district of a 456
township or the legislative authority of a municipal corporation 457
described in division (M)(1) of this section may choose not to 458

submit its ordinance or resolution approving the joint economic 459
development district contract to the electors of the township or 460
municipal corporation, respectively, if all of the following 461
conditions are satisfied: 462

(a) The ordinance or resolution has been approved by a 463
unanimous vote of the members of the board ~~of township trustees~~ 464
or legislative authority, or, if a county is one of the 465
contracting parties under division (D) of this section, the 466
resolution has been approved by a majority vote of the members 467
of the board ~~of township trustees~~ or legislative authority; 468

(b) The contracting parties have circulated petitions as 469
required under division (J) of this section and obtained the 470
signatures required under division ~~(I)~~ (K) of this section; 471

(c) The territory to be included in the proposed district 472
is zoned in a manner appropriate to the function of the 473
district. 474

~~(2)~~ (3) If ~~the~~ a board of ~~township trustees~~ has of a 475
township or the legislative authority of a municipal corporation 476
described in division (M) (1) of this section chooses not invoked 477
to invoke its authority under division ~~(M) (1)~~ (M) (2) of this 478
section, or if the conditions described by that division are not 479
satisfied, the board or legislative authority, at least ninety 480
days before the date of the election, shall file its ordinance 481
or resolution approving the district contract with the board of 482
elections for submission to the electors of the township or 483
municipal corporation, respectively, for approval at the next 484
succeeding general, primary, or special election. 485

~~(3)~~ (4) Any contract creating a district in which a ~~board~~ 486
~~of township trustees~~ or municipal corporation described in 487

division (M) (1) of this section is a party shall provide that 488
the contract is not effective before the thirty-first day after 489
its approval, including approval by the electors of the township 490
or municipal corporation, if required by this section. 491

~~(4)~~ (5) If the a board of township trustees of a township 492
or the legislative authority of a municipal corporation 493
described in division (M) (1) of this section invokes its 494
authority under division ~~(M) (1)~~ (M) (2) of this section and does 495
not submit the district contract to the electors for approval, 496
the ordinance or resolution of the board of township trustees 497
approving the contract is subject to a referendum of the 498
electors of the township or municipal corporation when requested 499
through a petition. When signed by ten per cent of the number of 500
electors in the township or municipal corporation who voted for 501
the office of governor at the most recent general election, a 502
referendum petition asking that the ordinance or resolution be 503
submitted to the electors ~~of the township~~ may be presented to 504
the board of township trustees or the legislative authority of 505
the municipal corporation. Such a petition shall be presented 506
within thirty days after the board ~~of township trustees~~ or 507
legislative authority adopts the ordinance or resolution 508
approving the district contract. The board ~~of township trustees~~ 509
or legislative authority shall, not later than four p.m. of the 510
tenth day after receipt of the petition, certify the text of the 511
ordinance or resolution to the board of elections. The board of 512
elections shall submit the resolution to the electors of the 513
township or municipal corporation for their approval or 514
rejection at the next general, primary, or special election 515
occurring at least ninety days after certification of the 516
ordinance or resolution. 517

(N) The ballot respecting ~~a~~ an ordinance or resolution to 518

create a district or a referendum of such a resolution shall be 519
in the following form: 520

"Shall the ~~resolution~~ _____ (ordinance or resolution) 521
of _____ (here insert name of the ~~board of township~~ 522
~~trustees or municipal corporation~~) approving the contract with 523
..... _____ (here insert name of every other 524
contracting party) for the creation of a joint economic 525
development district (JEDD) be approved? 526

FOR THE ~~RESOLUTION AND~~ JEDD CONTRACT 527

AGAINST THE ~~RESOLUTION AND~~ JEDD CONTRACT" 528

If a majority of the electors of the township or municipal 529
corporation voting on the issue vote for the ~~resolution and~~ 530
joint economic development district contract, the ordinance or 531
resolution shall become effective immediately and the contract 532
shall go into effect on the thirty-first day after the election 533
or thereafter in accordance with terms of the contract. 534

(0) Upon the creation of a district under this section, 535
one of the contracting parties shall file a copy of each of the 536
following documents with the director of development: 537

(1) All of the documents described in divisions (I) (1) (a) 538
to (c) of this section; 539

(2) Certified copies of the ordinances and resolutions of 540
the contracting parties relating to the contract and district; 541

(3) Documentation from each contracting party that the 542
public hearings required by division (I) of this section have 543
been held, the date of the hearings, and evidence that notice of 544
the hearings was published as required by that division; 545

(4) A copy of the signed petitions required under 546

divisions (J) and (K) of this section. 547

(P) A board of directors shall govern each district 548
created under this section. 549

(1) If there are businesses operating and persons employed 550
within the district, the board shall be composed of the 551
following members: 552

(a) One member representing the municipal corporations 553
that are contracting parties; 554

(b) One member representing the townships that are 555
contracting parties, or, if no contracting party is a township, 556
a second member representing the municipal corporations that are 557
contracting parties; 558

(c) One member representing the owners of businesses 559
operating within the district; 560

(d) One member representing the persons employed within 561
the district; 562

(e) One member representing the counties that are 563
contracting parties, or, if no contracting party is a county, 564
one member selected by the members described in divisions (P) (1) 565
(a) to (d) of this section. 566

The members of the board shall be appointed as provided in 567
the district contract. Of the members initially appointed to the 568
board, the member described in division (P) (1) (a) of this 569
section shall serve a term of one year; the member described in 570
division (P) (1) (b) of this section shall serve a term of two 571
years; the member described in division (P) (1) (c) of this 572
section shall serve a term of three years; and the members 573
described in divisions (P) (1) (d) and (e) of this section shall 574

serve terms of four years. Thereafter, terms for each member 575
shall be for four years, each term ending on the same day of the 576
same month of the year as did the term that it succeeds. A 577
member may be reappointed to the board, but no member shall 578
serve more than two consecutive terms on the board. 579

The member described in division (P) (1) (e) of this section 580
shall serve as chairperson of the board described under division 581
(P) (1) of this section. 582

(2) If there are no businesses operating or persons 583
employed within the district, the board shall be composed of the 584
following members: 585

(a) One member representing the municipal corporations 586
that are contracting parties; 587

(b) One member representing the townships that are 588
contracting parties, or, if no contracting party is a township, 589
a second member representing the municipal corporations that are 590
contracting parties; 591

(c) One member representing the counties that are 592
contracting parties, or if no contracting party is a county, one 593
member selected by the members described in divisions (P) (2) (a) 594
and (b) of this section. 595

The members of the board shall be appointed as provided in 596
the district contract. Of the members initially appointed to the 597
board, the member described in division (P) (2) (a) of this 598
section shall serve a term of one year; the member described in 599
division (P) (2) (b) of this section shall serve a term of two 600
years; and the member described in division (P) (2) (c) of this 601
section shall serve a term of three years. Thereafter, terms for 602
each member shall be for four years, each term ending on the 603

same day of the same month of the year as did the term that it 604
succeeds. A member may be reappointed to the board, but no 605
member shall serve more than two consecutive terms on the board. 606

The member described in division (P) (2) (c) of this section 607
shall serve as chairperson of a board described under division 608
(P) (2) of this section. 609

(3) A board described under division (P) (1) or (2) of this 610
section has no powers except as described in this section and in 611
the contract creating the district. 612

(4) Membership on the board of directors of a joint 613
economic development district created under this section is not 614
the holding of a public office or employment within the meaning 615
of any section of the Revised Code prohibiting the holding of 616
other public office or employment. Membership on such a board is 617
not a direct or indirect interest in a contract or expenditure 618
of money by a municipal corporation, township, county, or other 619
political subdivision with which a member may be affiliated. 620
Notwithstanding any provision of law to the contrary, no member 621
of a board of directors of a joint economic development district 622
shall forfeit or be disqualified from holding any public office 623
or employment by reason of membership on the board. 624

(5) The board of directors of a joint economic development 625
district is a public body for the purposes of section 121.22 of 626
the Revised Code. Chapter 2744. of the Revised Code applies to 627
such a board and the district. 628

(Q) (1) On or before the date occurring six months after 629
the effective date of the district contract, an owner of a 630
business operating within the district may, on behalf of the 631
business and its employees, file a complaint with the court of 632

common pleas of the county in which the majority of the 633
territory of the district is located requesting exemption from 634
any income tax imposed by the board of directors of the district 635
under division (F) (5) of this section if all of the following 636
apply: 637

(a) The business operated within an unincorporated area of 638
the district before the effective date of the district contract; 639

(b) No owner of the business signed a petition described 640
in division (J) of this section; 641

(c) Neither the business nor its employees has derived or 642
will derive any material benefit from the new, expanded, or 643
additional services, facilities, or improvements described in 644
the economic development plan for the district, or the material 645
benefit that has, or will be, derived is negligible in 646
comparison to the income tax revenue generated from the net 647
profits of the business and the income of employees of the 648
business. 649

The legislative authority of each contracting party shall 650
be made a party to the proceedings and the business owner filing 651
the complaint shall serve notice of the complaint by certified 652
mail to each such contracting party. The court shall not accept 653
any complaint filed more than six months after the effective 654
date of the district contract. 655

(2) Any or all of the contracting parties may submit a 656
written answer to the complaint submitted under division (Q) (1) 657
of this section to the court within thirty days after notice of 658
the complaint was served upon them. Such a contracting party 659
shall submit to the court, along with the answer, documentation 660
sufficient to prove that the contracting party sent copies of 661

the answer to the owner of the business who filed the complaint. 662

(3) The court shall review each complaint submitted by a 663
business owner under division (Q) (1) of this section and each 664
answer submitted by a contracting party under division (Q) (2) of 665
this section. The court may make a determination on the record 666
and the evidence thus submitted, or it may conduct a hearing and 667
request the presence of the business owner and the contracting 668
parties to present evidence relevant to the complaint. The court 669
shall make a determination on the complaint not sooner than 670
thirty days but not later than sixty days after the complaint is 671
filed by the business owner. The court may make a determination 672
more than sixty days after the complaint is filed if the 673
business owner and all contracting parties to the district 674
consent. 675

(4) The court shall grant the exemption requested in the 676
complaint if all of the criteria described in divisions (Q) (1) 677
(a) to (c) of this section are met. 678

(5) If all the criteria described in divisions (Q) (1) (a) 679
to (c) of this section are not met, the court shall deny the 680
complaint and the exemption. 681

(6) The court shall send notice of the determination with 682
respect to the complaint to the owner of the business and each 683
contracting party. If the court grants the exemption, the net 684
profits of the business from operations within the district and 685
the income of its employees from employment within the district 686
are exempt from any income tax imposed by the board of directors 687
of the district. If the court denies the exemption, the net 688
profits of the business and the income of its employees shall be 689
taxed according to the terms of the district contract and any 690
taxes, penalties, and interest accrued before the date of the 691

court's determination shall be paid in full. In addition, no 692
owner of the business may submit another complaint under 693
division (Q) (1) of this section for the same district contract. 694
The court's determination on a complaint filed under division 695
(Q) of this section is final. 696

(7) Chapter 2506. of the Revised Code does not apply to 697
the proceedings described in division (Q) of this section. 698

(R) (1) No proceeding pursuant to Chapter 709. of the 699
Revised Code that proposes the annexation to, merger of, or 700
consolidation with a municipal corporation of any unincorporated 701
territory within a joint economic development district may be 702
commenced at any time between the effective date of the contract 703
creating the district and the date the contract expires, 704
terminates, or is otherwise rendered unenforceable. This 705
division does not apply if each board of township trustees whose 706
territory is included within the district and whose territory is 707
proposed to be annexed, merged, or consolidated adopts a 708
resolution consenting to the commencement of the proceeding. 709
Each such board of township trustees shall file a copy of the 710
resolution with the clerk of the legislative authority of each 711
county within which a contracting party is located. 712

(2) The contract creating a joint economic development 713
district may prohibit any annexation proceeding by a contracting 714
municipal corporation of any unincorporated territory within the 715
district or zone beyond the period described in division (R) (1) 716
of this section. 717

(3) No contracting party is divested or relieved of its 718
rights or obligations under the contract creating a joint 719
economic development district because of annexation, merger, or 720
consolidation. 721

(S) Contracting parties may enter into agreements pursuant 722
to the contract creating a joint economic development district 723
with respect to the substance and administration of zoning and 724
other land use regulations, building codes, permanent public 725
improvements, and other regulatory and proprietary matters 726
determined to be for a public purpose. No contract, however, 727
shall exempt the territory within the district from the 728
procedures of land use regulation applicable pursuant to 729
municipal corporation, township, and county regulations, 730
including, but not limited to, zoning procedures. 731

(T) The powers granted under this section are in addition 732
to and not in the derogation of all other powers possessed by or 733
granted to municipal corporations, townships, and counties 734
pursuant to law. 735

(1) When exercising a power or performing a function or 736
duty under a contract entered into under this section, a 737
municipal corporation may exercise all the powers of a municipal 738
corporation, and may perform all the functions and duties of a 739
municipal corporation, within the district, pursuant to and to 740
the extent consistent with the contract. 741

(2) When exercising a power or performing a function or 742
duty under a contract entered into under division (D) of this 743
section, a county may exercise all of the powers of a county, 744
and may perform all the functions and duties of a county, within 745
the district pursuant to and to the extent consistent with the 746
contract. 747

(3) When exercising a power or performing a function or 748
duty under a contract entered into under this section, a 749
township may exercise all the powers of a township, and may 750
perform all the functions and duties of a township, within the 751

district, pursuant to and to the extent consistent with the 752
contract. 753

(U) No political subdivision shall grant any tax exemption 754
under Chapter 1728. or section 3735.67, 5709.62, 5709.63, or 755
5709.632 of the Revised Code on any property located within the 756
district without the consent of all the contracting parties. The 757
prohibition against granting a tax exemption under this section 758
does not apply to any exemption filed, pending, or approved 759
before the effective date of the contract entered into under 760
this section. 761

Section 2. That existing section 715.72 of the Revised 762
Code is hereby repealed. 763