



Ohio Revised Code

Section 307.678 Tourism development facility or project cooperative agreements.

Effective: March 27, 2020

Legislation: House Bill 197 - 133rd General Assembly

(A) As used in this section:

(1) "Bureau" means a nonprofit corporation that is organized under the laws of this state that is, or has among its functions acting as, a convention and visitors' bureau, and that currently receives revenue from existing lodging taxes.

(2) "Cooperating parties" means the parties to a cooperative agreement.

(3) "Cooperative agreement" means an agreement entered into pursuant to or as contemplated by this section.

(4) "Credit enhancement facilities" has the same meaning as in section 133.01 of the Revised Code.

(5) "Debt charges" has the same meaning as in section 133.01 of the Revised Code, except that "obligations" shall be substituted for "securities" wherever "securities" appears in that section.

(6) "Eligible county" means a county within the boundaries of which any part of a tourism development district is located.

(7) "Eligible transit authority" means a regional transit authority created pursuant to section 306.31 of the Revised Code or a county in which a county transit system is created pursuant to section 306.01 of the Revised Code, within the boundaries of which any part of a tourism development district is located.

(8) "Existing lodging taxes" means taxes levied by a board of county commissioners of an eligible county under divisions (A) to (L) of section 5739.09 of the Revised Code.



(9) "Financing costs" means all costs, fees, and expenses relating to the authorization, including any required election, issuance, sale, delivery, authentication, deposit, custody, clearing, registration, transfer, exchange, fractionalization, replacement, payment, and servicing, of obligations, including, without limitation, costs and expenses for or relating to publication and printing, postage, delivery, preliminary and final official statements, offering circulars, placement memoranda, and informational statements, travel and transportation, underwriters, placement agents, investment bankers, paying agents, registrars, authenticating agents, remarketing agents, custodians, clearing agencies, companies, or corporations, securities depositories, issuers, financial advisory services, certifications, audits, federal or state regulatory agencies, accounting and computation services, legal services and obtaining approving legal opinions and other legal opinions, credit ratings, paying redemption premiums, and credit enhancement facilities. Financing costs may be paid from any money available for the purpose, including, unless otherwise provided in the proceedings, from the proceeds of the obligations to which they relate and, as to future financing costs, from the same sources from which debt charges on the obligations are paid and as though debt charges.

(10) "Host municipal corporation" means a municipal corporation within the boundaries of which any part of a tourism development district is located.

(11) "Host school district" means a school district within the boundaries of which any part of a tourism development district is located.

(12) "Incremental sales tax growth" has the same meaning as in section 5739.213 of the Revised Code, except that, in the case of an eligible county, "incremental sales tax growth" shall include only the amount of taxes levied under sections 5739.021 and 5739.026 of the Revised Code credited to the county's general fund.

(13) "Issuer" means a port authority, a new community authority, or any other issuer, as defined in section 133.01 of the Revised Code, and any corporation.

(14) "Maintenance and repair costs" means costs and expenses incurred by a cooperating party from the party's own revenues for maintaining or repairing a project.

(15) "Net lodging tax proceeds" means the proceeds of an existing lodging tax that remain after



deduction by an eligible county of the real and actual costs of administering the tax and any portion of such proceeds required to be returned to a municipal corporation or township under division (A) of section 5739.09 of the Revised Code.

(16) "Net tourism development district revenues" means the tourism development district revenues remaining after deduction by the host municipal corporation of an amount, not to exceed one per cent of any admissions tax revenues, prescribed in any legislation by which, or agreement pursuant to which, tourism development district revenues are pledged, or agreed to be pledged or contributed, by an eligible county, an eligible transit authority, or a host municipal corporation, or any combination thereof, in accordance with division (B), (E), (F), or (G) of this section.

(17) "New community authority" means a new community authority established under section 349.03 of the Revised Code by an organizational board of commissioners that is or includes the board of county commissioners of an eligible county or the legislative authority of a host municipal corporation.

(18) "Obligations" means obligations issued or incurred by an issuer pursuant to Chapter 133., 349., or 4582. of the Revised Code, or otherwise, for the purpose of funding or paying, or reimbursing persons for the funding or payment of, project costs, and that evidence the issuer's obligation to repay borrowed money, including interest thereon, or to pay other money obligations of the issuer at any future time, including, without limitation, bonds, notes, anticipatory securities as defined in section 133.01 of the Revised Code, certificates of indebtedness, commercial paper, or installment sale, lease, lease-purchase, or similar agreements. "Obligations" does not include credit enhancement facilities.

(19) "Person" includes an individual, corporation, limited liability company, business trust, estate, trust, partnership, association, eligible county, eligible transit authority, host municipal corporation, port authority, new community authority, and any other political subdivision of the state.

(20) "Port authority" means a port authority created under Chapter 4582. of the Revised Code.

(21) "Project" means acquiring, constructing, reconstructing, rehabilitating, remodeling, renovating, enlarging, equipping, furnishing, or otherwise improving a tourism facility or any component or



element thereof.

(22) "Project cost" means the cost of acquiring, constructing, reconstructing, rehabilitating, remodeling, renovating, enlarging, equipping, financing, refinancing, furnishing, or otherwise improving a project, including, without limitation, financing costs; the cost of architectural, engineering, and other professional services, designs, plans, specifications, surveys, and estimates of costs; financing or refinancing obligations issued by, or reimbursing money advanced by, any cooperating party or any other person, where the proceeds of the obligations or money advanced was used to pay any other cost described in this division; inspections and testing; any indemnity or surety bond or premium related to insurance pertaining to development of the project; all related direct and indirect administrative costs and costs of placing a project in service; fees and expenses of trustees, escrow agents, depositories, and paying agents for any obligations; interest on obligations during the planning, design, and development of a project and for up to eighteen months thereafter; funding and replenishing reserves for the payment of debt charges on any obligations; all other expenses necessary or incident to planning, or determining the feasibility or practicability of, a project, including, without limitation, advocating the enactment of legislation to facilitate the development and financing of a project; and any other costs of a project that are authorized to be financed by the issuer of obligations at the time the obligations are issued.

(23) "Taxing authority" means the board of county commissioners of an eligible county, the legislative authority, as that term is defined in section 5739.01 of the Revised Code, of an eligible transit authority, or the legislative authority of a host municipal corporation.

(24) "Tourism development district" means an area designated by a host municipal corporation under section 715.014 of the Revised Code.

(25) "Tourism development district revenues" means money received or receivable by a host municipal corporation from incremental sales tax growth pursuant to section 5739.213 of the Revised Code, from a tax levied by the host municipal corporation pursuant to division (C) of section 5739.101 of the Revised Code, from a tax levied by the host municipal corporation pursuant to section 5739.08 or 5739.09 of the Revised Code on the provision of lodging by hotels located in the tourism development district, from a tax levied by the host municipal corporation with respect to admission to any tourism facility or parking or any other activity occurring at any location in the



tourism development district, or from any tax levied by an eligible county, eligible transit authority, or host municipal corporation, except for a tax on property levied by an eligible county, with respect to activities occurring, or property located, in the tourism development district, if and to the extent that revenue from any such tax is authorized to be used, or is not prohibited by law from being used, to foster and develop tourism in the tourism development district and is authorized, contracted, pledged or assigned by the respective taxing authority to be used to fund or pay, or to reimburse other persons for funding or payment of, project costs or maintenance and repair costs.

(26) "Tourism facility" means any permanent improvement, as defined in section 133.01 of the Revised Code, located in a tourism development district.

(B) The board of county commissioners of an eligible county, an eligible transit authority, a host municipal corporation, the board of education of a host school district, a port authority, a bureau, a new community authority, and any other person, or any combination thereof, may enter into a cooperative agreement for any purpose authorized under this section and under which any of the following apply:

(1) The board of county commissioners of the eligible county and the bureau agree to make available to a cooperating party or any other person net lodging tax proceeds, not to exceed five hundred thousand dollars each year, to fund or pay, or to reimburse other persons for funding or payment of, project costs or debt charges on obligations.

(2) The board of county commissioners of the eligible county agrees, for the purpose of funding or paying or supporting, or for reimbursing other persons for funding or payment of, project costs, including debt charges on obligations, may do either of the following:

(a) Make available to a cooperating party or other person an amount equal to incremental sales tax growth or all or a portion of the county's tourism development district revenues;

(b) Provide, from receipts of a tax levied by the county under division (K) of section 5739.09 of the Revised Code, credit enhancement facilities in connection with the funding or payment of project costs, including debt charges on obligations, or any portion or combination thereof.



(3) The taxing authority of an eligible transit authority agrees to make available to a cooperating party or any other person an amount equal to incremental sales tax growth or all or a portion of the transit authority's tourism development district revenues.

(4) The host municipal corporation agrees to make available credit enhancement facilities or net tourism development district revenues, or any portion or combination thereof, to fund, pay, or support, or to reimburse other persons for funding or payment of, project costs, including debt charges on obligations, or maintenance and repair costs, or both. Any agreement to use net tourism development district revenues to pay or reimburse other persons for payment of maintenance and repair costs shall be subject to authorization by any cooperating party providing such funding to the host municipal corporation and to annual appropriation for such purpose by the legislative authority of the host municipal corporation and shall be subordinate to any covenant made to or by an issuer in connection with the issuance of obligations or credit enhancement facilities to pay project costs.

(5) The cooperating parties agree, subject to any conditions or limitations provided in the cooperative agreement, to any of the following:

(a) The conveyance, grant, or transfer to a cooperating party or any other person of ownership of, property interests in, and rights to use real or personal property to create a tourism facility or with respect to a tourism facility as the facility exists at the time of the agreement or as it may be improved by a project;

(b) The respective responsibilities of each cooperating party for the management, operation, maintenance, repair, and replacement of a tourism facility, including any project undertaken with respect to the facility, which may include authorization for a cooperating party to contract with any other person for any such purpose;

(c) The respective responsibilities of each cooperating party for the development and financing of a project, including, without limitation, the cooperating party or parties that shall be responsible for contracting for the development of a project and administering contracts entered into by the party or parties for that purpose;

(d) The respective responsibilities of each cooperating party to provide money, credit enhancement



facilities, or both, whether by issuing obligations or otherwise, for the funding, payment, financing, or refinancing, or reimbursement to a cooperating party or other person for the funding, payment, financing, or refinancing, of project costs;

(e) The respective responsibilities of each cooperating party to provide money, credit enhancement facilities, or other security for the payment of debt charges on obligations or to fund or replenish reserves or otherwise provide for the payment of maintenance and repair costs.

(C) Any conveyance, grant, or transfer of ownership of, property interests in, or rights to use a tourism development facility or project, including any project undertaken with respect to an existing tourism facility, that is contemplated by a cooperative agreement may be made or entered into by a cooperating party, in such manner and upon such terms as the cooperating parties may agree, without regard to ownership of the tourism facility or project, notwithstanding any other provision of law that may otherwise apply, including, without limitation, any requirement for notice, competitive bidding or selection, or the provision of security.

(D) The board of county commissioners may amend any previously adopted resolution providing for the levy of an existing lodging tax to permit the use of any portion of the net lodging tax proceeds from such tax as provided in this section if and to the extent such use is not inconsistent with a cooperative agreement. A host municipal corporation may amend any previously passed ordinance providing for the levy of lodging taxes under section 5739.08 or 5739.09 of the Revised Code to permit the use of any portion of such lodging taxes as provided in this section.

(E)(1) Notwithstanding any other provision of law:

(a) The board of county commissioners of an eligible county may provide, from receipts of a tax levied by the county under division (K) of section 5739.09 of the Revised Code, credit enhancement facilities in connection with any project, including, without limitation, for the provision of any infrastructure necessary to support a tourism facility.

(b) The board of county commissioners of an eligible county and a bureau may agree to make available to any person, on such terms and conditions as the board and the bureau may determine and agree, net lodging tax proceeds.



(c) The board of county commissioners of an eligible county may agree to make available to any person, on such terms and conditions as the board may determine and agree, incremental sales tax growth and all or a portion of the county's tourism development district revenues.

(2) Any amount made available under division (E)(1)(b) or (c) of this section shall be used to fund or pay, or to reimburse other persons for funding or payment of, project costs, including, without limitation, the payment of debt charges on obligations, the provision of credit enhancement facilities and the funding, and funding and replenishing reserves for that purpose or, subject to annual appropriation, to pay, or reimburse other persons for payment of, repair and maintenance costs.

(3) The board of county commissioners, the bureau, or both, may pledge net lodging tax proceeds, and the board of county commissioners may pledge incremental sales tax growth and any tourism development district revenues, or any part or portion or combination thereof, to the payment of debt charges on obligations and the funding, or to fund or replenish reserves for that purpose; provided that, the total amount of net lodging tax proceeds made available for such use each year shall not exceed five hundred thousand dollars.

The lien of any such pledge shall be effective against all persons when it is made, without the requirement for the filing of any notice, and any such net lodging tax proceeds, incremental sales tax growth, and tourism development district revenues, or any part or portion or combination thereof, so pledged and required to pay debt charges on obligations, to provide any credit enhancement facilities or to fund, or to fund or replenish reserves, or any combination thereof, shall be paid by the county or bureau at the times, in the amounts, and to such payee, including, without limitation, a corporate trustee or paying agent, to which the board of county commissioners and bureau agree with respect to net lodging tax proceeds and to which the board of county commissioners agree with respect to incremental sales tax growth or tourism development district revenues.

(F) Notwithstanding any other provision of law, a host municipal corporation may agree to make available to any person, on such terms and conditions to which it may determine and agree, and any person may use, net tourism development district revenues, or any part or portion thereof, to fund or pay, or to reimburse other persons for funding or payment of, project costs, including, without limitation, the payment of debt charges on obligations and the funding, and funding and replenishing



reserves for that purpose, or, subject to annual appropriation, to pay, or to reimburse other persons for payment of maintenance and repair costs, and the host municipal corporation may pledge net tourism development district revenues, or any part or portion thereof, to the payment of debt charges on obligations and to fund and replenish reserves for that purpose and may provide credit enhancement facilities. The lien of any such pledge shall be effective against all persons when it is made, without the requirement for the filing of any notice, and any net tourism development district revenues so pledged and required to pay debt charges on obligations or to fund and replenish reserves shall be paid by the host municipal corporation at the times, in the amounts, and to such payee, including, without limitation, a corporate trustee or paying agent, to which the host municipal corporation agrees.

(G) Notwithstanding any other provision of law, an eligible transit authority may agree to make available, on such terms and conditions to which it may determine and agree, to any person, and any person may use, incremental sales tax growth and tourism development district revenues, or any part or portion or combination thereof, to fund or pay, or to reimburse other persons for funding or payment of, project costs, including, without limitation, the payment of debt charges on obligations and the funding and replenishing of reserves for that purpose, or, subject to annual appropriation, to pay, or to reimburse any other person for payment of, maintenance and repair costs, and the eligible transit authority may pledge incremental sales tax growth and tourism development district revenues, or any part or portion or combination thereof, to the payment of debt charges on obligations and the funding and replenishing of reserves for that purpose. The lien of any such pledge shall be effective against all persons when it is made, without the requirement for the filing of any notice, and any incremental sales tax growth and tourism development district revenues, or any part or portion or combination thereof, so pledged and required to pay debt charges on obligations or to fund and replenish reserves shall be paid by the eligible transit authority at the times, in the amounts, and to such payee, including, without limitation, a corporate trustee or paying agent, to which the eligible transit authority agrees.

(H) Except as provided herein with respect to agreements for the payment or reimbursement of maintenance and repair costs, if the term of an agreement made pursuant to division (B), (E), (F), or (G) of this section extends beyond the end of the fiscal year of the eligible county, eligible transit authority, or host municipal corporation in which it is made, the agreement shall be subject to section 5705.44 of the Revised Code, and subject to the certification required by that section, the amount due



under any such agreement in each succeeding fiscal year shall be included in the annual appropriation measure of the eligible county, eligible transit authority, or host municipal corporation for each such fiscal year as a fixed charge. The obligation of an eligible county, eligible transit authority, or host municipal corporation, and of each official thereof, to include the amount required to be paid in any such fiscal year in its annual appropriation measure as a fixed charge and to make such payments from and to the extent of the amounts so pledged, or agreed to be contributed or pledged, shall be a duty specially enjoined by law and resulting from an office, trust, or station under section 2731.01 of the Revised Code, enforceable by writ of mandamus.

(I)(1) Each tourism facility and project constitutes a "port authority facility" within the meaning of division (D) of section 4582.01 and division (E) of section 4582.21 of the Revised Code, and a port authority may issue obligations under Chapter 4582. of the Revised Code, subject only to the procedures and requirements applicable to its issuance of revenue bonds as provided in division (A)(4) of section 4582.06 of the Revised Code or of port authority revenue bonds as provided in division (A)(8) of section 4582.31 of the Revised Code. For the purpose of issuing any such obligations, any net lodging tax proceeds, net tourism development district revenues, amounts provided pursuant to any credit enhancement facilities, and revenue from any other tax pledged, assigned, or otherwise obligated to be contributed to the payment of the obligations shall be treated as revenues of the port authority for the purposes of division (A)(4) of section 4582.06 of the Revised Code and revenues, as defined in section 4582.21 of the Revised Code. Any obligations issued under division (I)(1) of this section shall be considered revenue bonds issued under division (A)(4) of section 4582.06 of the Revised Code or port authority revenue bonds issued under division (A)(8) of section 4582.31 and section 4582.48 of the Revised Code for all purposes. In addition to all other powers available to a port authority under this section or under Chapter 4582. of the Revised Code with respect to the issuance of or provision for the security for payment of debt charges on obligations, and with respect to any tourism facility or project, the port authority may take any of the actions contemplated by Chapter 4582. of the Revised Code, including, without limitation, any actions contemplated by section 4582.06, 4582.31, or 4582.47 of the Revised Code. Obligations issued by a port authority pursuant to division (I)(1) of this section shall be special obligations of the port authority and do not constitute bonded indebtedness, a general obligation, debt, or a pledge of the full faith and credit of the state, the port authority, or any other political subdivision of the state.

(2) Each tourism facility and project constitutes "community facilities" within the meaning of



division (I) of section 349.01 of the Revised Code, and a new community authority may issue obligations pursuant to Chapter 349. of the Revised Code subject only to the procedures and requirements applicable to its issuance of bonds or notes as used in and pursuant to section 349.08 of the Revised Code. For the purpose of issuing any such obligations, net lodging tax proceeds, net tourism development district revenues, and revenue from any other tax pledged, assigned, or otherwise obligated to be contributed to the payment of the obligations shall be treated as an income source, as defined in section 349.01 of the Revised Code. Any obligations issued under division (I)(2) of this section shall be considered bonds issued under section 349.08 of the Revised Code. In addition to all other powers available to a new community authority under division (I)(2) of this section or under Chapter 349. of the Revised Code with respect to the issuance of or provision for the security for payment of debt charges on obligations, and with respect to any tourism facility or project, the new community authority may take any of the actions contemplated by Chapter 349. of the Revised Code. Obligations issued by a new community authority pursuant to division (I)(2) of this section shall be special obligations of the new community authority and do not constitute bonded indebtedness, a general obligation, debt, or a pledge of the full faith and credit of the state, the new community authority, or any other political subdivision of the state.

(J) Each project for which funding or payment of project costs is provided, in whole or in part, by the issuance of obligations secured by a pledge of net lodging tax proceeds or net tourism development district revenues, or both, and any agreement to provide credit enhancement facilities or to fund or pay, and the funding or payment of, such project costs and any maintenance and repair costs of the project from net lodging taxes and net tourism development district revenues, are hereby determined, regardless of the ownership, leasing, or use of the project by any person, to constitute implementing and participating in the development of sites and facilities within the meaning of Section 2p of Article VIII, Ohio Constitution, including division (D)(3) of that section, and any such obligations are hereby determined to be issued, and any such credit enhancement facilities and agreements to fund or pay, and funding and payment of, project costs and any maintenance and repair costs of the project, are determined to be made, under authority of Section 2p of Article VIII, Ohio Constitution, for and in furtherance of site and facility development purposes within the meaning of division (E) of that section, pursuant to provision made by law for the procedure for incurring and issuing obligations, separately or in combination with other obligations, and refunding, retiring, and evidencing obligations, and pursuant to division (F) of Section 2p of Article VIII, Ohio Constitution, such that provision for the payment of debt charges on the obligations, credit enhancement facilities,



or both, the purposes and uses to which and the manner in which the proceeds of those obligations or credit enhancement facilities or money from other sources are to be or may be applied, and other implementation of those development purposes as referred to in this section, including the manner determined by an issuer to participate for those purposes, are not subject to Sections 4 and 6 of Article VIII, Ohio Constitution.

No obligations may be issued under this section to fund or pay maintenance and repair costs.

(K) No obligations may be issued under this section unless the issuer's fiscal officer determines that the net lodging tax proceeds, net tourism development district revenues, or both, pledged, assigned, or otherwise obligated to be contributed to the payment of debt charges on such obligations and all other obligations issued, outstanding and payable therefrom, are expected to be sufficient to pay all debt charges on all such obligations except to any extent that such debt charges are to be paid from proceeds of obligations or refunding obligations deposited or to be deposited into a pledged fund or account, including any reserve fund or account, or investment earnings thereon.

(L)(1) A board of county commissioners shall not repeal, rescind, or reduce the levy of an existing lodging tax or the source of any other revenue to the extent revenue from that tax or source is pledged to the payment of debt charges on obligations, and any such lodging tax or other revenue source shall not be subject to repeal, rescission, or reduction by initiative, referendum, or subsequent enactment of legislation by the general assembly, so long as there remain outstanding any obligations as to which the payment of debt charges is secured by a pledge of the existing lodging tax or other revenue source.

(2) The legislative authority of a host municipal corporation shall not repeal, rescind, or reduce the levy of any tax the proceeds of which constitute tourism development district revenues if its proceeds are pledged to the payment of debt charges on obligations, and any such tax shall not be subject to repeal, rescission, or reduction by initiative, referendum, or subsequent enactment of legislation by the general assembly, so long as there remain outstanding any obligations as to which the payment of debt charges is secured by a pledge of those net tourism development district revenues.

(3) A transit authority shall not repeal, rescind, or reduce the levy of any tax the proceeds of which are pledged to the payment of debt charges on obligations, and any such tax shall not be subject to



repeal, rescission, or reduction by initiative, referendum, or subsequent enactment of legislation by the general assembly, so long as there remain outstanding any obligations as to which the payment of debt charges is secured by the pledge of such tax proceeds.

(M) A pledge, assignment, or other agreement to contribute net lodging tax proceeds or other revenues or credit enhancement facilities made by an eligible county under division (B) or (E) of this section; a pledge, assignment, or other agreement to contribute net tourism development district revenues or credit enhancement facilities made by a host municipality under division (B) or (F) of this section; and a pledge, assignment, or other agreement made by an eligible county or eligible transit authority or agreement to contribute revenue from taxes that constitute tourism development district revenues under division (B), (E), or (G) of this section, do not constitute bonded indebtedness, or indebtedness for the purposes of Chapter 133. of the Revised Code, of an eligible county, eligible transit authority, or host municipal corporation.

(N) The authority provided by this section is supplemental to, and is not intended to limit in any way, any legal authority that a cooperating party or any other person may have under any other provision of law.