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H.B. 481*
133rd General Assembly

Bill Analysis

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Version: As Reported by Senate General Government and Agency Review

Primary Sponsor: Rep. Fraizer

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SUMMARY

- Authorizes the sale and conveyance of 23 pieces of state-owned real estate by various methods.
- Authorizes three easements on state-owned real estate.

DETAILED ANALYSIS

Real estate conveyances

The bill authorizes 26 public land conveyances; 23 are outright sales, and three grant easements.¹ The legal descriptions of the property to be conveyed are in the bill, and the bill permits the Director of Administrative Services (Director of DAS) to adjust the legal descriptions if corrections or modifications are needed.² Basic information about, and unique aspects of, each conveyance are included on pages five through eleven of this analysis.

Manner of conveyance

To carry out a conveyance under the bill, the Auditor of State, with the assistance of the Attorney General, prepares a deed. Deeds for outright sales are executed by the Governor in the name of the state, countersigned by the Secretary of State, sealed with the Great Seal of the State, presented in the Office of the Auditor of State for recording, and delivered to the

* This analysis was prepared before the report of the Senate General Government and Agency Review Committee appeared in the Senate Journal. Note that the legislative history may be incomplete.

¹ Sections 3(A), 15(A), and 24(A).

² Sections 1 through 26.

grantee.³ Documents granting only easements are executed by the Director of Administrative Services and need not be countersigned by the Secretary of State.⁴

Conditions

The 23 outright sales all include three standard conditions, though some contain additional conditions discussed in the table at the end of this document. The standard conditions are:

- The conveyances include improvements and chattels (personal property) on the conveyed property, and are subject to all easements, covenants, conditions, and restrictions of record; all legal highways and public rights-of-way; zoning, building, and other laws, ordinances, restrictions, and regulations; and real estate taxes and assessments not yet due and payable, and the property is to be conveyed in an “as-is, where-is, with all faults” condition.
- The deeds conveying the property may contain restrictions, exceptions, reservations, reversionary interests, and other terms and conditions the Director of DAS (and in some cases, the grantor agency) determines to be in the best interest of the state.
- After the conveyances, any deed restrictions may be waived by the state without further legislation.⁵

Of the 23 outright sales, 15 are required to be transferred as single tracts⁶ and eight may be transferred as single tracts or as multiple parcels.⁷

The three conveyances that only grant easements have fewer conditions. Two only require that the easements state the obligations of, and duties to be observed and performed by, the grantees. The third, which is for a sewer line, contains the same condition with an additional requirement that the grantee assume perpetual responsibility for that sewer line.⁸

Grantees and consideration

Depending on the conveyance in question, the bill may or may not identify the specific grantee and consideration (price) involved in the conveyance. Of the 23 outright sales, the grantee and the consideration are identified in the bill for seven.⁹ For eight, the grantee and

³ Sections 1, 2, 4 through 14, 16 through 23, 25 and 26.

⁴ Sections 3, 15, and 24.

⁵ Sections 1(B), 2(B), 4(B), 5(B), 6(B), 7(B), 8(B), 9(B), 10(B), 11(B), 12(B), 13(B), 14(B), 16(B), 17(B), 18(B), 19(B), 20(B), 21(B), 22(B), 23(B), 25(B) and 26(B).

⁶ Sections 1(D), 2(D), 4(D), 5(D), 6(D), 7(D), 8(D), 9(D), 10(D), 11(D), 12(D), 18(D), 20(D), 22(D), and 23(E).

⁷ Sections 13(D), 14(D), 16(D), 17(D), 19(D) 21(D), 25(D) and 26(D).

⁸ Sections 3(B), 15(B), and 24(B).

⁹ Sections 6(A) and (C), 11(A) and (C), 12(A) and (C), 17(A) and (C), 18(A) and (C), 21(A) and (C), and 23(A) and (C).

consideration are to be determined at auction, with provision made for selecting alternate purchasers if the auction winner defaults or if all bids are rejected.¹⁰ The grantee and consideration are to be determined by some other means for four of the outright sales¹¹ and, for another four, the grantee is identified but the consideration is to be determined.¹²

In the three conveyances that grant easements, the grantees are identified and consideration for each is \$1.¹³

Use of proceeds

The bill designates where the proceeds from 22 of the 23 outright sales must be allocated.¹⁴ It does not do so, however, for the three conveyances that grant easement and one sale.¹⁵

Conveyance costs

The bill treats costs associated with the conveyances in various ways. For 19 of the conveyances that will involve outright sales, the purchaser must pay all costs associated with the purchase, closing, and conveyance, including surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.¹⁶ Of the remaining four outright sales, the purchase agreement for three will assign costs as negotiated¹⁷ and one specifically divides different costs among the parties.¹⁸

The bill's authorization for 16 of the outright sales also make provision for advertising costs incurred before the sales. Those are often addressed where the sale is to be by auction or to account for the potential of alternate purchasers. For 14 of those conveyances, the selling agency must pay any advertising and other costs incident to the sale.¹⁹ For two, advertising costs are to be paid based on terms agreed upon in the purchase agreement.²⁰

¹⁰ Sections 1(C), 5(C), 9(C), 16(C), 19(C), 20(C), 21(C), and 26(C).

¹¹ Sections 8(C), 13(C), 14(C), and 25(C).

¹² Sections 2(C), 4(C), 7(C), and 10(C).

¹³ Sections 3(A) and (C), 15(A) and (C), and 24(A) and (C).

¹⁴ Sections 1(E), 2(E), 4(E), 5(E), 6(E), 7(E), 8(E), 9(E), 10(E), 11(E), 13(E), 14(E), 16(E), 17(E), 18(E), 19(E), 20(E), 21(E), 22(F), 23(G), 25(F), and 26(E).

¹⁵ Sections 3, 12, 15, and 24.

¹⁶ Sections 1(E), 2(E), 4(E), 5(E), 6(E), 7(E), 8(E), 9(E), 10(E), 11(E), 12(E), 16(E), 17(E), 18(E), 19(E), 20(E), 22(E), 23(F), and 26(E).

¹⁷ Sections 13(E), 14(E), and 25(E).

¹⁸ Section 21(E).

¹⁹ Sections 1(C), 2(C), 5(C), 6(C), 7(C), 8(C), 9(C), 16(C), 19(C), 20(C), 21(C), 22(C) 23(D), and 26(C).

²⁰ Sections 13(C) and 14(C).

For the three conveyances that grant easements, the grantees must pay recording costs.²¹

Duration of authority

The bill's authorization for each conveyance expires three years after its effective date.²²

Basic information about, and unique aspects of, each conveyance are included on pages five through eleven of this analysis.

²¹ Sections 3(D), 15(D), and 24(E).

²² Sections 1 through 26.

Conveyance details

Grantee	Location of property	Consideration	Acreage*	Unique conveyance conditions
To be determined (TBD) at auction <i>(Section 1)</i>	Marion County Pleasant Township	TBD at auction	4.067	<p>The real estate must be sold subject to a perpetual easement contained in the legal description.</p> <p>The deed may contain restrictions prohibiting the use or sale of the land that will interfere with the quiet enjoyment of neighboring state-owned land.</p> <p>The property may only be conveyed if the Director of Administrative Services (Director of DAS) and the Director of the Broadcast Education Media Commission determine that it is surplus real property and the conveyance is in the state's best interest.</p> <p>Proceeds of the sale are to be deposited into the Broadcast Educational Media Commission's Affiliate Services Fund.</p>
The Greater Dayton Public Television, Inc. <i>(Section 2)</i>	Montgomery County City of Moraine	TBD by the parties	16.141	<p>The deed must contain a restriction granting the state a right to repurchase the property should the grantee ever choose to sell.</p> <p>Proceeds of the sale are to be deposited into the Broadcast Educational Media Commission's Affiliate Services Fund.</p>
Midtown Inspirion, LLC <i>(Section 3)</i>	Cuyahoga County City of Cleveland	\$1	0.1662 (per DAS)	<p>The perpetual easement must state the obligations of, and the duties to be observed and performed by the grantee.</p>

* Unless otherwise indicated, acreage was determined from the legal description included in the bill.

Grantee	Location of property	Consideration	Acreage *	Unique conveyance conditions
Martin R. Knapke <i>(Section 4)</i>	Mercer County Liberty Township	TBD by the parties	3.7704	Proceeds of the sale are to be deposited into the General Revenue Fund.
TBD at auction <i>(Section 5)</i>	Montgomery County City of Dayton	TBD at auction	8.988	The deed may contain restrictions prohibiting the use or sale of the land that will interfere with the quiet enjoyment of neighboring state-owned land. The property may only be conveyed if the Director of DAS and the Director of Mental Health and Addiction Services determine that it is surplus real property and the conveyance is in the state's best interest. Proceeds of the sale are to be deposited into the Department of Mental Health and Addiction Services Trust Fund.
Board of County Commissioners of Gallia County, Ohio <i>(Section 6)</i>	Gallia County Green Township	\$1	4.2063	The Governor's Deed must contain a right of first refusal, at the purchase price set in the bill, for the State to repurchase the property before the grantee may transfer it to any other party. Proceeds of the sale are to be deposited into the Mental Health Facilities Improvement Fund or another fund designated by the Director of Budget and Management.
The Guernsey County Community Development Corporation <i>(Section 7)</i>	Guernsey County Cambridge Township	TBD by the parties	0.22 (per the bill), 0.5 (per DAS)	The Governor's Deed must contain a right of first refusal, at the purchase price set in the bill, for the state to repurchase the property before the grantee may transfer it to any other party.

Grantee	Location of property	Consideration	Acreage *	Unique conveyance conditions
				Proceeds of the sale are to be deposited into the Mental Health Facilities Improvement Fund or another fund designated by the Director of Budget and Management.
TBD <i>(Section 8)</i>	Gallia County City of Gallipolis	TBD by the parties	10.010	The Governor's Deed must contain a right of first refusal, at the purchase price set in the bill, for the state to repurchase the property before the grantee may transfer it to any other party. Proceeds of the sale are to be deposited into the General Revenue Fund.
TBD at auction <i>(Section 9)</i>	Stark County City of Massillon	TBD at auction	10.66 (per the bill), 10.0 (per DAS)	The Governor's Deed may contain restrictions prohibiting the grantee or grantees from occupying, using, or developing, or from selling, the real estate such that the use or alienation will interfere with the quiet enjoyment of neighboring state-owned land. Proceeds of the sale are to be deposited into the Public Safety – Highway Purposes Fund.
Ohio Power Company or its affiliates <i>(Section 10)</i>	Ross County City of Chillicothe	TBD	8.3 (per the bill); 8.0 (per DAS)	As part of the conveyance, DAS will grant American Electric Power a perpetual easement to provide access to the property conveyed. Proceeds of the sale are to be deposited into the Adult and Juvenile Correctional Facilities Bond Retirement Fund.
The Columbus Partnership <i>(Section 11)</i>	Franklin County City of Columbus	\$3,000,000	1.171	Proceeds of the sale are to be deposited into the Unemployment Compensation Special Administrative Fund.

Grantee	Location of property	Consideration	Acreage *	Unique conveyance conditions
CK properties, Ltd. (Section 12)	Summit County City of Twinsburg	\$1	3.605	
TBD (Section 13)	Franklin County City of Gahanna	TBD by the parties	4.519 (per DAS)	Responsibility for advertising costs is to be assigned by the purchase agreement. Proceeds of the sale are to be deposited into university accounts for purposes to be determined by the Board of Trustees of the Ohio State University.
TBD (Section 14)	Richland County City of Mansfield	TBD by the parties	29.822	Responsibility for advertising costs is to be assigned by the purchase agreement. Proceeds of the sale are to be deposited into university accounts for purposes to be determined by the Board of Trustees of the Ohio State University.
City of Columbus (Section 15)	Franklin County City of Columbus	\$1	0.067 (easement only)	
TBD at auction (Section 16)	Guernsey County City of Cambridge	TBD at auction	0.683	The deed may contain restrictions prohibiting the use or sale of the land that will interfere with the quiet enjoyment of neighboring state-owned land. The property may only be conveyed if the Director of DAS and the Director of the Ohio University Board of Trustees determine that it is surplus real property and the conveyance is in the state's best interest.

Grantee	Location of property	Consideration	Acreage *	Unique conveyance conditions
				Proceeds of the sale are to be deposited into the appropriate Ohio University accounts for the benefit of the university.
Athens County Public Libraries <i>(Section 17)</i>	Athens County City of Athens	\$1	4.344	The Governor's Deed must contain a reversionary clause that provides that if grantee, or any successor in interest, should ever not utilize the subject real property for library purposes, then the grantee's interest or that of its successor in interest, immediately reverts to grantor upon written notice from grantor to grantee, or its successor. The reversion takes place by operation of law without the need for any further action by grantor. Proceeds of the sale are to be deposited into the General Revenue Fund.
Lawrence County Port Authority <i>(Section 18)</i>	Lawrence County Village of Hanging Rock	\$219,000 (note, a typo in the bill places an extra comma after the price)	8.261 (per DAS)	Proceeds of the sale are to be deposited into the appropriate Ohio University accounts for the benefit of the university.
TBD by sealed bid auction <i>(Section 19)</i>	Athens County City of Athens	TBD at auction	0.079 (per DAS)	The deed must contain restrictions prohibiting the use or sale of the land that will interfere with the quiet enjoyment of neighboring state-owned land. The property may only be conveyed if the Director of DAS and the President and Board of Trustees of Ohio University determine that it is surplus real property and the conveyance is in the state's best interest.

Grantee	Location of property	Consideration	Acreage *	Unique conveyance conditions
TBD by sealed bid auction (Section 20)	Scioto County City of Portsmouth	TBD at auction	1.6353 (per DAS)	The property may only be conveyed if the Director of DAS and the Shawnee State University Board of Trustees determine that it is surplus real property no longer needed by the state and that the conveyance is in the state's best interest. Proceeds of the sale are to be deposited into Shawnee State University accounts for the benefit of the university.
City of Akron (Section 21)	Summit County City of Akron	\$1	3.1960	Proceeds of the sale are to be deposited into University of Akron accounts for purposes to be determined by the university Board of Trustees.
TBD by sealed bid auction (Section 22)	Summit County City of Akron	TBD at auction	0.766 (per DAS)	Proceeds of the sale are to be deposited into University of Akron accounts for purposes to be determined by the university Board of Trustees.
Lone Star Alumni Association (Section 23)	Summit County City of Akron	Land swap	0.40	Proceeds of the sale are to be deposited into University of Akron accounts for purposes to be determined by the university Board of Trustees.
GCOH Owner LLC (Section 24)	Hamilton County City of Cincinnati	\$1	0.140 (easement only)	
TBD (Section 25)	Lucas County City of Toledo	TBD by the parties	169.404 (per DAS)	Proceeds of the sale are to be deposited into University of Toledo accounts for purposes to be determined by the university Board of Trustees.

Grantee	Location of property	Consideration	Acreage *	Unique conveyance conditions
TBD by sealed bid auction <i>(Section 26)</i>	Erie County City of Sandusky	TBD at auction	4.0 (per DAS)	The deed may contain restrictions prohibiting the use or sale of the land that will interfere with the quiet enjoyment of neighboring state-owned land. The property may only be conveyed if the Director of DAS and the Director of Veterans Services determine that it is surplus real property and the conveyance is in the state's best interest.

HISTORY

Action	Date
Introduced	01-27-20
Reported, House State & Local Gov't	05-06-20
Passed House (92-3)	05-20-20
Reported, S. General Gov't & Agency Review	---