



Ohio Revised Code

Section 4981.32 Authority granted by franchise agreement.

Effective: October 26, 1999

Legislation: House Bill 19 - 123rd General Assembly

(A) A franchise agreement shall authorize the franchisee to do all of the following:

(1) Acquire and dispose of real and personal property and request the Ohio rail development commission to appropriate real property for sale to the franchisee in accordance with division (A)(5) of section 4981.29 of the Revised Code;

(2) Plan, design, finance, construct, reconstruct, improve, operate, and maintain its portion of the rail system and any ancillary system facilities;

(3) Set and charge rates and fares for the use of its portion of the rail system, and retain all revenues in excess of debt service and operating expenses up to an agreed return on investment;

(4) Subject to applicable permit requirements, construct and operate the rail system over or under canals, navigable watercourses, and existing transportation and public utility rights-of-way;

(5) Classify users according to reasonable categories for the assessment of fares, including peak and off-peak time periods;

(6) Make and enforce reasonable regulations regarding usage and safety of that portion of the rail system comprising its franchise;

(7) Engage in any other business in addition to that of operator of its portion of the rail system, including the purchase and sale of real estate and ownership and operation of ancillary system facilities;

(8) Establish and fund accounts, including reasonable reserves for contingencies, maintenance, and replacement, in order to ensure the availability of funds to meet future obligations of the franchisee;



(9) Take all other actions it determines necessary and appropriate in the operation of the franchise, so long as those actions comply with the franchise agreement and with applicable state and federal statutes, rules, and regulations.

(B) The franchisee shall do all of the following:

(1) Use best efforts to arrange financing for the construction and operation of that portion of the rail system that comprises its franchise, and pledge assets and revenue as may be necessary to secure repayment of obligations;

(2) Maintain and file with the commission a schedule of rates and fares, and file and maintain a statement that those rates and fares apply uniformly to all users of the rail system within reasonable categories;

(3) Construct, maintain, and insure the rail system in accordance with standards agreed with the commission, and permit access for inspection by the commission. Construction may be performed in stages pursuant to a schedule or program approved by the commission.

(4) Enlarge or expand its portion of the rail system from time to time, as reflected in initial plans for the franchise and as appropriate to meet market requirements;

(5) Operate the rail system in accordance with applicable legal requirements and any additional reasonable operating and safety standards the commission approves, or as otherwise may be required by applicable state or federal requirements;

(6) Contract with state, county, or municipal law enforcement agencies, or enter into other arrangements acceptable to the commission, to provide law enforcement on and around the franchisee's portion of the rail system.

(C) Any instrument by which real property is acquired pursuant to this section shall identify the agency of the state that has the use and benefit of the real property as specified in section 5301.012 of the Revised Code.