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## SYLLABUS:

1. The articles of incorporation of a community improvement corporation, organized pursuant to Section 1724.01, Revised Code, must specify the territory which is to be served by the corporation.

2. More than one community improvement corporation can operate within the same territory although only one can be designated as the agency of a political subdivision.

3. The territorial jurisdiction of community improvement corporations may overlap in whole or in part.

4. The formation of a community improvement corporation to serve a county does not preclude the formation of a community improvement corporation at a later date for a limited area within the same county.

5. The formation of a community improvement corporation to serve a limited area within a county does not preclude the formation at a later date of a community improvement corporation.

6. A community improvement corporation can be formed to serve more than one county provided it is not designated as the agent of the counties.

Columbus, Ohio, October 31, 1963

Hon. George E. Wilson, Director  
Department of Development  
155 North High Street  
Columbus 15, Ohio

Dear Sir:

I have received your letter requesting my opinion which request reads as follows:

“Several questions have arisen regarding the territorial jurisdictional limits of community improvement corporations which I feel need an official ruling.

“Inasmuch as the statute requires that the articles of incorporation of community improvement corporations formed under Chapter 1724 of the Ohio Revised Code must be submitted to the Attorney General for his approval before they can be accepted by the Secretary of State for filing, we would like to secure a formal opinion from your office based upon Chapter 1724 as it will exist on and after October 10, 1963, which will reflect the amendments made by House Bill 270 and Senate Bill 360

of the recent General Assembly, regarding the following questions:

"1. Must the articles of incorporation of a community improvement corporation specify the territory within which it proposes to operate?

"2. Can more than one community improvement corporation operate within the same territory?

"3. Can the territorial jurisdiction of community improvement corporations overlap in whole or in part?

"4. Does the formation of a community improvement corporation to serve the territory of a county preclude the formation of a community improvement corporation at a later date for a limited area within the same county; and does the formation of a community improvement corporation to serve a limited area within a county preclude the formation at a later date of a community improvement corporation to serve the entire county?

"5. Can a community improvement corporation be formed to serve more than one county?"

There are two pertinent statutes which answer your first question, requiring that the articles of incorporation of a community improvement corporation specify the territory within which it proposes to operate. Section 1724.01, Revised Code, specifies the sole purpose of a community improvement corporation, stating as follows:

"A corporation not for profit may be organized in the manner provided in *section 1702.04 of the Revised Code*, and as provided in sections 1724.01 to 1724.09, inclusive, of the Revised Code, for the sole purpose of advancing, encouraging and promoting the industrial, economic, commercial, and civic development of *a community or area.*"  
(Emphasis added)

Section 1702.04, Revised Code, to which reference is made in Section 1724.01, *supra*, provides in material part:

"(A) Three or more natural persons, a majority of whom are citizens of the United States, may form a corporation by subscribing and thereafter filing in the office of the secretary of state *articles of incorporation which shall set forth:*

"\* \* \*

\* \* \*

\* \* \*

“(3) The *purpose* or purposes for which the corporation is formed;

“\* \* \*

\* \* \*

\* \* \*”

(Emphasis added)

When a community improvement corporation proposes to operate within a certain territory as required by Section 1724.01, *supra*, Section 1702.04, Revised Code, subsection (A) (3), as set out above makes it mandatory that this purpose be set out in the articles of incorporation. Thus, you are accordingly advised that the articles of incorporation of a community improvement corporation must specify the territory within which it proposes to operate.

Your second question asks whether more than one community improvement corporation can operate within the same territory. I can find nothing in Chapter 1724, Revised Code, preventing this. However, there can be only one community improvement corporation designated as the agency of a political subdivision. This is brought out in Section 1724.03, Revised Code, which states in pertinent part that:

“A community improvement corporation may be designated by a county, one or more municipal corporations, or a county and one or more municipal corporations as *the* agency of each such political subdivision for the industrial \* \* \*

“\* \* \*

\* \* \*

\* \* \*”

(Emphasis added)

This statute throughout refers in the same manner to the community improvement corporation designated as the agency of a political subdivision as “*the*” agency. I believe the use of “*the*” is intended to make the designation of a community improvement corporation as agent exclusive. This section, however, only applies to community improvement corporations designated as an agent of a political subdivision. So in answer to your second question you are hereby advised that more than one community improvement corporation may operate within the same territory although only one of these can be designated as an agent by one political subdivision.

Your third question asks whether the territorial jurisdiction of community improvement corporations can overlap in whole or in part. There is nothing in Chapter 1724, Revised Code, preventing territorial overlapping. As to community improvement corpora-

tions designated as an agency the only territorial overlapping that would be allowed to occur is where the county and a municipal corporation within the county have separate community improvement corporations designated as their agent.

Question number four contains two parts, the first of which asks whether the formation of a community improvement corporation to serve the territory of a county precludes the formation at a later date for a limited area within the same county. As the answer to your second question brought out, there is no limitation on community improvement corporations not designated as an agent of a political subdivision. However, if a county has designated a community improvement corporation as its agent, according to the terms of Section 1724.03, Revised Code, set forth above, it would be precluded from designating a community improvement corporation for a more limited area as its agent. A municipal corporation within a county, however, may, under Section 1724.03, *supra*, designate a community improvement corporation, other than the county agency, as its agency.

The second part of your fourth question is whether the formation of a community improvement corporation to serve a limited area within a county precludes the formation at a later date of a community improvement corporation to serve the entire county. This query is actually disposed of by my answer to the first part of question four. The answer is no.

Your fifth question asks whether a community improvement corporation can be formed to serve more than one county. Section 1724.03, Revised Code, specifically enumerates what political subdivisions or combinations thereof may designate a community improvement corporation as its or their agency. This statute does not provide for the designation by two counties of a single community improvement corporation as their agency. However, this only applies to community improvement corporations that come under Section 1724.03, Revised Code—community improvement corporations designated as an agent. Otherwise—since two counties constitute an area—I see no reason why a community improvement corporation could not be formed to serve more than one county by virtue of Section 1724.01, Revised Code, which states:

“A corporation not for profit may be organized \* \* \* for the sole purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of a community or *area*.”

(Emphasis added)

Therefore, it is my opinion and you are advised that:

1. The articles of incorporation of a community improvement corporation, organized pursuant to Section 1724.01, Revised Code, must specify the territory within which it proposes to operate.

2. More than one community improvement corporation can operate within the same territory although only one can be designated as the agency of a political subdivision.

3. The territorial jurisdiction of community improvement corporations may overlap in whole or in part.

4. The formation of a community improvement corporation to serve a county does not preclude the formation of a community improvement corporation at a later date for a limited area within the same county unless both were to be designated as agents of the county.

5. The formation of a community improvement corporation to serve a limited area within a county does not preclude the formation at a later date of a community improvement corporation.

6. A community improvement corporation can be formed to serve more than one county provided it is not designated as the agent of the counties.

Respectfully,  
WILLIAM B. SAXBE  
Attorney General