



## Ohio Revised Code

### Section 4582.03 Organization of board of directors.

Effective: April 6, 2017

Legislation: House Bill 455 - 131st General Assembly

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(A) A port authority created in accordance with section 4582.02 of the Revised Code shall be governed by a board of directors. Members of a board of directors of a port authority created by the exclusive action of a municipal corporation shall consist of the number of members it considers necessary and shall be appointed by the mayor with the advice and consent of the council. Members of a board of directors of a port authority created by the exclusive action of a township shall consist of such members as it considers necessary and shall be appointed by the township trustees of the township. Members of a board of directors of a port authority created by the exclusive action of a county shall consist of such members as it considers necessary and shall be appointed by the county commissioners of the county. Members of a board of directors of a port authority created by a combination of political subdivisions shall be divided among the political subdivisions in such proportions as the political subdivisions may agree and shall be appointed by the participating political subdivisions in the same manner as this section provides for the appointment of members by a political subdivision creating its own port authority. When a port authority is created by a combination of political subdivisions, the number of directors comprising the board shall be determined by agreement between the political subdivisions, which number from time to time may be changed by amendment of the agreement. The appointing body may at any time remove a director appointed by it for misfeasance, nonfeasance, or malfeasance in office.

A majority of the directors shall have been qualified electors of, or shall have had their businesses or places of employment in, one or more political subdivisions within the area of the jurisdiction of the port authority, for a period of at least three years next preceding their appointment.

The directors of any port authority first appointed shall serve staggered terms. Thereafter each successor shall serve for a term of four years, except that any person appointed to fill a vacancy shall be appointed to only the unexpired term and any director is eligible for reappointment.

The board of directors by rule may provide for the removal of a director who fails to attend three consecutive regular meetings of the board. If a director is so removed, a successor shall be appointed



for the remaining term of the removed director in the same manner provided for the original appointment.

The directors shall elect one of their membership as chairperson and another as vice-chairperson and shall designate their terms of office, and shall appoint a secretary who need not be a director. A majority of the members of the board of directors shall constitute a quorum for purposes of holding a meeting of the board. The affirmative vote of a majority of a quorum shall be necessary for any action taken by the port authority unless the board of directors determines by rule to require a greater number of affirmative votes for particular actions to be taken by the port authority. No vacancy in the membership of the board shall impair the rights of a quorum to exercise all the rights and perform all the duties of the port authority. The board of directors may hold a meeting by interactive video conference or teleconference as provided in section 4582.60 of Revised Code.

Each member of the board of directors of a port authority shall be entitled to receive from the port authority such sum of money as the board of directors may determine as compensation for services as director and reimbursement for reasonable expenses in the performance of official duties.

(B) Except for civil actions that arise out of the operation of a motor vehicle and civil actions in which the port authority is the plaintiff, no director, officer, or employee of a port authority shall be liable in any civil action that arises under the law of this state for damage or injury caused in the performance of official duties, unless the director's, officer's, or employee's actions were manifestly outside the scope of the director's, officer's, or employee's employment or official responsibilities, or unless the director, officer, or employee acted with malicious purpose, in bad faith, or in a wanton or reckless manner.

This section does not eliminate, limit, or reduce any immunity from civil liability that is conferred upon a director, officer, or employee by any other provision of the Revised Code or by case law.

(C)(1) A port authority, except as provided in division (B) of this section, shall indemnify a director, officer, or employee from liability incurred in the performance of official duties by paying any judgment in, or amount negotiated in settlement of, any civil action arising under federal law, the law of another state, or the law of a foreign jurisdiction. The reasonableness of the amount of any consent judgment or settlement is subject to the review and approval of the board of directors of the port



authority. The maximum aggregate amount of indemnification paid directly from funds to or on behalf of any director, officer, or employee pursuant to this division shall be one million dollars per occurrence, regardless of the number of persons who suffer damage, injury, or death as a result of the occurrence.

(2) A port authority shall not indemnify a director, officer, or employee under any of the following circumstances:

(a) To the extent the director, officer, or employee is covered by a policy of insurance for civil liability purchased by the port authority;

(b) When the director, officer, or employee acts manifestly outside the scope of the director's, officer's, or employee's employment or official responsibilities, with malicious purpose, in bad faith, or in a wanton or reckless manner;

(c) For any portion of a judgment that represents punitive or exemplary damages;

(d) For any portion of a consent judgment or settlement that is unreasonable.

(3) The port authority may purchase a policy or policies of insurance on behalf of directors, officers, and employees of the port authority from an insurer or insurers licensed to do business in this state providing coverage for damages in connection with any civil action, demand, or claim against the director, officer, or employee by reason of an act or omission by the director, officer, or employee occurring in the performance of official duties and not coming within the terms of division (C)(2)(b) of this section.

(4) This section does not affect any of the following:

(a) Any defense that would otherwise be available in an action alleging personal liability of a director, officer, or employee;

(b) The operation of section 9.83 of the Revised Code.