



Ohio Legislative Service Commission

Bill Analysis

Alyssa Bethel and Wendy H. Gridley

H.B. 509

131st General Assembly
(As Introduced)

Reps. Scherer, Becker, Brenner, Grossman, Perales, Rogers, Ruhl

BILL SUMMARY

- Allows the electors of a village to petition the board of elections, as an alternative to the legislative authority, for the dissolution of the village.¹
- Includes the Auditor of State among other officers who are to receive and record, in their respective offices, the certified election results on the question of the surrender of corporate powers; and designates the recording by the county recorder as the time when the village corporate powers cease and the village is dissolved.
- Decreases, from 40% to 30%, the portion of electors in a village that is sufficient to petition the legislative authority or board of elections for the dissolution of the village.
- Provides for the timely transfer of village property and services upon the dissolution of the village.
- Allows the village and affected townships to enter into agreements concerning the transfer of real and personal property other than electric, water and sewer utility property.
- Provides that if such agreements are not entered into within 60 days after dissolution, title to real and personal property vests by operation of law in the affected townships.

¹ The statutes refer to this as a "surrender of corporate powers," but it is commonly known and referred to as a dissolution of a village.

- Requires the Auditor of State to perform and complete an audit or agreed-upon procedures before transferring any cash balances to a township or utility service provider following the village dissolution.
- Requires the county recorder to make appropriate notations and recordings in the county records to reflect the transfer of the village's interest in real property in accordance with the recorded agreements or, if there are no agreements, in accordance with the current statutory default to the affected townships.
- Requires that any agreements regarding the transfer of real property, any supporting affidavits, and the certificate of dissolution or a certified copy of it be recorded in the same manner as a deed of conveyance.
- Exempts the affected township or townships from any filing fees of the county recorder for filing documents related to the dissolution.
- Requires electric, water and sewer utility property to be transferred by agreement entered into by the village and the entity that will be taking over the provision of utility services.
- Requires the provision of utility services to be uninterrupted during the transition period following the dissolution of the village.
- Requires the Auditor of State to assist in facilitating a timely and systematic manner for complying with the provision of law providing for the transfer of village property when a village is dissolved.
- Modifies the deadline to file a county charter petition with the board of county commissioners.

CONTENT AND OPERATION

Petition to the board of elections

The bill provides an alternative means for submitting a petition for dissolution (surrender of corporate powers) to the legislative authority when the legislative authority fails to act upon the petition currently provided for within 30 days after the receipt of the petition. Under the bill, the electors alternatively may present the petition to the board of elections to determine the validity and sufficiency of the signatures. If the petition is sufficient, the board of elections will submit the question of surrendering corporate powers to the electors at the next general or special election in any year, occurring after the period ending 90 days after filing the petition with the board of elections. If the result is in favor of the surrender, the board of elections must certify the

results to the Secretary of State and the county recorder as is currently required, along with the Auditor of State as required under the bill. The bill provides that the corporate powers of the village cease upon the recording in the county recorder's office.²

Percentage of electors

The bill decreases, from 40% under current law to 30% under the bill, the portion of electors in a village that is sufficient to petition the legislative authority or board of elections for the dissolution of the village. 30% of the number of electors voting at the last regular municipal election is the number required to sign the petition.³

Disposition of money and property upon dissolution

When a petition is filed directly with the board of elections, a copy must also be filed with the board of township trustees of each township affected by the dissolution.⁴ Under current law, upon the dissolution of a village, all moneys or property remaining after the dissolution belongs to the township or townships located wholly or partly within the village. The bill makes the ownership of remaining money and property subject to agreements between or among the village and township or townships and subject to an audit or, at the discretion of the Auditor of State, agreed-upon procedures performed by the Auditor.⁵ The audit or agreed-upon procedures must commence within 30 days after the Auditor receives the notice of dissolution⁶ provided for under continuing law. Cash balances are to be transferred at the completion of the audit or agreed-upon procedures.

Under current law, if more than one township is to receive the remaining money or property, the money or property must be divided among the townships in proportion to the amount of territory that each township has within the village boundaries as compared to the total territory within the village. The bill allows the agreements to provide otherwise.⁷

² R.C. 703.20(B)(1).

³ R.C. 703.20(A).

⁴ R.C. 703.20(B)(2).

⁵ R.C. 703.21(B).

⁶ R.C. 117.10(E), not in the bill.

⁷ R.C. 703.21(B).



Real and personal property

The bill requires that village real and personal property, other than electric and water and sewer utility property, must be transferred in a timely manner in accordance with *agreements* between or among the affected village and township or townships. If agreements are not reached within 60 days after the certificate of dissolution⁸ is filed with the county recorder, the title to real and personal property vests by operation of law in the affected township or townships as specified under current law: in proportion to the amount of territory that each affected township has within the village boundaries as compared to the total territory within the village.⁹

The bill requires that any agreements entered into regarding the transfer of real property must be recorded with the county recorder of the county in which the affected real property is situated along with affidavits stating facts relating to title. The county recorder must make appropriate notations in the county records to reflect the conveyance of the village's interest in real property as provided by the recorded agreements resulting from the dissolution. The notations must include a reference to the county's recorded certificate of dissolution.

In the absence of any agreements and upon the recording of affidavits relating to title, the county recorder must make appropriate notations in the county records to reflect the conveyance of the village's interest in real property and to evidence that title vested by operation of law in the township or townships as otherwise provided by continuing law and as a result of the dissolution of the village. The certificate of dissolution or a certified copy of it, any agreements regarding the transfer of real property, and supporting affidavits are sufficient evidence of a transfer of title from the former village to a township or townships. The bill requires that these documents be recorded in the same manner as a deed of conveyance, except that affected townships are exempt from paying any county recording fees.¹⁰

Cash balances must be transferred at the completion of the Auditor of State's audit or, at the discretion of the Auditor, agreed-upon procedures performed by the Auditor.¹¹

⁸ The bill defines the "certificate of dissolution" as the certified election results approving the surrender of corporate powers that is filed by the county recorder. R.C. 703.21(E).

⁹ R.C. 703.21(C)(1).

¹⁰ R.C. 703.21(C)(2).

¹¹ R.C. 703.21(C)(3).

Electric, water and sewer utility property

The bill requires that electric, water and sewer utility property be transferred by agreement between the affected village and the entity or entities that will be taking over the electric, water and sewer utilities property and assets. Cash balances must be transferred at the completion of the Auditor of State's audit or, at the discretion of the Auditor, agreed-upon procedures performed by the Auditor. The bill provides that the provision of utility and other services must remain uninterrupted during the transition period following the dissolution.¹²

Auditor of State must assist in facilitating transfer of village property

The Auditor of State is required to assist in facilitating a timely and systematic manner for complying with the requirements for transfer of village money and property.¹³

County charter petition deadline

The bill modifies the deadline to file a county charter petition with the board of county commissioners by changing the deadline to not later than 115 days before the general election. Current law authorizes the filing not later than 110 days before the date of the general election.¹⁴

HISTORY

ACTION	DATE
Introduced	04-04-16

H0509-I-131.docx/emr

¹² R.C. 703.21(D).

¹³ R.C. 703.20(C).

¹⁴ R.C. 307.94.

