

Reviewed As To Form By
Legislative Service Commission

17-191

I_132_0259-5

132nd General Assembly
Regular Session
2017-2018

. B. No.

A BILL

To enact section 122.15 of the Revised Code to
 require the Director of Development Services to
 establish the Abandoned Property Cleanup and
 Residential Structure Renovation program to
 award grants to county land reutilization
 corporations for the assessment, demolition, and
 remediation of certain qualifying abandoned
 property and renovation of residential property,
 and to make an appropriation.

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

Section 1. That section 122.15 of the Revised Code be
 enacted to read as follows:

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Sec. 122.15. (A) As used in this section:

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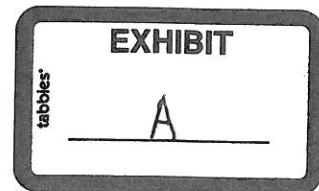
(1) "County land reutilization corporation" has the same
 meaning as in section 1724.041 of the Revised Code.

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(2) "Electing subdivision" has the same meaning as in
 section 5722.01 of the Revised Code.

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(3) "Assessment" means a property assessment conducted in accordance with section 3746.04 of the Revised Code or a corrective action process or source investigation process conducted in accordance with section 3737.88 or 3737.882 of the Revised Code.

(4) "Remediation" means any action to contain, remove, or dispose of hazardous substances or remove underground storage tanks used to store petroleum or other hazardous substances.

(5) "Demolition" means any action related to tearing down and disposing of buildings, equipment, and other man-made structures.

(6) "Renovation" means the repair, reconstruction, renovation, rehabilitation, or improvement of dwellings and other residential buildings or structures.

(7) "Commercial and industrial property" means a building, structure, or parcel of land classified as to use for tax purposes as commercial or industrial.

(8) "Multiple-unit residential property" means a building or structure and the surrounding parcel of land classified as to use for tax purposes as residential and which is comprised of or is intended to contain five or more family dwelling units.

(9) "Mixed-use property" means a building, structure, or parcel of land that is intended for use in some combination of residential and commercial functions.

(10) "Conventional residential property" means a single-family dwelling or a building or structure that is comprised of or is intended to contain four or fewer family dwelling units, including the surrounding parcel of land, that is classified as to use for tax purposes as residential.

(11) "School property" means a building, structure, or 46
parcel of land that has been used by a city, local, exempted 47
village, cooperative education, or joint vocational school 48
district or an institution of higher education, as defined in 49
section 3334.01 of the Revised Code, for instructional, 50
operational, or other related purposes. 51

(12) "Abandoned" when used in reference to commercial and 52
industrial property, multiple-unit residential property, mixed- 53
use property, or school property means that the property meets 54
one or more of the following criteria, as applicable: 55

(a) For commercial and industrial property, no trade or 56
business is actively being conducted on the property by the 57
owner, a tenant, or another party occupying the property 58
pursuant to a lease or other legal authority and there are no 59
signs of a change in tenancy or that the property is undergoing 60
improvements, as indicated by an application for a building 61
permit or other factors. 62

(b) For multiple-unit residential property, no person 63
physically inhabits the property and there are no signs of a 64
change in ownership or tenancy or that the property is 65
undergoing improvements, as indicated by an application for a 66
building permit or other factors. 67

(c) For any such property, manual inspection of the 68
property by a county, municipal corporation, or township in 69
which it is located or by a county land reutilization 70
corporation reveals substantial indications that the property is 71
vacant and insecure. Such indications may include vandalism and 72
buildings or structures that have been boarded up or otherwise 73
sealed in response to trespass and vandalism. 74

(d) For any such property, no utility connections such as 75
water, sewer, natural gas, or electric currently service the 76
property. 77

(e) For mixed-use property, both divisions (A)(12)(a) and 78
(b) of this section apply. 79

(B) For the purposes of addressing property conditions 80
that may be harmful to the environment or deleterious to public 81
health, encouraging the safe and productive reuse of abandoned 82
commercial and industrial property, abandoned school property, 83
abandoned multiple-unit residential property, and abandoned 84
mixed-use property, and facilitating the renovation of 85
conventional residential property, the director of development 86
services shall establish an abandoned property cleanup and 87
residential structure renovation program under which the 88
director may make grants to county land reutilization 89
corporations and local governments to assist in the assessment, 90
demolition, and remediation of abandoned commercial and 91
industrial property, abandoned school property, abandoned 92
multiple-unit residential property, and abandoned mixed-use 93
property in this state and the renovation of conventional 94
residential property in this state. Sections 122.65 to 122.658 95
of the Revised Code do not apply to the abandoned property 96
cleanup and residential structure renovation program. 97

(C) The director shall adopt rules in accordance with 98
Chapter 119. of the Revised Code that are necessary for the 99
administration of the abandoned property cleanup and residential 100
structure renovation program. The rules shall establish at least 101
all of the following: 102

(1) An application form and procedures governing the 103
application process for receiving a grant under the program; 104

(2) A procedure for prioritizing the award of grants under the program. The procedure shall give preference to projects that will eliminate blight and promote the assemblage, redevelopment, or expansion of existing development on or around the project site. The procedure shall require a distribution of awards throughout the state that is diverse in terms of geographic location and in terms of urban, suburban, and rural areas. 105
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(3) A requirement that, if the grant is for the assessment, demolition, or remediation of commercial and industrial property, school property, multiple-unit residential property, or mixed-use property, the property must be abandoned and at least one of the following must apply: 113
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(a) The property is owned or may imminently be acquired by a county land reutilization corporation or an electing subdivision; 118
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(b) The property is subject to a local action by a township under section 505.86 of the Revised Code or by a municipal corporation under section 715.26 or 715.261 of the Revised Code or under a municipal ordinance for the removal or demolition of buildings or structures due to insecure, unsafe, or structurally defective conditions; 121
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(c) The property has been ordered forfeited to the state under section 5723.01 of the Revised Code and has not been redeemed by the former owner under section 5723.03 of the Revised Code or sold or transferred under section 5723.04 of the Revised Code. 127
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(4) A requirement that the maximum grant awarded for any one project be one million dollars; 132
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(5) A requirement that grant recipients devote matching funds to the project for all amounts exceeding seventy-five thousand dollars. Matching funds may consist of contributions of money by any person, any local government, or the federal government or of contributions in-kind by such entities through the purchase or donation of equipment, land, easements, interest in land, labor, technical expertise, or materials necessary to complete the project. 134
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(6) A requirement that grant recipients periodically report to the director on the use of the funds provided, the status of the assessment, demolition, remediation, or renovation project, and the potential economic impact of the project upon its completion; 142
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(7) Any other criteria, procedures, or guidelines that the director determines are necessary to administer the program consistent with this section. 147
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(D) The director may consult with the environmental protection agency, the state fire marshal, the Ohio water development authority, and the Ohio public works commission in connection with administering and awarding grants under the abandoned property cleanup and residential structure renovation program. 150
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(E) There is hereby created in the state treasury the abandoned property cleanup and residential structure renovation fund. The fund shall consist of money that is appropriated to it by the general assembly. Money in the fund shall be used to make grants under the program and by the director in the administration of that program. 156
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Section 2. All items in this section are hereby 162

appropriated as designated out of any moneys in the state 163
treasury to the credit of the designated fund. For all 164
appropriations made in this act, those in the first column are 165
for fiscal year 2018 and those in the second column are for 166
fiscal year 2019. The appropriations made in this act are in 167
addition to any other appropriations made for the FY 2018-FY 168
2019 biennium. 169

DEV DEVELOPMENT SERVICES AGENCY 170

Dedicated Purpose Fund Group 171

5XXX 195XXX Cleanup and \$25,000,000 \$25,000,000 172
Renovation Grants 173

TOTAL DPF Dedicated Purpose Fund Group \$25,000,000 \$25,000,000 174

TOTAL ALL BUDGET FUND GROUPS \$25,000,000 \$25,000,000 175

CLEANUP AND RENOVATION GRANTS 176

The foregoing appropriation item 195XXX, Cleanup and 177
Renovation Grants, shall be used for the Abandoned Property 178
Cleanup and Residential Structure Renovation Program as 179
described in section 122.15 of the Revised Code. 180

In each fiscal year of the biennium ending June 30, 2019, 181
the Director of Budget and Management shall transfer \$25,000,000 182
cash from the GRF to the Abandoned Property Cleanup and 183
Residential Structure Renovation Fund (Fund 5XXX). 184

Section 3. Within the limits set forth in this act, the 185
Director of Budget and Management shall establish accounts 186
indicating the source and amount of funds for each appropriation 187
made in this act, and shall determine the form and manner in 188
which appropriation accounts shall be maintained. Expenditures 189
from appropriations contained in this act shall be accounted for 190

as though made in the main operating appropriations act of the 132nd General Assembly. 191
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The appropriations made in this act are subject to all 193
provisions of the main operating appropriations act of the 132nd 194
General Assembly that are generally applicable to such 195
appropriations. 196

SUPPORT THE BUDGET AMENDMENT CREATING A PROGRAM TO ADDRESS THE PROBLEMS ASSOCIATED WITH ABANDONED AND BLIGHTED COMMERCIAL AND INDUSTRIAL PROPERTY

The problems associated with abandoned and blighted commercial and industrial properties in Ohio are significant. Left unattended for years, these properties have become health and safety liabilities for communities throughout the state and serve to detract from neighboring property values. Many of these structures are situated in commercially viable locations but, literally, stand in the way of new commercial development. This problem plagues urban, suburban, and rural areas of the state, littering our communities with eyesores, and deterring investment in these areas. Ohio communities are not prepared or financed to address the problems associated with these abandoned commercial and industrial properties. This dearth of funds has been exacerbated by the reduction, in recent years, of state monies allocated toward Brownfield remediation. The impact of these properties will only continue to spread unless abated.

The Amendment to the budget, introduced by Mark Romanchuk, creates a program designed to address this enormous problem. The Abandoned Property Cleanup and Residential Structure Renovation Program establishes and funds a program that will be administered by the Director of the Development Services Agency. The specific purpose of the fund is to provide state grants to communities for purposes of assessing, demolishing, and remediating abandoned commercial and industrial properties. Funds would also be made available for residential rehabilitation. The amendment calls upon the Director to adopt rules to administer the program, that will include establishing an application process, and giving preference to projects that eliminate blight, or promote redevelopment in and around the structures. The rules will also insure diverse distribution to projects in urban, suburban and rural areas of Ohio. The maximum grant award, under the amendment, would stand at 1 million dollars. Any grant in excess of \$75,000 would require matching funds from the community.