

As Concurred by the House

133rd General Assembly

Regular Session

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Am. Sub. H. B. No. 197

Representatives Powell, Merrin

Cosponsors: Representatives Rogers, Green, Hoops, Scherer, Carruthers, Cross, Dean, DeVitis, Galonski, Ghanbari, Ginter, Greenspan, Grendell, Hambley, Lanese, Lang, McClain, Perales, Reineke, Riedel, Roemer, Romanchuk, Seitz, Stein, Stephens, Swearingen, Vitale, Wiggam, Abrams, Baldrige, Blair, Brent, Callender, Carfagna, Cera, Crawley, Cupp, Edwards, Fraizer, Hillyer, Holmes, A., Jones, LaRe, Leland, Lepore-Hagan, Lightbody, Liston, Manning, G., Miranda, O'Brien, Oelslager, Patterson, Patton, Plummer, Robinson, Russo, Sheehy, Smith, K., Smith, T., Sweeney, Sykes, Upchurch, Weinstein, West, Wilkin Senators Roegner, Hackett, Schaffer, Schuring, Antonio, Blessing, Brenner, Coley, Craig, Dolan, Eklund, Gavarone, Hottinger, Johnson, Kunze, Lehner, Manning, McColley, Obhof, O'Brien, Peterson, Rulli, Sykes, Wilson, Yuko

A BILL

To amend sections 122.075, 125.831, 131.45, 133.01,	1
133.06, 133.07, 133.18, 135.142, 305.31,	2
306.322, 307.671, 307.672, 307.674, 307.678,	3
307.695, 319.301, 321.03, 321.20, 323.154,	4
323.155, 351.01, 351.03, 351.141, 718.01,	5
718.021, 929.01, 1545.041, 1545.21, 1711.15,	6
1711.16, 3316.03, 3316.06, 3317.01, 4301.20,	7
4582.024, 4582.26, 4582.56, 4723.43, 4729.01,	8
4761.17, 5104.31, 5701.08, 5701.11, 5701.12,	9
5703.04, 5703.211, 5703.54, 5703.94, 5703.95,	10
5705.03, 5705.13, 5705.19, 5705.195, 5705.213,	11
5705.252, 5705.29, 5705.315, 5705.34, 5705.35,	12
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5726.98, 5727.02, 5727.11, 5727.23, 5727.32, 17
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5739.08, 5739.09, 5739.21, 5740.02, 5743.05, 22
5743.08, 5743.33, 5743.65, 5745.14, 5747.01, 23
5747.011, 5747.012, 5747.013, 5747.02, 5747.058, 24
5747.061, 5747.07, 5747.082, 5747.11, 5747.231, 25
5747.41, 5747.51, 5747.52, 5747.55, 5747.98, 26
5748.08, 5748.09, 5751.01, 5751.08, 5751.09, 27
5751.50, 5751.51, 5751.98, and 5753.11; to enact 28
sections 4723.433, 4723.434, 4723.435, 5739.091, 29
5739.092, 5751.40, 5751.41, and 5751.42; and to 30
repeal sections 901.13, 5705.211, 5727.87, 31
5733.46, 5739.105, 5747.75, and 5751.23 of the 32
Revised Code and to amend Section 757.40 of H.B. 33
166 of the 133rd General Assembly to continue 34
essential operations of state government and 35
maintain the continuity of the state tax code in 36
response to the declared pandemic and global 37
health emergency related to COVID-19, to make 38
appropriations, and to declare an emergency. 39

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 122.075, 125.831, 131.45, 133.01, 40
133.06, 133.07, 133.18, 135.142, 305.31, 306.322, 307.671, 41
307.672, 307.674, 307.678, 307.695, 319.301, 321.03, 321.20, 42
323.154, 323.155, 351.01, 351.03, 351.141, 718.01, 718.021, 43

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3317.01, 4301.20, 4582.024, 4582.26, 4582.56, 4723.43, 4729.01, 45
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5727.02, 5727.11, 5727.23, 5727.32, 5727.33, 5727.80, 5727.83, 52
5727.84, 5729.98, 5733.042, 5733.05, 5733.052, 5733.055, 53
5733.40, 5733.98, 5735.026, 5735.06, 5739.01, 5739.011, 5739.02, 54
5739.021, 5739.028, 5739.03, 5739.034, 5739.08, 5739.09, 55
5739.21, 5740.02, 5743.05, 5743.08, 5743.33, 5743.65, 5745.14, 56
5747.01, 5747.011, 5747.012, 5747.013, 5747.02, 5747.058, 57
5747.061, 5747.07, 5747.082, 5747.11, 5747.231, 5747.41, 58
5747.51, 5747.52, 5747.55, 5747.98, 5748.08, 5748.09, 5751.01, 59
5751.08, 5751.09, 5751.50, 5751.51, 5751.98, and 5753.11 be 60
amended and sections 4723.433, 4723.434, 4723.435, 5739.091, 61
5739.092, 5751.40, 5751.41, and 5751.42 of the Revised Code be 62
enacted to read as follows: 63

Sec. 122.075. (A) As used in this section: 64

(1) "Alternative fuel" has the same meaning as in section 65
125.831 of the Revised Code. 66

(2) "Biodiesel" means a mono-alkyl ester combustible 67
liquid fuel that is derived from vegetable oils or animal fats, 68
or any combination of those reagents, and that meets American 69
society for testing and materials specification D6751-03a for 70
biodiesel fuel (B100) blend stock distillate fuels. 71

(3) "Diesel fuel" and "gasoline" have the same meanings as 72
in section 5735.01 of the Revised Code. 73

(4) "Ethanol" ~~has the same meaning as in section 5733.46~~ 74
~~of the Revised Code~~ means fermentation ethyl alcohol derived from 75
agricultural products, including potatoes, cereal, grains, 76
cheese whey, and sugar beets; forest products; or other 77
renewable resources, including residue and waste generated from 78
the production, processing, and marketing of agricultural 79
products, forest products, and other renewable resources that 80
meet all of the specifications in the American society for 81
testing and materials (ASTM) specification D 4806-88 and is 82
denatured as specified in Parts 20 and 21 of Title 27 of the 83
Code of Federal Regulations. 84

(5) "Blended biodiesel" means diesel fuel containing at 85
least twenty per cent biodiesel by volume. 86

(6) "Blended gasoline" means gasoline containing at least 87
eighty-five per cent ethanol by volume. 88

(7) "Incremental cost" means either of the following: 89

(a) The difference in cost between blended gasoline and 90
gasoline containing ten per cent or less ethanol at the time 91
that the blended gasoline is purchased; 92

(b) The difference in cost between blended biodiesel and 93
diesel fuel containing two per cent or less biodiesel at the 94
time that the blended biodiesel is purchased. 95

(B) For the purpose of improving the air quality in this 96
state, the director of development services shall establish an 97
alternative fuel transportation program under which the director 98
may make grants and loans to businesses, nonprofit 99
organizations, public school systems, or local governments for 100
the purchase and installation of alternative fuel refueling or 101
distribution facilities and terminals, for the purchase and use 102

of alternative fuel, to pay the cost of fleet conversion, and to 103
pay the costs of educational and promotional materials and 104
activities intended for prospective alternative fuel consumers, 105
fuel marketers, and others in order to increase the availability 106
and use of alternative fuel. 107

(C) The director, in consultation with the director of 108
agriculture, shall adopt rules in accordance with Chapter 119. 109
of the Revised Code that are necessary for the administration of 110
the alternative fuel transportation program. The rules shall 111
establish at least all of the following: 112

(1) An application form and procedures governing the 113
application process for receiving funds under the program; 114

(2) A procedure for prioritizing the award of grants and 115
loans under the program. The procedures shall give preference to 116
all of the following: 117

(a) Publicly accessible refueling facilities; 118

(b) Entities applying to the program that have secured 119
funding from other sources, including, but not limited to, 120
private or federal incentives; 121

(c) Entities that have presented compelling evidence of 122
demand in the market in which the facilities or terminals will 123
be located; 124

(d) Entities that have committed to utilizing purchased or 125
installed facilities or terminals for the greatest number of 126
years; 127

(e) Entities that will be purchasing or installing 128
facilities or terminals for any type of alternative fuel. 129

(3) A requirement that the maximum incentive for the 130

purchase and installation of an alternative fuel refueling or 131
distribution facility or terminal be eighty per cent of the cost 132
of the facility or terminal, except that at least twenty per 133
cent of the total cost of the facility or terminal shall be 134
incurred by the recipient and not compensated for by any other 135
source; 136

(4) A requirement that the maximum incentive for the 137
purchase of alternative fuel be eighty per cent of the cost of 138
the fuel or, in the case of blended biodiesel or blended 139
gasoline, eighty per cent of the incremental cost of the blended 140
biodiesel or blended gasoline; 141

(5) Any other criteria, procedures, or guidelines that the 142
director determines are necessary to administer the program, 143
including fees, charges, interest rates, and payment schedules. 144

(D) An applicant for a grant or loan under this section 145
that sells motor vehicle fuel at retail shall agree that if the 146
applicant receives funding, the applicant will report to the 147
director the gallon or gallon equivalent amounts of alternative 148
fuel the applicant sells at retail in this state for a period of 149
three years after the project is completed. 150

The director shall enter into a written confidentiality 151
agreement with the applicant regarding the gallon or gallon 152
equivalent amounts sold as described in this division, and upon 153
execution of the agreement this information is not a public 154
record. 155

(E) There is hereby created in the state treasury the 156
alternative fuel transportation fund. The fund shall consist of 157
money transferred to the fund under division (B) of section 158
125.836 of the Revised Code, money that is appropriated to it by 159

the general assembly, money as may be specified by the general 160
assembly from the advanced energy fund created by section 161
4928.61 of the Revised Code, and all money received from the 162
repayment of loans made from the fund or in the event of a 163
default on any such loan. Money in the fund shall be used to 164
make grants and loans under the alternative fuel transportation 165
program and by the director in the administration of that 166
program. 167

Sec. 125.831. As used in sections 125.831 to 125.834 of 168
the Revised Code: 169

(A) "Alternative fuel" means any of the following fuels 170
used in a motor vehicle: 171

(1) E85 blend fuel; 172

(2) Blended biodiesel; 173

(3) Natural gas; 174

(4) Liquefied petroleum gas; 175

(5) Hydrogen; 176

(6) Compressed air; 177

(7) Any power source, including electricity; 178

(8) Any fuel not described in divisions (A) (1) to (7) of 179
this section that the United States department of energy 180
determines, by final rule, to be substantially not petroleum, 181
and that would yield substantial energy security and 182
environmental benefits. 183

(B) "Biodiesel" means a mono-alkyl ester combustible 184
liquid fuel that is derived from vegetable oils or animal fats, 185
or any combination of those reagents that meets the American 186

society for testing and materials specification for biodiesel 187
fuel (B100) blend stock distillate fuels and any other standards 188
that the director of administrative services adopts by rule. 189

(C) "Blended biodiesel" means a blend of biodiesel with 190
petroleum based diesel fuel in which the resultant product 191
contains not less than twenty per cent biodiesel that meets the 192
American society for testing and materials specification for 193
blended diesel fuel and any other standards that the director of 194
administrative services adopts by rule. 195

(D) "Diesel fuel" means any liquid fuel that is capable of 196
use in discrete form or as a blend component in the operation of 197
engines of the diesel type. 198

(E) "E85 blend fuel" means fuel containing eighty-five per 199
cent or more ethanol as defined in section ~~5733.46~~ 122.075 of 200
the Revised Code or containing any other percentage of not less 201
than seventy per cent ethanol if the United States department of 202
energy determines, by rule, that the lower percentage is 203
necessary to provide for the requirements of cold start, safety, 204
or vehicle functions, and that meets the American society for 205
testing and materials specification for E85 blend fuel and any 206
other standards that the director of administrative services 207
adopts by rule. 208

(F) "Law enforcement officer" means an officer, agent, or 209
employee of a state agency upon whom, by statute, a duty to 210
conserve the peace or to enforce all or certain laws is imposed 211
and the authority to arrest violators is conferred, within the 212
limits of that statutory duty and authority, but does not 213
include such an officer, agent, or employee if that duty and 214
authority is location specific. 215

(G) (1) "Motor vehicle" means any automobile, car minivan, 216
cargo van, passenger van, sport utility vehicle, or pickup truck 217
with a gross vehicle weight of under twelve thousand pounds. 218

(2) "Motor vehicle" does not include, except for the 219
purposes of division (C) of section 125.832 of the Revised Code, 220
any vehicle described in division (G) (1) of this section that is 221
used by a law enforcement officer and law enforcement agency or 222
any vehicle that is so described and that is equipped with 223
specialized equipment that is not normally found in such a 224
vehicle and that is used to carry out a state agency's specific 225
and specialized duties and responsibilities. 226

(H) "Specialized equipment" does not include standard 227
mobile radios with no capabilities other than voice 228
communication, exterior and interior lights, or roof-mounted 229
caution lights. 230

(I) "State agency" means every organized body, office, 231
board, authority, commission, or agency established by the laws 232
of the state for the exercise of any governmental or quasi- 233
governmental function of state government regardless of the 234
funding source for that entity, other than any state institution 235
of higher education, the office of the governor, lieutenant 236
governor, auditor of state, treasurer of state, secretary of 237
state, or attorney general, the general assembly or any 238
legislative agency, the courts or any judicial agency, or any 239
state retirement system or retirement program established by or 240
referenced in the Revised Code. 241

(J) "State institution of higher education" has the same 242
meaning as in section 3345.011 of the Revised Code. 243

Sec. 131.45. (A) The amount the general assembly 244

appropriates from the general revenue fund each year per pupil 245
for primary and secondary educational purposes shall be not less 246
than the amount it appropriated per pupil for those purposes for 247
the base year, adjusted for changes in prices as measured by the 248
consumer price index (all urban consumers, all items) prepared 249
by the bureau of labor statistics of the United States 250
department of labor. The base year is fiscal year 1999. 251

(B) Appropriations of the ~~proceeds of the sales and use~~ 252
~~tax levied by sections 5739.029 and 5741.024 of the Revised Code~~ 253
~~and of the net~~ proceeds of any state lottery under Section 6 of 254
Article XV of the Ohio Constitution shall be in addition to 255
appropriations made pursuant to this section. 256

(C) For the purposes of this section, appropriations for 257
primary and secondary educational purposes includes amounts 258
appropriated to reimburse school districts for property tax 259
reductions required by law. 260

Sec. 133.01. As used in this chapter, in sections 9.95, 261
9.96, and 2151.655 of the Revised Code, in other sections of the 262
Revised Code that make reference to this chapter unless the 263
context does not permit, and in related proceedings, unless 264
otherwise expressly provided: 265

(A) "Acquisition" as applied to real or personal property 266
includes, among other forms of acquisition, acquisition by 267
exercise of a purchase option, and acquisition of interests in 268
property, including, without limitation, easements and rights- 269
of-way, and leasehold and other lease interests initially 270
extending or extendable for a period of at least sixty months. 271

(B) "Anticipatory securities" means securities, including 272
notes, issued in anticipation of the issuance of other 273

securities. 274

(C) "Board of elections" means the county board of 275
elections of the county in which the subdivision is located. If 276
the subdivision is located in more than one county, "board of 277
elections" means the county board of elections of the county 278
that contains the largest portion of the population of the 279
subdivision or that otherwise has jurisdiction in practice over 280
and customarily handles election matters relating to the 281
subdivision. 282

(D) "Bond retirement fund" means the bond retirement fund 283
provided for in section 5705.09 of the Revised Code, and also 284
means a sinking fund or any other special fund, regardless of 285
the name applied to it, established by or pursuant to law or the 286
proceedings for the payment of debt charges. Provision may be 287
made in the applicable proceedings for the establishment in a 288
bond retirement fund of separate accounts relating to debt 289
charges on particular securities, or on securities payable from 290
the same or common sources, and for the application of moneys in 291
those accounts only to specified debt charges on specified 292
securities or categories of securities. Subject to law and any 293
provisions in the applicable proceedings, moneys in a bond 294
retirement fund or separate account in a bond retirement fund 295
may be transferred to other funds and accounts. 296

(E) "Capitalized interest" means all or a portion of the 297
interest payable on securities from their date to a date stated 298
or provided for in the applicable legislation, which interest is 299
to be paid from the proceeds of the securities. 300

(F) "Chapter 133. securities" means securities authorized 301
by or issued pursuant to or in accordance with this chapter. 302

(G) "County auditor" means the county auditor of the 303
county in which the subdivision is located. If the subdivision 304
is located in more than one county, "county auditor" means the 305
county auditor of the county that contains the highest amount of 306
the tax valuation of the subdivision or that otherwise has 307
jurisdiction in practice over and customarily handles property 308
tax matters relating to the subdivision. In the case of a county 309
that has adopted a charter, "county auditor" means the officer 310
who generally has the duties and functions provided in the 311
Revised Code for a county auditor. 312

(H) "Credit enhancement facilities" means letters of 313
credit, lines of credit, stand-by, contingent, or firm 314
securities purchase agreements, insurance, or surety 315
arrangements, guarantees, and other arrangements that provide 316
for direct or contingent payment of debt charges, for security 317
or additional security in the event of nonpayment or default in 318
respect of securities, or for making payment of debt charges to 319
and at the option and on demand of securities holders or at the 320
option of the issuer or upon certain conditions occurring under 321
put or similar arrangements, or for otherwise supporting the 322
credit or liquidity of the securities, and includes credit, 323
reimbursement, marketing, remarketing, indexing, carrying, 324
interest rate hedge, and subrogation agreements, and other 325
agreements and arrangements for payment and reimbursement of the 326
person providing the credit enhancement facility and the 327
security for that payment and reimbursement. 328

(I) "Current operating expenses" or "current expenses" 329
means the lawful expenditures of a subdivision, except those for 330
permanent improvements and for payments of debt charges of the 331
subdivision. 332

(J) "Debt charges" means the principal, including any 333
mandatory sinking fund deposits and mandatory redemption 334
payments, interest, and any redemption premium, payable on 335
securities as those payments come due and are payable. The use 336
of "debt charges" for this purpose does not imply that any 337
particular securities constitute debt within the meaning of the 338
Ohio Constitution or other laws. 339

(K) "Financing costs" means all costs and expenses 340
relating to the authorization, including any required election, 341
issuance, sale, delivery, authentication, deposit, custody, 342
clearing, registration, transfer, exchange, fractionalization, 343
replacement, payment, and servicing of securities, including, 344
without limitation, costs and expenses for or relating to 345
publication and printing, postage, delivery, preliminary and 346
final official statements, offering circulars, and informational 347
statements, travel and transportation, underwriters, placement 348
agents, investment bankers, paying agents, registrars, 349
authenticating agents, remarketing agents, custodians, clearing 350
agencies or corporations, securities depositories, financial 351
advisory services, certifications, audits, federal or state 352
regulatory agencies, accounting and computation services, legal 353
services and obtaining approving legal opinions and other legal 354
opinions, credit ratings, redemption premiums, and credit 355
enhancement facilities. Financing costs may be paid from any 356
moneys available for the purpose, including, unless otherwise 357
provided in the proceedings, from the proceeds of the securities 358
to which they relate and, as to future financing costs, from the 359
same sources from which debt charges on the securities are paid 360
and as though debt charges. 361

(L) "Fiscal officer" means the following, or, in the case 362
of absence or vacancy in the office, a deputy or assistant 363

authorized by law or charter to act in the place of the named 364
officer, or if there is no such authorization then the deputy or 365
assistant authorized by legislation to act in the place of the 366
named officer for purposes of this chapter, in the case of the 367
following subdivisions: 368

(1) A county, the county auditor; 369

(2) A municipal corporation, the city auditor or village 370
clerk or clerk-treasurer, or the officer who, by virtue of a 371
charter, has the duties and functions provided in the Revised 372
Code for the city auditor or village clerk or clerk-treasurer; 373

(3) A school district, the treasurer of the board of 374
education; 375

(4) A regional water and sewer district, the secretary of 376
the board of trustees; 377

(5) A joint township hospital district, the treasurer of 378
the district; 379

(6) A joint ambulance district, the clerk of the board of 380
trustees; 381

(7) A joint recreation district, the person designated 382
pursuant to section 755.15 of the Revised Code; 383

(8) A detention facility district or a district organized 384
under section 2151.65 of the Revised Code or a combined district 385
organized under sections 2152.41 and 2151.65 of the Revised 386
Code, the county auditor of the county designated by law to act 387
as the auditor of the district; 388

(9) A township, a fire district organized under division 389
(C) of section 505.37 of the Revised Code, or a township police 390
district, the fiscal officer of the township; 391

(10) A joint fire district, the clerk of the board of	392
trustees of that district;	393
(11) A regional or county library district, the person	394
responsible for the financial affairs of that district;	395
(12) A joint solid waste management district, the fiscal	396
officer appointed by the board of directors of the district	397
under section 343.01 of the Revised Code;	398
(13) A joint emergency medical services district, the	399
person appointed as fiscal officer pursuant to division (D) of	400
section 307.053 of the Revised Code;	401
(14) A fire and ambulance district, the person appointed	402
as fiscal officer under division (B) of section 505.375 of the	403
Revised Code;	404
(15) A subdivision described in division (MM) (19) <u>(20)</u> of	405
this section, the officer who is designated by law as or	406
performs the functions of its chief fiscal officer;	407
(16) A joint police district, the treasurer of the	408
district;	409
(17) A lake facilities authority, the fiscal officer	410
designated under section 353.02 of the Revised Code;	411
(18) A regional transportation improvement project, the	412
county auditor designated under section 5595.10 of the Revised	413
Code.	414
(M) "Fiscal year" has the same meaning as in section 9.34	415
of the Revised Code.	416
(N) "Fractionalized interests in public obligations" means	417
participations, certificates of participation, shares, or other	418

instruments or agreements, separate from the public obligations 419
themselves, evidencing ownership of interests in public 420
obligations or of rights to receive payments of, or on account 421
of, principal or interest or their equivalents payable by or on 422
behalf of an obligor pursuant to public obligations. 423

(O) "Fully registered securities" means securities in 424
certificated or uncertificated form, registered as to both 425
principal and interest in the name of the owner. 426

(P) "Fund" means to provide for the payment of debt 427
charges and expenses related to that payment at or prior to 428
retirement by purchase, call for redemption, payment at 429
maturity, or otherwise. 430

(Q) "General obligation" means securities to the payment 431
of debt charges on which the full faith and credit and the 432
general property taxing power, including taxes within the tax 433
limitation if available to the subdivision, of the subdivision 434
are pledged. 435

(R) "Interest" or "interest equivalent" means those 436
payments or portions of payments, however denominated, that 437
constitute or represent consideration for forbearing the 438
collection of money, or for deferring the receipt of payment of 439
money to a future time. 440

(S) "Internal Revenue Code" means the "Internal Revenue 441
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1 et seq., as 442
amended, and includes any laws of the United States providing 443
for application of that code. 444

(T) "Issuer" means any public issuer and any nonprofit 445
corporation authorized to issue securities for or on behalf of 446
any public issuer. 447

(U) "Legislation" means an ordinance or resolution passed 448
by a majority affirmative vote of the then members of the taxing 449
authority unless a different vote is required by charter 450
provisions governing the passage of the particular legislation 451
by the taxing authority. 452

(V) "Mandatory sinking fund redemption requirements" means 453
amounts required by proceedings to be deposited in a bond 454
retirement fund for the purpose of paying in any year or fiscal 455
year by mandatory redemption prior to stated maturity the 456
principal of securities that is due and payable, except for 457
mandatory prior redemption requirements as provided in those 458
proceedings, in a subsequent year or fiscal year. 459

(W) "Mandatory sinking fund requirements" means amounts 460
required by proceedings to be deposited in a year or fiscal year 461
in a bond retirement fund for the purpose of paying the 462
principal of securities that is due and payable in a subsequent 463
year or fiscal year. 464

(X) "Net indebtedness" has the same meaning as in division 465
(A) of section 133.04 of the Revised Code. 466

(Y) "Obligor," in the case of securities or fractionalized 467
interests in public obligations issued by another person the 468
debt charges or their equivalents on which are payable from 469
payments made by a public issuer, means that public issuer. 470

(Z) "One purpose" relating to permanent improvements means 471
any one permanent improvement or group or category of permanent 472
improvements for the same utility, enterprise, system, or 473
project, development or redevelopment project, or for or devoted 474
to the same general purpose, function, or use or for which self- 475
supporting securities, based on the same or different sources of 476

revenues, may be issued or for which special assessments may be 477
levied by a single ordinance or resolution. "One purpose" 478
includes, but is not limited to, in any case any off-street 479
parking facilities relating to another permanent improvement, 480
and: 481

(1) Any number of roads, highways, streets, bridges, 482
sidewalks, and viaducts; 483

(2) Any number of off-street parking facilities; 484

(3) In the case of a county, any number of permanent 485
improvements for courthouse, jail, county offices, and other 486
county buildings, and related facilities; 487

(4) In the case of a school district, any number of 488
facilities and buildings for school district purposes, and 489
related facilities. 490

(AA) "Outstanding," referring to securities, means 491
securities that have been issued, delivered, and paid for, 492
except any of the following: 493

(1) Securities canceled upon surrender, exchange, or 494
transfer, or upon payment or redemption; 495

(2) Securities in replacement of which or in exchange for 496
which other securities have been issued; 497

(3) Securities for the payment, or redemption or purchase 498
for cancellation prior to maturity, of which sufficient moneys 499
or investments, in accordance with the applicable legislation or 500
other proceedings or any applicable law, by mandatory sinking 501
fund redemption requirements, mandatory sinking fund 502
requirements, or otherwise, have been deposited, and credited 503
for the purpose in a bond retirement fund or with a trustee or 504

paying or escrow agent, whether at or prior to their maturity or 505
redemption, and, in the case of securities to be redeemed prior 506
to their stated maturity, notice of redemption has been given or 507
satisfactory arrangements have been made for giving notice of 508
that redemption, or waiver of that notice by or on behalf of the 509
affected security holders has been filed with the subdivision or 510
its agent for the purpose. 511

(BB) "Paying agent" means the one or more banks, trust 512
companies, or other financial institutions or qualified persons, 513
including an appropriate office or officer of the subdivision, 514
designated as a paying agent or place of payment of debt charges 515
on the particular securities. 516

(CC) "Permanent improvement" or "improvement" means any 517
property, asset, or improvement certified by the fiscal officer, 518
which certification is conclusive, as having an estimated life 519
or period of usefulness of five years or more, and includes, but 520
is not limited to, real estate, buildings, and personal property 521
and interests in real estate, buildings, and personal property, 522
equipment, furnishings, and site improvements, and 523
reconstruction, rehabilitation, renovation, installation, 524
improvement, enlargement, and extension of property, assets, or 525
improvements so certified as having an estimated life or period 526
of usefulness of five years or more. The acquisition of all the 527
stock ownership of a corporation is the acquisition of a 528
permanent improvement to the extent that the value of that stock 529
is represented by permanent improvements. A permanent 530
improvement for parking, highway, road, and street purposes 531
includes resurfacing, but does not include ordinary repair. 532

(DD) "Person" has the same meaning as in section 1.59 of 533
the Revised Code and also includes any federal, state, 534

interstate, regional, or local governmental agency, any 535
subdivision, and any combination of those persons. 536

(EE) "Proceedings" means the legislation, certifications, 537
notices, orders, sale proceedings, trust agreement or indenture, 538
mortgage, lease, lease-purchase agreement, assignment, credit 539
enhancement facility agreements, and other agreements, 540
instruments, and documents, as amended and supplemented, and any 541
election proceedings, authorizing, or providing for the terms 542
and conditions applicable to, or providing for the security or 543
sale or award of, public obligations, and includes the 544
provisions set forth or incorporated in those public obligations 545
and proceedings. 546

(FF) "Public issuer" means any of the following that is 547
authorized by law to issue securities or enter into public 548
obligations: 549

(1) The state, including an agency, commission, officer, 550
institution, board, authority, or other instrumentality of the 551
state; 552

(2) A taxing authority, subdivision, district, or other 553
local public or governmental entity, and any combination or 554
consortium, or public division, district, commission, authority, 555
department, board, officer, or institution, thereof; 556

(3) Any other body corporate and politic, or other public 557
entity. 558

(GG) "Public obligations" means both of the following: 559

(1) Securities; 560

(2) Obligations of a public issuer to make payments under 561
installment sale, lease, lease purchase, or similar agreements, 562

which obligations may bear interest or interest equivalent. 563

(HH) "Refund" means to fund and retire outstanding 564
securities, including advance refunding with or without payment 565
or redemption prior to maturity. 566

(II) "Register" means the books kept and maintained by the 567
registrar for registration, exchange, and transfer of registered 568
securities. 569

(JJ) "Registrar" means the person responsible for keeping 570
the register for the particular registered securities, 571
designated by or pursuant to the proceedings. 572

(KK) "Securities" means bonds, notes, certificates of 573
indebtedness, commercial paper, and other instruments in 574
writing, including, unless the context does not admit, 575
anticipatory securities, issued by an issuer to evidence its 576
obligation to repay money borrowed, or to pay interest, by, or 577
to pay at any future time other money obligations of, the issuer 578
of the securities, but not including public obligations 579
described in division (GG) (2) of this section. 580

(LL) "Self-supporting securities" means securities or 581
portions of securities issued for the purpose of paying costs of 582
permanent improvements to the extent that receipts of the 583
subdivision, other than the proceeds of taxes levied by that 584
subdivision, derived from or with respect to the improvements or 585
the operation of the improvements being financed, or the 586
enterprise, system, project, or category of improvements of 587
which the improvements being financed are part, are estimated by 588
the fiscal officer to be sufficient to pay the current expenses 589
of that operation or of those improvements or enterprise, 590
system, project, or categories of improvements and the debt 591

charges payable from those receipts on securities issued for the 592
purpose. Until such time as the improvements or increases in 593
rates and charges have been in operation or effect for a period 594
of at least six months, the receipts therefrom, for purposes of 595
this definition, shall be those estimated by the fiscal officer, 596
except that those receipts may include, without limitation, 597
payments made and to be made to the subdivision under leases or 598
agreements in effect at the time the estimate is made. In the 599
case of an operation, improvements, or enterprise, system, 600
project, or category of improvements without at least a six- 601
month history of receipts, the estimate of receipts by the 602
fiscal officer, other than those to be derived under leases and 603
agreements then in effect, shall be confirmed by the taxing 604
authority. 605

(MM) "Subdivision" means any of the following: 606

(1) A county, including a county that has adopted a 607
charter under Article X, Ohio Constitution; 608

(2) A municipal corporation, including a municipal 609
corporation that has adopted a charter under Article XVIII, Ohio 610
Constitution; 611

(3) A school district; 612

(4) A regional water and sewer district organized under 613
Chapter 6119. of the Revised Code; 614

(5) A joint township hospital district organized under 615
section 513.07 of the Revised Code; 616

(6) A joint ambulance district organized under section 617
505.71 of the Revised Code; 618

(7) A joint recreation district organized under division 619

(C) of section 755.14 of the Revised Code; 620

(8) A detention facility district organized under section 621
2152.41, a district organized under section 2151.65, or a 622
combined district organized under sections 2152.41 and 2151.65 623
of the Revised Code; 624

(9) A township police district organized under section 625
505.48 of the Revised Code; 626

(10) A township; 627

(11) A joint fire district organized under section 505.371 628
of the Revised Code; 629

(12) A county library district created under section 630
3375.19 or a regional library district created under section 631
3375.28 of the Revised Code; 632

(13) A joint solid waste management district organized 633
under section 343.01 or 343.012 of the Revised Code; 634

(14) A joint emergency medical services district organized 635
under section 307.052 of the Revised Code; 636

(15) A fire and ambulance district organized under section 637
505.375 of the Revised Code; 638

(16) A fire district organized under division (C) of 639
section 505.37 of the Revised Code; 640

(17) A joint police district organized under section 641
505.482 of the Revised Code; 642

(18) A lake facilities authority created under Chapter 643
353. of the Revised Code; 644

(19) A regional transportation improvement project created 645
under Chapter 5595. of the Revised Code; 646

(20) Any other political subdivision or taxing district or 647
other local public body or agency authorized by this chapter or 648
other laws to issue Chapter 133. securities. 649

(NN) "Taxing authority" means in the case of the following 650
subdivisions: 651

(1) A county, a county library district, or a regional 652
library district, the board or boards of county commissioners, 653
or other legislative authority of a county that has adopted a 654
charter under Article X, Ohio Constitution, but with respect to 655
such a library district acting solely as agent for the board of 656
trustees of that district; 657

(2) A municipal corporation, the legislative authority; 658

(3) A school district, the board of education; 659

(4) A regional water and sewer district, a joint ambulance 660
district, a joint recreation district, a fire and ambulance 661
district, or a joint fire district, the board of trustees of the 662
district; 663

(5) A joint township hospital district, the joint township 664
hospital board; 665

(6) A detention facility district or a district organized 666
under section 2151.65 of the Revised Code, a combined district 667
organized under sections 2152.41 and 2151.65 of the Revised 668
Code, or a joint emergency medical services district, the joint 669
board of county commissioners; 670

(7) A township, a fire district organized under division 671
(C) of section 505.37 of the Revised Code, or a township police 672
district, the board of township trustees; 673

(8) A joint solid waste management district organized 674

under section 343.01 or 343.012 of the Revised Code, the board 675
of directors of the district; 676

(9) A subdivision described in division (MM) ~~(19)~~ (20) of 677
this section, the legislative or governing body or official; 678

(10) A joint police district, the joint police district 679
board; 680

(11) A lake facilities authority, the board of directors; 681

(12) A regional transportation improvement project, the 682
governing board. 683

(OO) "Tax limitation" means the "ten-mill limitation" as 684
defined in section 5705.02 of the Revised Code without 685
diminution by reason of section 5705.313 of the Revised Code or 686
otherwise, or, in the case of a municipal corporation or county 687
with a different charter limitation on property taxes levied to 688
pay debt charges on unvoted securities, that charter limitation. 689
Those limitations shall be respectively referred to as the "ten- 690
mill limitation" and the "charter tax limitation." 691

(PP) "Tax valuation" means the aggregate of the valuations 692
of property subject to ad valorem property taxation by the 693
subdivision on the real property, personal property, and public 694
utility property tax lists and duplicates most recently 695
certified for collection, and shall be calculated without 696
deductions of the valuations of otherwise taxable property 697
exempt in whole or in part from taxation by reason of exemptions 698
of certain amounts of taxable value under division (C) of 699
section 5709.01, tax reductions under section 323.152 of the 700
Revised Code, or similar laws now or in the future in effect. 701

For purposes of section 133.06 of the Revised Code, "tax 702
valuation" shall not include the valuation of tangible personal 703

property used in business, telephone or telegraph property, 704
interexchange telecommunications company property, or personal 705
property owned or leased by a railroad company and used in 706
railroad operations listed under or described in section 707
5711.22, division (B) or (F) of section 5727.111, or section 708
5727.12 of the Revised Code. 709

(QQ) "Year" means the calendar year. 710

(RR) "Administrative agent," "agent," "commercial paper," 711
"floating rate interest structure," "indexing agent," "interest 712
rate hedge," "interest rate period," "put arrangement," and 713
"remarketing agent" have the same meanings as in section 9.98 of 714
the Revised Code. 715

(SS) "Sales tax supported" means obligations to the 716
payment of debt charges on which an additional sales tax or 717
additional sales taxes have been pledged by the taxing authority 718
of a county pursuant to section 133.081 of the Revised Code. 719

(TT) "Tourism development district revenue supported" 720
means obligations to the payment of debt charges on which 721
tourism development district revenue has been pledged by the 722
taxing authority of a municipal corporation or township under 723
section 133.083 of the Revised Code. 724

Sec. 133.06. (A) A school district shall not incur, 725
without a vote of the electors, net indebtedness that exceeds an 726
amount equal to one-tenth of one per cent of its tax valuation, 727
except as provided in divisions (G) and (H) of this section and 728
in division (D) of section 3313.372 of the Revised Code, or as 729
prescribed in section 3318.052 or 3318.44 of the Revised Code, 730
or as provided in division (J) of this section. 731

(B) Except as provided in divisions (E), (F), and (I) of 732

this section, a school district shall not incur net indebtedness 733
that exceeds an amount equal to nine per cent of its tax 734
valuation. 735

(C) A school district shall not submit to a vote of the 736
electors the question of the issuance of securities in an amount 737
that will make the district's net indebtedness after the 738
issuance of the securities exceed an amount equal to four per 739
cent of its tax valuation, unless the superintendent of public 740
instruction, acting under policies adopted by the state board of 741
education, and the tax commissioner, acting under written 742
policies of the commissioner, consent to the submission. A 743
request for the consents shall be made at least one hundred 744
twenty days prior to the election at which the question is to be 745
submitted. 746

The superintendent of public instruction shall certify to 747
the district the superintendent's and the tax commissioner's 748
decisions within thirty days after receipt of the request for 749
consents. 750

If the electors do not approve the issuance of securities 751
at the election for which the superintendent of public 752
instruction and tax commissioner consented to the submission of 753
the question, the school district may submit the same question 754
to the electors on the date that the next special election may 755
be held under section 3501.01 of the Revised Code without 756
submitting a new request for consent. If the school district 757
seeks to submit the same question at any other subsequent 758
election, the district shall first submit a new request for 759
consent in accordance with this division. 760

(D) In calculating the net indebtedness of a school 761
district, none of the following shall be considered: 762

(1) Securities issued to acquire school buses and other 763
equipment used in transporting pupils or issued pursuant to 764
division (D) of section 133.10 of the Revised Code; 765

(2) Securities issued under division (F) of this section, 766
~~under section 133.301 of the Revised Code,~~ and, to the extent in 767
excess of the limitation stated in division (B) of this section, 768
under division (E) of this section; 769

(3) Indebtedness resulting from the dissolution of a joint 770
vocational school district under section 3311.217 of the Revised 771
Code, evidenced by outstanding securities of that joint 772
vocational school district; 773

(4) Loans, evidenced by any securities, received under 774
sections 3313.483, 3317.0210, and 3317.0211 of the Revised Code; 775

(5) Debt incurred under section 3313.374 of the Revised 776
Code; 777

(6) Debt incurred pursuant to division (B) (5) of section 778
3313.37 of the Revised Code to acquire computers and related 779
hardware; 780

(7) Debt incurred under section 3318.042 of the Revised 781
Code; 782

(8) Debt incurred under section 5705.2112 or 5705.2113 of 783
the Revised Code by the fiscal board of a qualifying partnership 784
of which the school district is a participating school district. 785

(E) A school district may become a special needs district 786
as to certain securities as provided in division (E) of this 787
section. 788

(1) A board of education, by resolution, may declare its 789
school district to be a special needs district by determining 790

both of the following: 791

(a) The student population is not being adequately 792
serviced by the existing permanent improvements of the district. 793

(b) The district cannot obtain sufficient funds by the 794
issuance of securities within the limitation of division (B) of 795
this section to provide additional or improved needed permanent 796
improvements in time to meet the needs. 797

(2) The board of education shall certify a copy of that 798
resolution to the superintendent of public instruction with a 799
statistical report showing all of the following: 800

(a) The history of and a projection of the growth of the 801
tax valuation; 802

(b) The projected needs; 803

(c) The estimated cost of permanent improvements proposed 804
to meet such projected needs. 805

(3) The superintendent of public instruction shall certify 806
the district as an approved special needs district if the 807
superintendent finds both of the following: 808

(a) The district does not have available sufficient 809
additional funds from state or federal sources to meet the 810
projected needs. 811

(b) The projection of the potential average growth of tax 812
valuation during the next five years, according to the 813
information certified to the superintendent and any other 814
information the superintendent obtains, indicates a likelihood 815
of potential average growth of tax valuation of the district 816
during the next five years of an average of not less than one 817
and one-half per cent per year. The findings and certification 818

of the superintendent shall be conclusive. 819

(4) An approved special needs district may incur net 820
indebtedness by the issuance of securities in accordance with 821
the provisions of this chapter in an amount that does not exceed 822
an amount equal to the greater of the following: 823

(a) Twelve per cent of the sum of its tax valuation plus 824
an amount that is the product of multiplying that tax valuation 825
by the percentage by which the tax valuation has increased over 826
the tax valuation on the first day of the sixtieth month 827
preceding the month in which its board determines to submit to 828
the electors the question of issuing the proposed securities; 829

(b) Twelve per cent of the sum of its tax valuation plus 830
an amount that is the product of multiplying that tax valuation 831
by the percentage, determined by the superintendent of public 832
instruction, by which that tax valuation is projected to 833
increase during the next ten years. 834

(F) A school district may issue securities for emergency 835
purposes, in a principal amount that does not exceed an amount 836
equal to three per cent of its tax valuation, as provided in 837
this division. 838

(1) A board of education, by resolution, may declare an 839
emergency if it determines both of the following: 840

(a) School buildings or other necessary school facilities 841
in the district have been wholly or partially destroyed, or 842
condemned by a constituted public authority, or that such 843
buildings or facilities are partially constructed, or so 844
constructed or planned as to require additions and improvements 845
to them before the buildings or facilities are usable for their 846
intended purpose, or that corrections to permanent improvements 847

are necessary to remove or prevent health or safety hazards. 848

(b) Existing fiscal and net indebtedness limitations make 849
adequate replacement, additions, or improvements impossible. 850

(2) Upon the declaration of an emergency, the board of 851
education may, by resolution, submit to the electors of the 852
district pursuant to section 133.18 of the Revised Code the 853
question of issuing securities for the purpose of paying the 854
cost, in excess of any insurance or condemnation proceeds 855
received by the district, of permanent improvements to respond 856
to the emergency need. 857

(3) The procedures for the election shall be as provided 858
in section 133.18 of the Revised Code, except that: 859

(a) The form of the ballot shall describe the emergency 860
existing, refer to this division as the authority under which 861
the emergency is declared, and state that the amount of the 862
proposed securities exceeds the limitations prescribed by 863
division (B) of this section; 864

(b) The resolution required by division (B) of section 865
133.18 of the Revised Code shall be certified to the county 866
auditor and the board of elections at least one hundred days 867
prior to the election; 868

(c) The county auditor shall advise and, not later than 869
ninety-five days before the election, confirm that advice by 870
certification to, the board of education of the information 871
required by division (C) of section 133.18 of the Revised Code; 872

(d) The board of education shall then certify its 873
resolution and the information required by division (D) of 874
section 133.18 of the Revised Code to the board of elections not 875
less than ninety days prior to the election. 876

(4) Notwithstanding division (B) of section 133.21 of the Revised Code, the first principal payment of securities issued under this division may be set at any date not later than sixty months after the earliest possible principal payment otherwise provided for in that division.

(G) (1) The board of education may contract with an architect, professional engineer, or other person experienced in the design and implementation of energy conservation measures for an analysis and recommendations pertaining to installations, modifications of installations, or remodeling that would significantly reduce energy consumption in buildings owned by the district. The report shall include estimates of all costs of such installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, measurement and verification of energy savings, and debt service, forgone residual value of materials or equipment replaced by the energy conservation measure, as defined by the Ohio facilities construction commission, a baseline analysis of actual energy consumption data for the preceding three years with the utility baseline based on only the actual energy consumption data for the preceding twelve months, and estimates of the amounts by which energy consumption and resultant operational and maintenance costs, as defined by the commission, would be reduced.

If the board finds after receiving the report that the amount of money the district would spend on such installations, modifications, or remodeling is not likely to exceed the amount of money it would save in energy and resultant operational and maintenance costs over the ensuing fifteen years, the board may submit to the commission a copy of its findings and a request for approval to incur indebtedness to finance the making or

modification of installations or the remodeling of buildings for 908
the purpose of significantly reducing energy consumption. 909

The facilities construction commission, in consultation 910
with the auditor of state, may deny a request under division (G) 911
(1) of this section by the board of education of any school 912
district that is in a state of fiscal watch pursuant to division 913
(A) of section 3316.03 of the Revised Code, if it determines 914
that the expenditure of funds is not in the best interest of the 915
school district. 916

No district board of education of a school district that 917
is in a state of fiscal emergency pursuant to division (B) of 918
section 3316.03 of the Revised Code shall submit a request 919
without submitting evidence that the installations, 920
modifications, or remodeling have been approved by the 921
district's financial planning and supervision commission 922
established under section 3316.05 of the Revised Code. 923

No board of education of a school district for which an 924
academic distress commission has been established under section 925
3302.10 of the Revised Code shall submit a request without first 926
receiving approval to incur indebtedness from the district's 927
academic distress commission established under that section, for 928
so long as such commission continues to be required for the 929
district. 930

(2) The board of education may contract with a person 931
experienced in the implementation of student transportation to 932
produce a report that includes an analysis of and 933
recommendations for the use of alternative fuel vehicles by 934
school districts. The report shall include cost estimates 935
detailing the return on investment over the life of the 936
alternative fuel vehicles and environmental impact of 937

alternative fuel vehicles. The report also shall include 938
estimates of all costs associated with alternative fuel 939
transportation, including facility modifications and vehicle 940
purchase costs or conversion costs. 941

If the board finds after receiving the report that the 942
amount of money the district would spend on purchasing 943
alternative fuel vehicles or vehicle conversion is not likely to 944
exceed the amount of money it would save in fuel and resultant 945
operational and maintenance costs over the ensuing five years, 946
the board may submit to the commission a copy of its findings 947
and a request for approval to incur indebtedness to finance the 948
purchase of new alternative fuel vehicles or vehicle conversions 949
for the purpose of reducing fuel costs. 950

The facilities construction commission, in consultation 951
with the auditor of state, may deny a request under division (G) 952
(2) of this section by the board of education of any school 953
district that is in a state of fiscal watch pursuant to division 954
(A) of section 3316.03 of the Revised Code, if it determines 955
that the expenditure of funds is not in the best interest of the 956
school district. 957

No district board of education of a school district that 958
is in a state of fiscal emergency pursuant to division (B) of 959
section 3316.03 of the Revised Code shall submit a request 960
without submitting evidence that the purchase or conversion of 961
alternative fuel vehicles has been approved by the district's 962
financial planning and supervision commission established under 963
section 3316.05 of the Revised Code. 964

No board of education of a school district for which an 965
academic distress commission has been established under section 966
3302.10 of the Revised Code shall submit a request without first 967

receiving approval to incur indebtedness from the district's 968
academic distress commission established under that section, for 969
so long as such commission continues to be required for the 970
district. 971

(3) The facilities construction commission shall approve 972
the board's request provided that the following conditions are 973
satisfied: 974

(a) The commission determines that the board's findings 975
are reasonable. 976

(b) The request for approval is complete. 977

(c) If the request was submitted under division (G) (1) of 978
this section, the installations, modifications, or remodeling 979
are consistent with any project to construct or acquire 980
classroom facilities, or to reconstruct or make additions to 981
existing classroom facilities under sections 3318.01 to 3318.20 982
or sections 3318.40 to 3318.45 of the Revised Code. 983

Upon receipt of the commission's approval, the district 984
may issue securities without a vote of the electors in a 985
principal amount not to exceed nine-tenths of one per cent of 986
its tax valuation for the purpose specified in division (G) (1) 987
or (2) of this section, but the total net indebtedness of the 988
district without a vote of the electors incurred under this and 989
all other sections of the Revised Code, except section 3318.052 990
of the Revised Code, shall not exceed one per cent of the 991
district's tax valuation. 992

(4) (a) So long as any securities issued under division (G) 993
(1) of this section remain outstanding, the board of education 994
shall monitor the energy consumption and resultant operational 995
and maintenance costs of buildings in which installations or 996

modifications have been made or remodeling has been done 997
pursuant to that division. Except as provided in division (G) (4) 998
(b) of this section, the board shall maintain and annually 999
update a report in a form and manner prescribed by the 1000
facilities construction commission documenting the reductions in 1001
energy consumption and resultant operational and maintenance 1002
cost savings attributable to such installations, modifications, 1003
or remodeling. The resultant operational and maintenance cost 1004
savings shall be certified by the school district treasurer. The 1005
report shall be submitted annually to the commission. 1006

(b) If the facilities construction commission verifies 1007
that the certified annual reports submitted to the commission by 1008
a board of education under division (G) (4) (a) of this section 1009
fulfill the guarantee required under division (B) of section 1010
3313.372 of the Revised Code for three consecutive years, the 1011
board of education shall no longer be subject to the annual 1012
reporting requirements of division (G) (4) (a) of this section. 1013

(5) So long as any securities issued under division (G) (2) 1014
of this section remain outstanding, the board of education shall 1015
monitor the purchase of new alternative fuel vehicles or vehicle 1016
conversions pursuant to that division. The board shall maintain 1017
and annually update a report in a form and manner prescribed by 1018
the facilities construction commission documenting the purchase 1019
of new alternative fuel vehicles or vehicle conversions, the 1020
associated environmental impact, and return on investment. The 1021
resultant fuel and operational and maintenance cost savings 1022
shall be certified by the school district treasurer. The report 1023
shall be submitted annually to the commission. 1024

(H) With the consent of the superintendent of public 1025
instruction, a school district may incur without a vote of the 1026

electors net indebtedness that exceeds the amounts stated in 1027
divisions (A) and (G) of this section for the purpose of paying 1028
costs of permanent improvements, if and to the extent that both 1029
of the following conditions are satisfied: 1030

(1) The fiscal officer of the school district estimates 1031
that receipts of the school district from payments made under or 1032
pursuant to agreements entered into pursuant to section 725.02, 1033
1728.10, 3735.671, 5709.081, 5709.082, 5709.40, 5709.41, 1034
5709.45, 5709.57, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 1035
or 5709.82 of the Revised Code, or distributions under division 1036
(C) of section 5709.43 or division (B) of section 5709.47 of the 1037
Revised Code, or any combination thereof, are, after accounting 1038
for any appropriate coverage requirements, sufficient in time 1039
and amount, and are committed by the proceedings, to pay the 1040
debt charges on the securities issued to evidence that 1041
indebtedness and payable from those receipts, and the taxing 1042
authority of the district confirms the fiscal officer's 1043
estimate, which confirmation is approved by the superintendent 1044
of public instruction; 1045

(2) The fiscal officer of the school district certifies, 1046
and the taxing authority of the district confirms, that the 1047
district, at the time of the certification and confirmation, 1048
reasonably expects to have sufficient revenue available for the 1049
purpose of operating such permanent improvements for their 1050
intended purpose upon acquisition or completion thereof, and the 1051
superintendent of public instruction approves the taxing 1052
authority's confirmation. 1053

The maximum maturity of securities issued under division 1054
(H) of this section shall be the lesser of twenty years or the 1055
maximum maturity calculated under section 133.20 of the Revised 1056

Code. 1057

(I) A school district may incur net indebtedness by the 1058
issuance of securities in accordance with the provisions of this 1059
chapter in excess of the limit specified in division (B) or (C) 1060
of this section when necessary to raise the school district 1061
portion of the basic project cost and any additional funds 1062
necessary to participate in a project under Chapter 3318. of the 1063
Revised Code, including the cost of items designated by the 1064
facilities construction commission as required locally funded 1065
initiatives, the cost of other locally funded initiatives in an 1066
amount that does not exceed fifty per cent of the district's 1067
portion of the basic project cost, and the cost for site 1068
acquisition. The commission shall notify the superintendent of 1069
public instruction whenever a school district will exceed either 1070
limit pursuant to this division. 1071

(J) A school district whose portion of the basic project 1072
cost of its classroom facilities project under sections 3318.01 1073
to 3318.20 of the Revised Code is greater than or equal to one 1074
hundred million dollars may incur without a vote of the electors 1075
net indebtedness in an amount up to two per cent of its tax 1076
valuation through the issuance of general obligation securities 1077
in order to generate all or part of the amount of its portion of 1078
the basic project cost if the controlling board has approved the 1079
facilities construction commission's conditional approval of the 1080
project under section 3318.04 of the Revised Code. The school 1081
district board and the Ohio facilities construction commission 1082
shall include the dedication of the proceeds of such securities 1083
in the agreement entered into under section 3318.08 of the 1084
Revised Code. No state moneys shall be released for a project to 1085
which this section applies until the proceeds of any bonds 1086
issued under this section that are dedicated for the payment of 1087

the school district portion of the project are first deposited 1088
into the school district's project construction fund. 1089

Sec. 133.07. (A) A county shall not incur, without a vote 1090
of the electors, either of the following: 1091

(1) Net indebtedness for all purposes that exceeds an 1092
amount equal to one per cent of its tax valuation; 1093

(2) Net indebtedness for the purpose of paying the 1094
county's share of the cost of the construction, improvement, 1095
maintenance, or repair of state highways that exceeds an amount 1096
equal to one-half of one per cent of its tax valuation. 1097

(B) A county shall not incur total net indebtedness that 1098
exceeds an amount equal to one of the following limitations that 1099
applies to the county: 1100

(1) A county with a valuation not exceeding one hundred 1101
million dollars, three per cent of that tax valuation; 1102

(2) A county with a tax valuation exceeding one hundred 1103
million dollars but not exceeding three hundred million dollars, 1104
three million dollars plus one and one-half per cent of that tax 1105
valuation in excess of one hundred million dollars; 1106

(3) A county with a tax valuation exceeding three hundred 1107
million dollars, six million dollars plus two and one-half per 1108
cent of that tax valuation in excess of three hundred million 1109
dollars. 1110

(C) In calculating the net indebtedness of a county, none 1111
of the following securities shall be considered: 1112

(1) Securities described in section 307.201 of the Revised 1113
Code; 1114

(2) Self-supporting securities issued for any purposes, 1115
including, but not limited to, any of the following general 1116
purposes: 1117

(a) Water systems or facilities; 1118

(b) Sanitary sewerage systems or facilities, or surface 1119
and storm water drainage and sewerage systems or facilities, or 1120
a combination of those systems or facilities; 1121

(c) County or joint county scrap tire collection, storage, 1122
monocell, monofill, or recovery facilities, or any combination 1123
of those facilities; 1124

(d) Off-street parking lots, facilities, or buildings, or 1125
on-street parking facilities, or any combination of off-street 1126
and on-street parking facilities; 1127

(e) Facilities for the care or treatment of the sick or 1128
infirm, and for housing the persons providing that care or 1129
treatment and their families; 1130

(f) Recreational, sports, convention, auditorium, museum, 1131
trade show, and other public attraction facilities; 1132

(g) Facilities for natural resources exploration, 1133
development, recovery, use, and sale; 1134

(h) Correctional and detention facilities and related 1135
rehabilitation facilities. 1136

(3) Securities issued for the purpose of purchasing, 1137
constructing, improving, or extending water or sanitary or 1138
surface and storm water sewerage systems or facilities, or a 1139
combination of those systems or facilities, to the extent that 1140
an agreement entered into with another subdivision requires the 1141
other subdivision to pay to the county amounts equivalent to 1142

debt charges on the securities; 1143

(4) Voted general obligation securities issued for the 1144
purpose of permanent improvements for sanitary sewerage or water 1145
systems or facilities to the extent that the total principal 1146
amount of voted securities outstanding for the purpose does not 1147
exceed an amount equal to two per cent of the county's tax 1148
valuation; 1149

(5) Securities issued for permanent improvements to house 1150
agencies, departments, boards, or commissions of the county or 1151
of any municipal corporation located, in whole or in part, in 1152
the county, to the extent that the revenues, other than revenues 1153
from unvoted county property taxes, derived from leases or other 1154
agreements between the county and those agencies, departments, 1155
boards, commissions, or municipal corporations relating to the 1156
use of the permanent improvements are sufficient to cover the 1157
cost of all operating expenses of the permanent improvements 1158
paid by the county and debt charges on the securities; 1159

(6) Securities issued pursuant to section 133.08 of the 1160
Revised Code; 1161

(7) Securities issued for the purpose of acquiring or 1162
constructing roads, highways, bridges, or viaducts, for the 1163
purpose of acquiring or making other highway permanent 1164
improvements, or for the purpose of procuring and maintaining 1165
computer systems for the office of the clerk of any county- 1166
operated municipal court, for the office of the clerk of the 1167
court of common pleas, or for the office of the clerk of the 1168
probate, juvenile, or domestic relations division of the court 1169
of common pleas to the extent that the legislation authorizing 1170
the issuance of the securities includes a covenant to 1171
appropriate from moneys distributed to the county pursuant to 1172

division (B) of section 2101.162, 2151.541, 2153.081, 2301.031, 1173
or 2303.201 or Chapter 4501., 4503., 4504., or 5735. of the 1174
Revised Code a sufficient amount to cover debt charges on and 1175
financing costs relating to the securities as they become due; 1176

(8) Securities issued for the purpose of acquiring, 1177
constructing, improving, and equipping a county, multicounty, or 1178
multicounty-municipal jail, workhouse, juvenile detention 1179
facility, or correctional facility; 1180

(9) Securities issued for the acquisition, construction, 1181
equipping, or repair of any permanent improvement or any class 1182
or group of permanent improvements enumerated in a resolution 1183
adopted pursuant to division (D) of section 5739.026, or under 1184
division ~~(A) (10)~~ (J) of section 5739.09, of the Revised Code to 1185
the extent that the legislation authorizing the issuance of the 1186
securities includes a covenant to appropriate from moneys 1187
received from the taxes authorized under section 5739.023 and 1188
division (A) (5) of section 5739.026, or under division ~~(A) (10)~~ 1189
(J) of section 5739.09~~7~~, of the Revised Code, respectively, an 1190
amount sufficient to pay debt charges on the securities and 1191
those moneys shall be pledged for that purpose; 1192

(10) Securities issued for county or joint county solid 1193
waste or hazardous waste collection, transfer, or disposal 1194
facilities, or resource recovery and solid or hazardous waste 1195
recycling facilities, or any combination of those facilities; 1196

(11) Securities issued for the acquisition, construction, 1197
and equipping of a port authority educational and cultural 1198
facility under section 307.671 of the Revised Code; 1199

(12) Securities issued for the acquisition, construction, 1200
equipping, and improving of a municipal educational and cultural 1201

facility under division (B) (1) of section 307.672 of the Revised	1202
Code;	1203
(13) Securities issued for energy conservation measures	1204
under section 307.041 of the Revised Code;	1205
(14) Securities issued for the acquisition, construction,	1206
equipping, improving, or repair of a sports facility, including	1207
obligations issued to pay costs of a sports facility under	1208
section 307.673 of the Revised Code;	1209
(15) Securities issued under section 755.17 of the Revised	1210
Code if the legislation authorizing issuance of the securities	1211
includes a covenant to appropriate from revenue received from a	1212
tax authorized under division (A) (5) of section 5739.026 and	1213
section 5741.023 of the Revised Code an amount sufficient to pay	1214
debt charges on the securities, and the board of county	1215
commissioners pledges that revenue for that purpose, pursuant to	1216
section 755.171 of the Revised Code;	1217
(16) Sales tax supported bonds issued pursuant to section	1218
133.081 of the Revised Code for the purpose of acquiring,	1219
constructing, improving, or equipping any permanent improvement	1220
to the extent that the legislation authorizing the issuance of	1221
the sales tax supported bonds pledges county sales taxes to the	1222
payment of debt charges on the sales tax supported bonds and	1223
contains a covenant to appropriate from county sales taxes a	1224
sufficient amount to cover debt charges or the financing costs	1225
related to the sales tax supported bonds as they become due;	1226
(17) Bonds or notes issued under section 133.60 of the	1227
Revised Code if the legislation authorizing issuance of the	1228
bonds or notes includes a covenant to appropriate from revenue	1229
received from a tax authorized under division (A) (9) of section	1230

5739.026 and section 5741.023 of the Revised Code an amount 1231
sufficient to pay the debt charges on the bonds or notes, and 1232
the board of county commissioners pledges that revenue for that 1233
purpose; 1234

(18) Securities issued under section 3707.55 of the 1235
Revised Code for the acquisition of real property by a general 1236
health district; 1237

(19) Securities issued under division (A)(3) of section 1238
3313.37 of the Revised Code for the acquisition of real and 1239
personal property by an educational service center; 1240

(20) Securities issued for the purpose of paying the costs 1241
of acquiring, constructing, reconstructing, renovating, 1242
rehabilitating, expanding, adding to, equipping, furnishing, or 1243
otherwise improving an arena, convention center, or a 1244
combination of an arena and convention center under section 1245
307.695 of the Revised Code; 1246

(21) Securities issued for the purpose of paying project 1247
costs under section 307.678 of the Revised Code; 1248

(22) Securities issued for the purpose of paying project 1249
costs under section 307.679 of the Revised Code. 1250

(D) In calculating the net indebtedness of a county, no 1251
obligation incurred under division (F) of section 339.06 of the 1252
Revised Code shall be considered. 1253

Sec. 133.18. (A) The taxing authority of a subdivision may 1254
by legislation submit to the electors of the subdivision the 1255
question of issuing any general obligation bonds, for one 1256
purpose, that the subdivision has power or authority to issue. 1257

(B) When the taxing authority of a subdivision desires or 1258

is required by law to submit the question of a bond issue to the 1259
electors, it shall pass legislation that does all of the 1260
following: 1261

(1) Declares the necessity and purpose of the bond issue; 1262

(2) States the date of the authorized election at which 1263
the question shall be submitted to the electors; 1264

(3) States the amount, approximate date, estimated net 1265
average rate of interest, and maximum number of years over which 1266
the principal of the bonds may be paid; 1267

(4) Declares the necessity of levying a tax outside the 1268
tax limitation to pay the debt charges on the bonds and any 1269
anticipatory securities. 1270

The estimated net average interest rate shall be 1271
determined by the taxing authority based on, among other 1272
factors, then existing market conditions, and may reflect 1273
adjustments for any anticipated direct payments expected to be 1274
received by the taxing authority from the government of the 1275
United States relating to the bonds and the effect of any 1276
federal tax credits anticipated to be available to owners of all 1277
or a portion of the bonds. The estimated net average rate of 1278
interest, and any statutory or charter limit on interest rates 1279
that may then be in effect and that is subsequently amended, 1280
shall not be a limitation on the actual interest rate or rates 1281
on the securities when issued. 1282

~~(C)(1)~~ (C) The taxing authority shall certify a copy of 1283
the legislation passed under division (B) of this section to the 1284
county auditor. The county auditor shall promptly calculate and 1285
advise and, not later than ninety days before the election, 1286
confirm that advice by certification to, the taxing authority 1287

the estimated average annual property tax levy, expressed in 1288
cents or dollars and cents for each one hundred dollars of tax 1289
valuation and in mills for each one dollar of tax valuation, 1290
that the county auditor estimates to be required throughout the 1291
stated maturity of the bonds to pay the debt charges on the 1292
bonds. In calculating the estimated average annual property tax 1293
levy for this purpose, the county auditor shall assume that the 1294
bonds are issued in one series bearing interest and maturing in 1295
substantially equal principal amounts in each year over the 1296
maximum number of years over which the principal of the bonds 1297
may be paid as stated in that legislation, and that the amount 1298
of the tax valuation of the subdivision for the current year 1299
remains the same throughout the maturity of the bonds, ~~except as~~ 1300
~~otherwise provided in division (C) (2) of this section.~~ If the 1301
tax valuation for the current year is not determined, the county 1302
auditor shall base the calculation on the estimated amount of 1303
the tax valuation submitted by the county auditor to the county 1304
budget commission. If the subdivision is located in more than 1305
one county, the county auditor shall obtain the assistance of 1306
the county auditors of the other counties, and those county 1307
auditors shall provide assistance, in establishing the tax 1308
valuation of the subdivision for purposes of certifying the 1309
estimated average annual property tax levy. 1310

~~(2) When considering the tangible personal property~~ 1311
~~component of the tax valuation of the subdivision, the county~~ 1312
~~auditor shall take into account the assessment percentages~~ 1313
~~prescribed in section 5711.22 of the Revised Code. The tax~~ 1314
~~commissioner may issue rules, orders, or instructions directing~~ 1315
~~how the assessment percentages must be utilized.~~ 1316

(D) After receiving the county auditor's advice under 1317
division (C) of this section, the taxing authority by 1318

legislation may determine to proceed with submitting the 1319
question of the issue of securities, and shall, not later than 1320
the ninetieth day before the day of the election, file the 1321
following with the board of elections: 1322

(1) Copies of the legislation provided for in divisions 1323
(B) and (D) of this section; 1324

(2) The amount of the estimated average annual property 1325
tax levy, expressed in cents or dollars and cents for each one 1326
hundred dollars of tax valuation and in mills for each one 1327
dollar of tax valuation, as estimated and certified to the 1328
taxing authority by the county auditor. 1329

(E) (1) The board of elections shall prepare the ballots 1330
and make other necessary arrangements for the submission of the 1331
question to the electors of the subdivision. If the subdivision 1332
is located in more than one county, the board shall inform the 1333
boards of elections of the other counties of the filings with 1334
it, and those other boards shall if appropriate make the other 1335
necessary arrangements for the election in their counties. The 1336
election shall be conducted, canvassed, and certified in the 1337
manner provided in Title XXXV of the Revised Code. 1338

(2) The election shall be held at the regular places for 1339
voting in the subdivision. If the electors of only a part of a 1340
precinct are qualified to vote at the election the board of 1341
elections may assign the electors in that part to an adjoining 1342
precinct, including an adjoining precinct in another county if 1343
the board of elections of the other county consents to and 1344
approves the assignment. Each elector so assigned shall be 1345
notified of that fact prior to the election by notice mailed by 1346
the board of elections, in such manner as it determines, prior 1347
to the election. 1348

(3) The board of elections shall publish a notice of the election once in a newspaper of general circulation in the subdivision, no later than ten days prior to the election. The notice shall state all of the following:

(a) The principal amount of the proposed bond issue;

(b) The stated purpose for which the bonds are to be issued;

(c) The maximum number of years over which the principal of the bonds may be paid;

(d) The estimated additional average annual property tax levy, expressed in cents or dollars and cents for each one hundred dollars of tax valuation and in mills for each one dollar of tax valuation, to be levied outside the tax limitation, as estimated and certified to the taxing authority by the county auditor;

(e) The first calendar year in which the tax is expected to be due.

(F) (1) The form of the ballot to be used at the election shall be substantially either of the following, as applicable:

(a) "Shall bonds be issued by the _____ (name of subdivision) for the purpose of _____ (purpose of the bond issue) in the principal amount of _____ (principal amount of the bond issue), to be repaid annually over a maximum period of _____ (the maximum number of years over which the principal of the bonds may be paid) years, and an annual levy of property taxes be made outside the _____ (as applicable, "ten-mill" or "___charter tax") limitation, estimated by the county auditor to average over the repayment period of the bond issue _____ (number of mills) mills for each one dollar of

tax valuation, which amounts to _____ (rate expressed in 1378
cents or dollars and cents, such as "36 cents" or "\$1.41") for 1379
each one hundred dollars of tax valuation, commencing in 1380
_____ (first year the tax will be levied), first due in 1381
calendar year _____ (first calendar year in which the tax 1382
shall be due), to pay the annual debt charges on the bonds, and 1383
to pay debt charges on any notes issued in anticipation of those 1384
bonds? 1385

1386

	For the bond issue
	Against the bond issue

"

(b) In the case of an election held pursuant to 1387
legislation adopted under section 3375.43 or 3375.431 of the 1388
Revised Code: 1389

"Shall bonds be issued for _____ (name of library) 1390
for the purpose of _____ (purpose of the bond issue), in 1391
the principal amount of _____ (amount of the bond issue) by 1392
_____ (the name of the subdivision that is to issue the 1393
bonds and levy the tax) as the issuer of the bonds, to be repaid 1394
annually over a maximum period of _____ (the maximum number 1395
of years over which the principal of the bonds may be paid) 1396
years, and an annual levy of property taxes be made outside the 1397
ten-mill limitation, estimated by the county auditor to average 1398
over the repayment period of the bond issue _____ (number 1399
of mills) mills for each one dollar of tax valuation, which 1400
amounts to _____ (rate expressed in cents or dollars and 1401
cents, such as "36 cents" or "\$1.41") for each one hundred 1402

dollars of tax valuation, commencing in _____ (first year 1403
the tax will be levied), first due in calendar year _____ 1404
(first calendar year in which the tax shall be due), to pay the 1405
annual debt charges on the bonds, and to pay debt charges on any 1406
notes issued in anticipation of those bonds? 1407

1408

	For the bond issue
	Against the bond issue

"

(2) The purpose for which the bonds are to be issued shall 1409
be printed in the space indicated, in boldface type. 1410

(G) The board of elections shall promptly certify the 1411
results of the election to the tax commissioner, the county 1412
auditor of each county in which any part of the subdivision is 1413
located, and the fiscal officer of the subdivision. The 1414
election, including the proceedings for and result of the 1415
election, is incontestable other than in a contest filed under 1416
section 3515.09 of the Revised Code in which the plaintiff 1417
prevails. 1418

(H) If a majority of the electors voting upon the question 1419
vote for it, the taxing authority of the subdivision may proceed 1420
under sections 133.21 to 133.33 of the Revised Code with the 1421
issuance of the securities and with the levy and collection of a 1422
property tax outside the tax limitation during the period the 1423
securities are outstanding sufficient in amount to pay the debt 1424
charges on the securities, including debt charges on any 1425
anticipatory securities required to be paid from that tax. If 1426
legislation passed under section 133.22 or 133.23 of the Revised 1427

Code authorizing those securities is filed with the county 1428
auditor on or before the last day of November, the amount of the 1429
voted property tax levy required to pay debt charges or 1430
estimated debt charges on the securities payable in the 1431
following year shall if requested by the taxing authority be 1432
included in the taxes levied for collection in the following 1433
year under section 319.30 of the Revised Code. 1434

(I) (1) If, before any securities authorized at an election 1435
under this section are issued, the net indebtedness of the 1436
subdivision exceeds that applicable to that subdivision or those 1437
securities, then and so long as that is the case none of the 1438
securities may be issued. 1439

(2) No securities authorized at an election under this 1440
section may be initially issued after the first day of the sixth 1441
January following the election, but this period of limitation 1442
shall not run for any time during which any part of the 1443
permanent improvement for which the securities have been 1444
authorized, or the issuing or validity of any part of the 1445
securities issued or to be issued, or the related proceedings, 1446
is involved or questioned before a court or a commission or 1447
other tribunal, administrative agency, or board. 1448

(3) Securities representing a portion of the amount 1449
authorized at an election that are issued within the applicable 1450
limitation on net indebtedness are valid and in no manner 1451
affected by the fact that the balance of the securities 1452
authorized cannot be issued by reason of the net indebtedness 1453
limitation or lapse of time. 1454

(4) Nothing in this division (I) shall be interpreted or 1455
applied to prevent the issuance of securities in an amount to 1456
fund or refund anticipatory securities lawfully issued. 1457

(5) The limitations of divisions (I)(1) and (2) of this 1458
section do not apply to any securities authorized at an election 1459
under this section if at least ten per cent of the principal 1460
amount of the securities, including anticipatory securities, 1461
authorized has theretofore been issued, or if the securities are 1462
to be issued for the purpose of participating in any federally 1463
or state-assisted program. 1464

(6) The certificate of the fiscal officer of the 1465
subdivision is conclusive proof of the facts referred to in this 1466
division. 1467

Sec. 135.142. (A) In addition to the investments 1468
authorized by section 135.14 of the Revised Code, any board of 1469
education, by a two-thirds vote of its members, may authorize 1470
the treasurer of the board of education to invest up to forty 1471
per cent of the interim moneys of the board, available for 1472
investment at any one time, in either of the following: 1473

(1) Commercial paper notes issued by any entity that is 1474
defined in division (D) of section 1705.01 of the Revised Code 1475
and has assets exceeding five hundred million dollars, and to 1476
which notes all of the following apply: 1477

(a) The notes are rated at the time of purchase in the 1478
highest classification established by at least two nationally 1479
recognized standard rating services. 1480

(b) The aggregate value of the notes does not exceed ten 1481
per cent of the aggregate value of the outstanding commercial 1482
paper of the issuing corporation. 1483

(c) The notes mature no later than two hundred seventy 1484
days after purchase. 1485

(d) The investment in commercial paper notes of a single 1486

issuer shall not exceed in the aggregate five per cent of 1487
interim moneys of the board available for investment at the time 1488
of purchase. 1489

(2) Bankers' acceptances of banks that are insured by the 1490
federal deposit insurance corporation and that mature no later 1491
than one hundred eighty days after purchase. 1492

(B) No investment authorized pursuant to division (A) of 1493
this section shall be made, whether or not authorized by a board 1494
of education, unless the treasurer of the board of education has 1495
completed additional training for making the types of 1496
investments authorized pursuant to division (A) of this section. 1497
The type and amount of such training shall be approved and may 1498
be conducted by or provided under the supervision of the 1499
treasurer of state. 1500

(C) The treasurer of the board of education shall prepare 1501
annually and submit to the board of education, the 1502
superintendent of public instruction, and the auditor of state, 1503
on or before the thirty-first day of August, a report listing 1504
each investment made pursuant to division (A) of this section 1505
during the preceding fiscal year, income earned from such 1506
investments, fees and commissions paid pursuant to division (D) 1507
of this section, and any other information required by the 1508
board, the superintendent, and the auditor of state. 1509

(D) A board of education may make appropriations and 1510
expenditures for fees and commissions in connection with 1511
investments made pursuant to division (A) of this section. 1512

(E) (1) In addition to the investments authorized by 1513
section 135.14 of the Revised Code and division (A) of this 1514
section, any board of education that is a party to an agreement 1515

with the treasurer of state pursuant to division (G) of section 1516
135.143 of the Revised Code and that has outstanding obligations 1517
issued under authority of section 133.10 ~~or 133.301~~ of the 1518
Revised Code may authorize the treasurer of the board of 1519
education to invest interim moneys of the board in debt 1520
interests rated in either of the two highest rating 1521
classifications by at least two nationally recognized standard 1522
rating services and issued by entities that are defined in 1523
division (D) of section 1705.01 of the Revised Code. The debt 1524
interests purchased under authority of division (E) of this 1525
section shall mature not later than the latest maturity date of 1526
the outstanding obligations issued under authority of section 1527
133.10 or 133.301 of the Revised Code. 1528

(2) If any of the debt interests acquired under division 1529
(E) (1) of this section ceases to be rated as there required, its 1530
issuer shall notify the treasurer of state of this fact within 1531
twenty-four hours. At any time thereafter the treasurer of state 1532
may require collateralization at the rate of one hundred two per 1533
cent of any remaining obligation of the entity, with securities 1534
authorized for investment under section 135.143 of the Revised 1535
Code. The collateral shall be delivered to and held by a 1536
custodian acceptable to the treasurer of state, marked to market 1537
daily, and any default to be cured within twelve hours. 1538
Unlimited substitution shall be allowed of comparable 1539
securities. 1540

Sec. 305.31. The procedure for submitting to a referendum 1541
a resolution adopted by a board of county commissioners under 1542
division (H) of section 307.695 of the Revised Code that is not 1543
submitted to the electors of the county for their approval or 1544
disapproval; any resolution adopted by a board of county 1545
commissioners pursuant to division (D) (1) of section 307.697, 1546

section 322.02, or 322.06, sections 940.31 and 940.33, division 1547
(B) (1) of section 4301.421, section 4504.02, 5739.021, or 1548
5739.026, division ~~(A) (6)~~ (F), ~~(A) (10)~~ (J), or ~~(M)~~ (U) of section 1549
5739.09, section 5741.021 or 5741.023, or division (C) (1) of 1550
section 5743.024 of the Revised Code; or a rule adopted pursuant 1551
to section 307.79 of the Revised Code shall be as prescribed by 1552
this section. 1553

Except as otherwise provided in this paragraph, when a 1554
petition, signed by ten per cent of the number of electors who 1555
voted for governor at the most recent general election for the 1556
office of governor in the county, is filed with the county 1557
auditor within thirty days after the date the resolution is 1558
passed or rule is adopted by the board of county commissioners, 1559
or is filed within forty-five days after the resolution is 1560
passed, in the case of a resolution adopted pursuant to section 1561
5739.021 of the Revised Code that is passed within one year 1562
after a resolution adopted pursuant to that section has been 1563
rejected or repealed by the electors, requesting that the 1564
resolution be submitted to the electors of the county for their 1565
approval or rejection, the county auditor shall, after ten days 1566
following the filing of the petition, and not later than four 1567
p.m. of the ninetieth day before the day of election, transmit a 1568
certified copy of the text of the resolution or rule to the 1569
board of elections. In the case of a petition requesting that a 1570
resolution adopted under division (D) (1) of section 307.697, 1571
division (B) (1) of section 4301.421, or division (C) (1) of 1572
section 5743.024 of the Revised Code be submitted to electors 1573
for their approval or rejection, the petition shall be signed by 1574
seven per cent of the number of electors who voted for governor 1575
at the most recent election for the office of governor in the 1576
county. The county auditor shall transmit the petition to the 1577

board together with the certified copy of the resolution or 1578
rule. The board shall examine all signatures on the petition to 1579
determine the number of electors of the county who signed the 1580
petition. The board shall return the petition to the auditor 1581
within ten days after receiving it, together with a statement 1582
attesting to the number of such electors who signed the 1583
petition. The board shall submit the resolution or rule to the 1584
electors of the county, for their approval or rejection, at the 1585
succeeding general election held in the county in any year, or 1586
on the day of the succeeding primary election held in the county 1587
in even-numbered years, occurring subsequent to ninety days 1588
after the auditor certifies the sufficiency and validity of the 1589
petition to the board of elections. 1590

No resolution shall go into effect until approved by the 1591
majority of those voting upon it. However, a rule shall take 1592
effect and remain in effect unless and until a majority of the 1593
electors voting on the question of repeal approve the repeal. 1594
Sections 305.31 to 305.41 of the Revised Code do not prevent a 1595
county, after the passage of any resolution or adoption of any 1596
rule, from proceeding at once to give any notice or make any 1597
publication required by the resolution or rule. 1598

The board of county commissioners shall make available to 1599
any person, upon request, a certified copy of any resolution or 1600
rule subject to the procedure for submitting a referendum under 1601
sections 305.31 to 305.42 of the Revised Code beginning on the 1602
date the resolution or rule is adopted by the board. The board 1603
may charge a fee for the cost of copying the resolution or rule. 1604

As used in this section, "certified copy" means a copy 1605
containing a written statement attesting that it is a true and 1606
exact reproduction of the original resolution or rule. 1607

Sec. 306.322. (A) For any regional transit authority that 1608
levies a property tax and that includes in its membership 1609
political subdivisions that are located in a county having a 1610
population of at least four hundred thousand according to the 1611
most recent federal census, the procedures of this section apply 1612
until November 5, 2013, and are in addition to and an 1613
alternative to those established in sections 306.32 and 306.321 1614
of the Revised Code for joining to the regional transit 1615
authority additional counties, municipal corporations, or 1616
townships. 1617

(B) Any municipal corporation or township may adopt a 1618
resolution or ordinance proposing to join a regional transit 1619
authority described in division (A) of this section. In its 1620
resolution or ordinance, the political subdivision may propose 1621
joining the regional transit authority for a limited period of 1622
three years or without a time limit. 1623

(C) The political subdivision proposing to join the 1624
regional transit authority shall submit a copy of its resolution 1625
or ordinance to the legislative authority of each municipal 1626
corporation and the board of trustees of each township 1627
comprising the regional transit authority. Within thirty days of 1628
receiving the resolution or ordinance for inclusion in the 1629
regional transit authority, the legislative authority of each 1630
municipal corporation and the board of trustees of each township 1631
shall consider the question of whether to include the additional 1632
subdivision in the regional transit authority, shall adopt a 1633
resolution or ordinance approving or rejecting the inclusion of 1634
the additional subdivision, and shall present its resolution or 1635
ordinance to the board of trustees of the regional transit 1636
authority. 1637

(D) If a majority of the political subdivisions comprising 1638
the regional transit authority approve the inclusion of the 1639
additional political subdivision, the board of trustees of the 1640
regional transit authority, not later than the tenth day 1641
following the day on which the last ordinance or resolution is 1642
presented, shall notify the subdivision proposing to join the 1643
regional transit authority that it may certify the proposal to 1644
the board of elections for the purpose of having the proposal 1645
placed on the ballot at the next general election or at a 1646
special election conducted on the day of the next primary 1647
election that occurs not less than ninety days after the 1648
resolution or ordinance is certified to the board of elections. 1649

(E) Upon certification of a proposal to the board of 1650
elections pursuant to this section, the board of elections shall 1651
make the necessary arrangements for the submission of the 1652
question to the electors of the territory to be included in the 1653
regional transit authority qualified to vote on the question, 1654
and the election shall be held, canvassed, and certified in the 1655
same manner as regular elections for the election of officers of 1656
the subdivision proposing to join the regional transit 1657
authority, except that, if the resolution proposed the inclusion 1658
without a time limitation the question appearing on the ballot 1659
shall read: 1660

"Shall the territory within the _____ 1661
(Name or names of political subdivisions to be joined) be added 1662
to _____ (Name) regional transit 1663
authority?" and shall a(n) _____ (here insert type of tax 1664
or taxes) at a rate of taxation not to exceed _____ (here insert 1665
maximum tax rate or rates) be levied for all transit purposes?" 1666

If the resolution proposed the inclusion with a three-year 1667

time limitation, the question appearing on the ballot shall 1668
read: 1669

"Shall the territory within the _____ 1670
(Name or names of political subdivisions to be joined) be added 1671
to _____ (Name) regional transit 1672
authority?" for three years and shall a(n) _____ (here 1673
insert type of tax or taxes) at a rate of taxation not to exceed 1674
_____ (here insert maximum tax rate or rates) be levied for all 1675
transit purposes for three years?" 1676

(F) If the question is approved by at least a majority of 1677
the electors voting on the question, the addition of the new 1678
territory is effective six months from the date of the 1679
certification of its passage, and the regional transit authority 1680
may extend the levy of the tax against all the taxable property 1681
within the territory that was added. If the question is approved 1682
at a general election or at a special election occurring prior 1683
to the general election but after the fifteenth day of July, the 1684
regional transit authority may amend its budget and resolution 1685
adopted pursuant to section 5705.34 of the Revised Code, and the 1686
levy shall be placed on the current tax list and duplicate and 1687
collected as other taxes are collected from all taxable property 1688
within the territorial boundaries of the regional transit 1689
authority, including the territory within the political 1690
subdivision added as a result of the election. If the budget of 1691
the regional transit authority is amended pursuant to this 1692
paragraph, the county auditor shall prepare and deliver an 1693
amended certificate of estimated resources to reflect the change 1694
in anticipated revenues of the regional transit authority. 1695

(G) If the question is approved by at least a majority of 1696
the electors voting on the question, the board of trustees of 1697

the regional transit authority immediately shall amend the 1698
resolution or ordinance creating the regional transit authority 1699
to include the additional political subdivision. 1700

(H) If the question approved by a majority of the electors 1701
voting on the question added the subdivision for three years, 1702
the territory of the additional municipal corporation or 1703
township in the regional transit authority shall be removed from 1704
the territory of the regional transit authority three years 1705
after the date the territory was added, as determined in the 1706
effective date of the election, and shall no longer be a part of 1707
that authority without any further action by either the 1708
political subdivisions that were included in the authority prior 1709
to submitting the question to the electors or of the political 1710
subdivision added to the authority as a result of the election. 1711
The regional transit authority reduced to its territory as it 1712
existed prior to the inclusion of the additional municipal 1713
corporation or township shall be entitled to levy and collect 1714
any property taxes that it was authorized to levy and collect 1715
prior to the enlargement of its territory and for which 1716
authorization has not expired, as if the enlargement had not 1717
occurred. 1718

Sec. 307.671. (A) As used in this section: 1719

(1) "Bonds" means, as the context requires: general 1720
obligation bonds of the county, or notes in anticipation 1721
thereof, described in division (B)(1)(b) of this section; 1722
revenue bonds of the port authority described in division (B)(2) 1723
(a) of this section; and urban renewal bonds, or notes in 1724
anticipation thereof, of the host municipal corporation 1725
described in division (B)(3)(a) of this section. 1726

(2) "Corporation" means a nonprofit corporation that is 1727

organized under the laws of this state and that includes within 1728
the purposes for which it is incorporated the authorization to 1729
lease and operate facilities such as a port authority 1730
educational and cultural facility. 1731

(3) "Debt service charges" means, for any period or 1732
payable at any time, the principal of and interest and any 1733
premium due on bonds for that period or payable at that time 1734
whether due at maturity or upon mandatory redemption, together 1735
with any required deposits to reserves for the payment of 1736
principal of and interest on such bonds, and includes any 1737
payments required by the port authority to satisfy any of its 1738
obligations arising from any guaranty agreements, reimbursement 1739
agreements, or other credit enhancement agreements described in 1740
division (C) of this section. 1741

(4) "Host municipal corporation" means the municipal 1742
corporation within the boundaries of which the port authority 1743
educational and cultural facility is located. 1744

(5) "Port authority" means a port authority created 1745
pursuant to the authority of section 4582.02 of the Revised Code 1746
by a county and a host municipal corporation. 1747

(6) "Port authority educational and cultural facility" 1748
means a facility located within an urban renewal area that may 1749
consist of a museum, archives, library, hall of fame, center for 1750
contemporary music, or other facilities necessary to provide 1751
programs of an educational and cultural nature, together with 1752
all parking facilities, walkways, and other auxiliary 1753
facilities, real and personal property, property rights, 1754
easements, and interests that may be appropriate for, or used in 1755
connection with, the operation of the facility. 1756

(7) "Urban renewal area" means an area of a host municipal corporation that the legislative authority of the host municipal corporation has, at any time, designated as appropriate for an urban renewal project pursuant to Chapter 725. of the Revised Code.

(B) The board of county commissioners of a county, a port authority, and a host municipal corporation may enter into a cooperative agreement with a corporation, under which:

(1) The board of county commissioners agrees to do all of the following:

(a) Levy a tax under division ~~(D)~~ (N) of section 5739.09 of the Revised Code exclusively for the purposes described in divisions (B) (1) (c) and (d) of this section;

(b) Issue general obligation bonds of the county, or notes in anticipation thereof, pursuant to Chapter 133. of the Revised Code, for the purpose of acquiring, constructing, and equipping the port authority educational and cultural facility and contribute the proceeds from the issuance to the port authority for such purpose. The cooperative agreement may provide that such proceeds be deposited with and administered by the trustee pursuant to the trust agreement provided for in division (C) of this section.

(c) Following the issuance, sale, and delivery of the port authority revenue bonds provided for in division (B) (2) (a) of this section, and prior to the date certain stated in the cooperative agreement which shall be the date estimated for the completion of construction of the port authority educational and cultural facility, pledge and contribute to the port authority revenue from the tax levied pursuant to division (B) (1) (a) of

this section, together with any investment earnings on that 1786
revenue, to pay a portion of the costs of acquiring, 1787
constructing, and equipping the port authority educational and 1788
cultural facility; 1789

(d) Following such date certain, pledge and contribute to 1790
the corporation all or such portion as provided for in the 1791
cooperative agreement of the revenue from the tax, together with 1792
any investment earnings on that revenue, to pay a portion of the 1793
costs of the corporation of leasing the port authority 1794
educational and cultural facility from the port authority. 1795

(2) The port authority agrees to do all of the following: 1796

(a) Issue revenue bonds of the port authority pursuant to 1797
Chapter 4582. of the Revised Code for the purpose of acquiring, 1798
constructing, and equipping the port authority educational and 1799
cultural facility; 1800

(b) Construct the port authority educational and cultural 1801
facility; 1802

(c) Lease the port authority educational and cultural 1803
facility to the corporation; 1804

(d) To the extent provided for in the cooperative 1805
agreement or the lease to the corporation, authorize the 1806
corporation to administer on behalf of the port authority the 1807
contracts for acquiring, constructing, or equipping a port 1808
authority educational and cultural facility; 1809

(e) Use the revenue derived from the lease of the port 1810
authority educational and cultural facility to the corporation 1811
solely to pay debt service charges on the revenue bonds of the 1812
port authority described in division (B) (2) (a) of this section. 1813

(3) The host municipal corporation agrees to do both of 1814
the following: 1815

(a) Issue urban renewal bonds of the host municipal 1816
corporation, or notes in anticipation thereof, pursuant to 1817
Chapter 725. of the Revised Code for the purpose of acquiring 1818
and constructing the port authority educational and cultural 1819
facility and contribute the proceeds from the issuance to the 1820
port authority for such purpose. The cooperative agreement may 1821
provide that such proceeds be deposited with and administered by 1822
the trustee pursuant to the trust agreement provided for in 1823
division (C) of this section. 1824

(b) To the extent provided for in the cooperative 1825
agreement, contribute to the county, for use by the county to 1826
pay debt service charges on the bonds of the county, or notes in 1827
anticipation thereof, described in division (B) (1) (b) of this 1828
section, any excess urban renewal service payments pledged by 1829
the host municipal corporation to the urban renewal bonds 1830
described in division (B) (3) (a) of this section and not required 1831
on an annual basis to pay debt service charges on the urban 1832
renewal bonds. 1833

(4) The corporation agrees to do all of the following: 1834

(a) Lease the port authority educational and cultural 1835
facility from the port authority; 1836

(b) Operate and maintain the port authority educational 1837
and cultural facility pursuant to the lease; 1838

(c) To the extent provided for in the cooperative 1839
agreement or the lease from the port authority, administer on 1840
behalf of the port authority the contracts for acquiring, 1841
constructing, or equipping a port authority educational and 1842

cultural facility. 1843

(C) The pledges and contributions described in divisions 1844
(B) (1) (c) and (d) of this section and provided for in the 1845
cooperative agreement shall be for the period stated in the 1846
cooperative agreement, but shall not be in excess of the period 1847
necessary to provide for the final retirement of the port 1848
authority revenue bonds provided for in division (B) (2) (a) of 1849
this section and any bonds issued by the port authority to 1850
refund such bonds, and for the satisfaction by the port 1851
authority of any of its obligations arising from any guaranty 1852
agreements, reimbursement agreements, or other credit 1853
enhancement agreements relating to such bonds or to the revenues 1854
pledged to such bonds. The cooperative agreement shall provide 1855
for the termination of the cooperative agreement including the 1856
pledges and contributions described in divisions (B) (1) (c) and 1857
(d) of this section if the port authority revenue bonds provided 1858
for in division (B) (2) (a) of this section have not been issued, 1859
sold, and delivered within two years of the effective date of 1860
the cooperative agreement. 1861

The cooperative agreement shall provide that any revenue 1862
bonds of the port authority shall be secured by a trust 1863
agreement between the port authority and a corporate trustee 1864
that is a trust company or bank having the powers of a trust 1865
company within or outside the state. The county may be a party 1866
to such trust agreement for the purpose of securing the pledge 1867
by the county of its contribution to the corporation pursuant to 1868
division (B) (1) (d) of this section. A tax levied pursuant to 1869
division (B) (1) (a) of this section is not subject to diminution 1870
by initiative or referendum or diminution by statute, unless 1871
provision is made therein for an adequate substitute therefor 1872
reasonably satisfactory to the trustee under the trust agreement 1873

that secures the revenue bonds of the port authority. 1874

(D) A pledge of money by a county under this section shall 1875
not be net indebtedness of the county for purposes of section 1876
133.07 of the Revised Code. 1877

(E) If the terms of the cooperative agreement so provide, 1878
any contract for the acquisition, construction, or equipping of 1879
a port authority educational and cultural facility shall be made 1880
in such manner as is determined by the board of directors of the 1881
port authority, and unless the cooperative agreement provides 1882
otherwise, such a contract is not subject to division (A) of 1883
section 4582.12 of the Revised Code. The port authority may take 1884
the assignment of and assume any contracts for the acquisition, 1885
construction, and equipping of a port authority educational and 1886
cultural facility that previously have been authorized by either 1887
or both the host municipal corporation or the corporation. Such 1888
contracts likewise are not subject to division (A) of section 1889
4582.12 of the Revised Code. 1890

Any contract for the acquisition, construction, or 1891
equipping of a port authority educational and cultural facility 1892
entered into, assigned, or assumed pursuant to this division 1893
shall provide that all laborers and mechanics employed for the 1894
acquisition, construction, or equipping of the port authority 1895
educational and cultural facility shall be paid at the 1896
prevailing rates of wages of laborers and mechanics for the 1897
class of work called for by the port authority educational and 1898
cultural facility, which wages shall be determined in accordance 1899
with the requirements of Chapter 4115. of the Revised Code for 1900
the determination of prevailing wage rates. 1901

Sec. 307.672. (A) As used in this section: 1902

(1) "Bonds" means general obligation bonds, or notes in anticipation thereof, of the county described in division (B) (1) (b) of this section, and general obligation bonds, or notes in anticipation thereof, of the host municipal corporation described in division (B) (2) (a) of this section.

(2) "Corporation" means a nonprofit corporation that is organized under the laws of this state and that includes within the purposes for which it is incorporated the authorization to lease and operate facilities such as a municipal educational and cultural facility.

(3) "Debt service charges" means, for any period or payable at any time, the principal of and interest and any premium due on bonds for that period or payable at that time whether due at maturity or upon mandatory redemption, together with any required deposits to reserves for the payment of principal of and interest on such bonds.

(4) "Host municipal corporation" means the municipal corporation within the boundaries of which a municipal educational and cultural facility is or will be located.

(5) "Municipal educational and cultural facility" means a facility that may consist of a museum, archives, library, hall of fame, center for contemporary music, or other facilities necessary to provide programs of an educational, recreational, and cultural nature, together with all parking facilities, walkways, and other auxiliary facilities, real and personal property, property rights, easements, and interests that may be appropriate for, or used in connection with, the operation of the facility.

(B) The legislative authorities of a county and a host

municipal corporation may enter into a cooperative agreement 1932
with a corporation, under which: 1933

(1) The legislative authority of the county agrees to: 1934

(a) Levy a tax under division ~~(E)~~(O) of section 5739.09 1935
of the Revised Code, for a period not to exceed fifteen years 1936
unless extended under that division for an additional period of 1937
time, to pay the costs of acquiring, constructing, equipping, 1938
and improving a municipal educational and cultural facility, 1939
including the debt service charges on bonds; 1940

(b) Issue bonds of the county pursuant to Chapter 133. of 1941
the Revised Code for the purpose of acquiring, constructing, 1942
equipping, and improving a municipal educational and cultural 1943
facility; 1944

(c) Contribute revenue from the tax and the proceeds from 1945
the bonds described in divisions (B)(1)(a) and (b) of this 1946
section to the host municipal corporation for the purpose of 1947
acquiring, constructing, equipping, and improving a municipal 1948
educational and cultural facility; 1949

(2) The host municipal corporation agrees to: 1950

(a) Issue bonds of the host municipal corporation pursuant 1951
to Chapter 133. of the Revised Code for the purpose of 1952
acquiring, constructing, equipping, and improving a municipal 1953
educational and cultural facility; 1954

(b) Acquire, construct, equip, and improve a municipal 1955
educational and cultural facility; 1956

(c) Accept from the county pursuant to the cooperative 1957
agreement the revenues of the tax and the proceeds of the bonds 1958
described in divisions (B)(1)(a) and (b) of this section; 1959

(d) Lease a municipal educational and cultural facility to 1960
the corporation, or contract with the corporation for the 1961
operation and maintenance of the facility; 1962

(e) To the extent provided for in the cooperative 1963
agreement or the lease or contract with the corporation, 1964
authorize the corporation to administer on behalf of the host 1965
municipal corporation the contracts for acquiring, constructing, 1966
equipping, and improving a municipal educational and cultural 1967
facility. 1968

(3) The corporation agrees to: 1969

(a) Either lease the municipal educational and cultural 1970
facility from the host municipal corporation and operate and 1971
maintain the facility pursuant to the lease, or enter into a 1972
contract with the host municipal corporation pursuant to which 1973
the corporation shall operate and maintain the facility on 1974
behalf of the host municipal corporation; 1975

(b) To the extent provided for in the cooperative 1976
agreement or the lease or contract with the host municipal 1977
corporation, administer on behalf of the host municipal 1978
corporation the contracts for acquiring, constructing, 1979
equipping, or improving a municipal educational and cultural 1980
facility. 1981

(C) A tax levied pursuant to division ~~(E)~~ (O) of section 1982
5739.09 of the Revised Code, the revenue from which is to be 1983
used to pay debt service charges on bonds described in division 1984
(B) (1) or (2) of this section is not subject to diminution by 1985
initiative or referendum or diminution by statute, unless 1986
provision is made therein for an adequate substitute therefor 1987
reasonably satisfactory to the legislative authorities of the 1988

host municipal corporation and the county. 1989

(D) The legislative authorities of a county and a host 1990
municipal corporation that have entered into a cooperative 1991
agreement with a corporation pursuant to division (B) of this 1992
section may amend that cooperative agreement, with the 1993
participation of the corporation and a port authority as defined 1994
in section 307.674 of the Revised Code, to provide also for a 1995
port authority educational and cultural performing arts facility 1996
in accordance with section 307.674 of the Revised Code. Such an 1997
amendment shall become effective only to the extent that the tax 1998
levied under division ~~(E)~~ (O) of section 5739.09 of the Revised 1999
Code is not needed for the duration of the original tax to pay 2000
costs of the municipal educational and cultural facility, 2001
including debt service charges on related bonds, as determined 2002
by the parties to the amendment. The tax may be pledged and paid 2003
by the parties to the amendment for the balance of the duration 2004
of the tax to a port authority educational and cultural 2005
performing arts facility. 2006

Sec. 307.674. (A) As used in this section: 2007

(1) "Bonds" means: 2008

(a) Revenue bonds of the port authority described in 2009
division (B) (2) (a) of this section; 2010

(b) Securities as defined in division (KK) of section 2011
133.01 of the Revised Code issued by the host municipal 2012
corporation, described in division (B) (3) (a) of this section; 2013

(c) Any bonds issued to refund any of those revenue bonds 2014
or securities. 2015

(2) "Corporation" means a nonprofit corporation that is 2016
organized under the laws of this state and that includes within 2017

the purposes for which it is incorporated the authorization to 2018
lease and operate facilities such as a port authority 2019
educational and cultural performing arts facility. 2020

(3) "Cost," as applied to a port authority educational and 2021
cultural performing arts facility, means the cost of acquiring, 2022
constructing, renovating, rehabilitating, equipping, or 2023
improving the facility, or any combination of those purposes, 2024
collectively referred to in this section as "construction," and 2025
the cost of acquisition of all land, rights of way, property 2026
rights, easements, franchise rights, and interests required for 2027
those purposes, the cost of demolishing or removing any 2028
buildings or structures on land so acquired, including the cost 2029
of acquiring any land to which those buildings or structures may 2030
be moved, the cost of public utility and common carrier 2031
relocation or duplication, the cost of all machinery, 2032
furnishings, and equipment, financing charges, interest prior to 2033
and during construction and for not more than three years after 2034
completion of construction, costs arising under guaranty 2035
agreements, reimbursement agreements, or other credit 2036
enhancement agreements relating to bonds, engineering, expenses 2037
of research and development with respect to such facility, legal 2038
expenses, plans, specifications, surveys, studies, estimates of 2039
costs and revenues, other expenses necessary or incident to 2040
determining the feasibility or practicability of acquiring or 2041
constructing the facility, administrative expense, and other 2042
expenses as may be necessary or incident to that acquisition or 2043
construction and the financing of such acquisition or 2044
construction, including, with respect to the revenue bonds of a 2045
port authority, amounts to be paid into any special funds from 2046
the proceeds of those bonds, and repayments to the port 2047
authority, host county, host municipal corporation, or 2048

corporation of any amounts advanced for the foregoing purposes. 2049

(4) "Debt service charges" means, for any period or 2050
payable at any time, the principal of and interest and any 2051
premium due on bonds for that period or payable at that time 2052
whether due at maturity or upon mandatory redemption, together 2053
with any required deposits to reserves for the payment of 2054
principal of and interest on those bonds, and includes any 2055
payments required by the port authority to satisfy any of its 2056
obligations under or arising from any guaranty agreements, 2057
reimbursement agreements, or other credit enhancement agreements 2058
described in division (C) of this section. 2059

(5) "Host county" means the county within the boundaries 2060
of which the port authority educational and cultural performing 2061
arts facility is or will be located. 2062

(6) "Host municipal corporation" means the municipal 2063
corporation within the boundaries of which the port authority 2064
educational and cultural performing arts facility is or will be 2065
located. 2066

(7) "Port authority" means a port authority created 2067
pursuant to section 4582.22 of the Revised Code. 2068

(8) "Port authority educational and cultural performing 2069
arts facility" means a facility that consists of a center for 2070
music or other performing arts, a theater or other facilities to 2071
provide programs of an educational, recreational, or cultural 2072
nature, or any combination of those purposes as determined by 2073
the parties to the cooperative agreement for which provision is 2074
made in division (B) of this section to fulfill the public 2075
educational, recreational, and cultural purposes set forth 2076
therein, together with all parking facilities, walkways, and 2077

other auxiliary facilities, real and personal property, property 2078
rights, easements, and interests that may be appropriate for, or 2079
used in connection with, the operation of the facility. 2080

(B) A host county, a host municipal corporation, and a 2081
port authority may enter into a cooperative agreement with a 2082
corporation under which, as further provided for in that 2083
agreement: 2084

(1) The host county may agree to do any or all of the 2085
following: 2086

(a) Levy and collect a tax under ~~division (E)~~ divisions 2087
(O) and ~~division (F)~~ (P) of section 5739.09 of the Revised Code 2088
for the purposes, and in an amount sufficient for those 2089
purposes, described in divisions (B) (1) (b) and (c) of this 2090
section; 2091

(b) Pay to the port authority all or such portion as 2092
provided for in the cooperative agreement of the revenue from 2093
the tax, together with any investment earnings on that revenue, 2094
to be used to pay a portion of the costs of acquiring, 2095
constructing, renovating, rehabilitating, equipping, or 2096
improving the port authority educational and cultural performing 2097
arts facility; 2098

(c) Pledge and pay to the corporation all or such portion 2099
as provided for in the cooperative agreement of the revenue from 2100
the tax, together with any investment earnings on that revenue, 2101
to be used to pay a portion of the costs to the corporation of 2102
leasing the port authority educational and cultural performing 2103
arts facility from the port authority. 2104

(2) The port authority may agree to do any or all of the 2105
following: 2106

(a) Issue its revenue bonds pursuant to section 4582.48 of 2107
the Revised Code for the purpose of paying all or a portion of 2108
the costs of the port authority educational and cultural 2109
performing arts facility; 2110

(b) Acquire, construct, renovate, rehabilitate, equip, and 2111
improve the port authority educational and cultural performing 2112
arts facility; 2113

(c) Lease the port authority educational and cultural 2114
performing arts facility to the corporation; 2115

(d) To the extent provided for in the cooperative 2116
agreement or the lease to the corporation, authorize the 2117
corporation to administer on behalf of the port authority the 2118
contracts for acquiring, constructing, renovating, 2119
rehabilitating, or equipping the port authority educational and 2120
cultural performing arts facility; 2121

(e) Use the revenue derived from the lease of the port 2122
authority educational and cultural performing arts facility to 2123
the corporation solely to pay debt service charges on revenue 2124
bonds of the port authority issued pursuant to division (B) (2) 2125
(a) of this section and to pay its obligations under or arising 2126
from any guaranty agreements, reimbursement agreements, or other 2127
credit enhancement agreements provided for in this section. 2128

(3) The host municipal corporation may agree to do either 2129
or both of the following: 2130

(a) Issue its bonds for the purpose of paying all or a 2131
portion of the costs of the port authority educational and 2132
cultural performing arts facility, and pay the proceeds from the 2133
issuance to the port authority for that purpose; 2134

(b) Enter into a guaranty agreement, a reimbursement 2135

agreement, or other credit enhancement agreement with the port 2136
authority to provide a guaranty or other credit enhancement of 2137
the port authority revenue bonds referred to in division (B) (2) 2138
(a) of this section pledging taxes, other than ad valorem 2139
property taxes, or other revenues for the purpose of providing 2140
the funds required to satisfy the host municipal corporation's 2141
obligations under that agreement. 2142

The cooperative agreement may provide that the proceeds of 2143
such securities or of such guaranty agreement, reimbursement 2144
agreement, or other credit enhancement agreement be deposited 2145
with and administered by the trustee pursuant to the trust 2146
agreement authorized in division (C) of this section. 2147

(4) The corporation may agree to do any or all of the 2148
following: 2149

(a) Lease the port authority educational and cultural 2150
performing arts facility from the port authority; 2151

(b) Operate and maintain the port authority educational 2152
and cultural performing arts facility pursuant to the lease; 2153

(c) To the extent provided for in the cooperative 2154
agreement or the lease from the port authority, administer on 2155
behalf of the port authority the contracts for acquiring, 2156
constructing, renovating, rehabilitating, or equipping the port 2157
authority educational and cultural performing arts facility. 2158

(C) The pledge and payments referred to in divisions (B) 2159
(1) (b) and (c) of this section and provided for in the 2160
cooperative agreement shall be for the period stated in the 2161
cooperative agreement but shall not extend longer than the 2162
period necessary to provide for the final retirement of the port 2163
authority revenue bonds referred to in division (B) (2) (a) of 2164

this section, and for the satisfaction by the port authority of 2165
any of its obligations under or arising from any guaranty 2166
agreements, reimbursement agreements, or other credit 2167
enhancement agreements relating to those bonds or to the 2168
revenues pledged to them. The cooperative agreement shall 2169
provide for the termination of the cooperative agreement, 2170
including the pledge and payment referred to in division (B)(1) 2171
(c) of this section, if the port authority revenue bonds 2172
referred to in division (B)(2)(a) of this section have not been 2173
issued, sold, and delivered within five years of the effective 2174
date of the cooperative agreement. 2175

The cooperative agreement shall provide that any port 2176
authority revenue bonds shall be secured by a trust agreement 2177
between the port authority and a corporate trustee that is a 2178
trust company or bank having the powers of a trust company 2179
within or outside the state but authorized to exercise trust 2180
powers within the state. The host county may be a party to that 2181
trust agreement for the purpose of better securing the pledge by 2182
the host county of its payment to the corporation pursuant to 2183
division (B)(1)(c) of this section. A tax levied pursuant to 2184
section 5739.09 of the Revised Code for the purposes specified 2185
in division (B)(1)(b) or (c) of this section is not subject to 2186
diminution by initiative or referendum or diminution by statute, 2187
unless provision is made for an adequate substitute reasonably 2188
satisfactory to the trustee under the trust agreement that 2189
secures the port authority revenue bonds. 2190

(D) A pledge of money by a host county under this section 2191
shall not be net indebtedness of the host county for purposes of 2192
section 133.07 of the Revised Code. A guaranty or other credit 2193
enhancement by a host municipal corporation under this section 2194
shall not be net indebtedness of the host municipal corporation 2195

for purposes of section 133.05 of the Revised Code. 2196

(E) If the terms of the cooperative agreement so provide, 2197
any contract for the acquisition, construction, renovation, 2198
rehabilitation, equipping, or improving of a port authority 2199
educational and cultural performing arts facility shall be made 2200
in such manner as is determined by the board of directors of the 2201
port authority, and unless the cooperative agreement provides 2202
otherwise, such a contract is not subject to division ~~(R) (2)~~ (A) 2203
(18) (b) of section 4582.31 of the Revised Code. The port 2204
authority may take the assignment of and assume any contracts 2205
for the acquisition, construction, renovation, rehabilitation, 2206
equipping, or improving of a port authority educational and 2207
cultural performing arts facility that had previously been 2208
authorized by any of the host county, the host municipality, or 2209
the corporation. Such contracts are not subject to division ~~(R)~~ 2210
~~(2)~~ (A) (18) (b) of section 4582.31 of the Revised Code. 2211

Any contract for the acquisition, construction, 2212
renovation, rehabilitation, equipping, or improving of a port 2213
authority educational and cultural performing arts facility 2214
entered into, assigned, or assumed pursuant to this division 2215
shall provide that all laborers and mechanics employed for the 2216
acquisition, construction, renovation, rehabilitation, 2217
equipping, or improving of that facility shall be paid at the 2218
prevailing rates of wages of laborers and mechanics for the 2219
class of work called for by the port authority educational and 2220
cultural performing arts facility, which wages shall be 2221
determined in accordance with the requirements of Chapter 4115. 2222
of the Revised Code for the determination of prevailing wage 2223
rates. 2224

Notwithstanding any provisions to the contrary in section 2225

123.281 of the Revised Code, construction services and general 2226
building services for a port authority educational and cultural 2227
performing arts facility funded completely or in part with money 2228
appropriated by the state to the Ohio facilities construction 2229
commission may be provided by a port authority or a corporation 2230
that occupies, will occupy, or is responsible for that facility, 2231
as determined by the commission. The construction services and 2232
general building services to be provided by the port authority 2233
or the corporation shall be specified in an agreement between 2234
the commission and the port authority or corporation. That 2235
agreement, or any actions taken under it, are not subject to 2236
Chapters 123. or 153. of the Revised Code, but are subject to 2237
Chapter 4115. of the Revised Code. 2238

Sec. 307.678. (A) As used in this section: 2239

(1) "Bureau" means a nonprofit corporation that is 2240
organized under the laws of this state that is, or has among its 2241
functions acting as, a convention and visitors' bureau, and that 2242
currently receives revenue from existing lodging taxes. 2243

(2) "Cooperating parties" means the parties to a 2244
cooperative agreement. 2245

(3) "Cooperative agreement" means an agreement entered 2246
into pursuant to or as contemplated by this section. 2247

(4) "Credit enhancement facilities" has the same meaning 2248
as in section 133.01 of the Revised Code. 2249

(5) "Debt charges" has the same meaning as in section 2250
133.01 of the Revised Code, except that "obligations" shall be 2251
substituted for "securities" wherever "securities" appears in 2252
that section. 2253

(6) "Eligible county" means a county within the boundaries 2254

of which any part of a tourism development district is located. 2255

(7) "Eligible transit authority" means a regional transit 2256
authority created pursuant to section 306.31 of the Revised Code 2257
or a county in which a county transit system is created pursuant 2258
to section 306.01 of the Revised Code, within the boundaries of 2259
which any part of a tourism development district is located. 2260

(8) "Existing lodging taxes" means taxes levied by a board 2261
of county commissioners of an eligible county under ~~division~~ 2262
divisions (A) to (L) of section 5739.09 of the Revised Code. 2263

(9) "Financing costs" means all costs, fees, and expenses 2264
relating to the authorization, including any required election, 2265
issuance, sale, delivery, authentication, deposit, custody, 2266
clearing, registration, transfer, exchange, fractionalization, 2267
replacement, payment, and servicing, of obligations, including, 2268
without limitation, costs and expenses for or relating to 2269
publication and printing, postage, delivery, preliminary and 2270
final official statements, offering circulars, placement 2271
memoranda, and informational statements, travel and 2272
transportation, underwriters, placement agents, investment 2273
bankers, paying agents, registrars, authenticating agents, 2274
remarketing agents, custodians, clearing agencies, companies, or 2275
corporations, securities depositories, issuers, financial 2276
advisory services, certifications, audits, federal or state 2277
regulatory agencies, accounting and computation services, legal 2278
services and obtaining approving legal opinions and other legal 2279
opinions, credit ratings, paying redemption premiums, and credit 2280
enhancement facilities. Financing costs may be paid from any 2281
money available for the purpose, including, unless otherwise 2282
provided in the proceedings, from the proceeds of the 2283
obligations to which they relate and, as to future financing 2284

costs, from the same sources from which debt charges on the 2285
obligations are paid and as though debt charges. 2286

(10) "Host municipal corporation" means a municipal 2287
corporation within the boundaries of which any part of a tourism 2288
development district is located. 2289

(11) "Host school district" means a school district within 2290
the boundaries of which any part of a tourism development 2291
district is located. 2292

(12) "Incremental sales tax growth" has the same meaning 2293
as in section 5739.213 of the Revised Code, except that, in the 2294
case of an eligible county, "incremental sales tax growth" shall 2295
include only the amount of taxes levied under sections 5739.021 2296
and 5739.026 of the Revised Code credited to the county's 2297
general fund. 2298

(13) "Issuer" means a port authority, a new community 2299
authority, or any other issuer, as defined in section 133.01 of 2300
the Revised Code, and any corporation. 2301

(14) "Maintenance and repair costs" means costs and 2302
expenses incurred by a cooperating party from the party's own 2303
revenues for maintaining or repairing a project. 2304

(15) "Net lodging tax proceeds" means the proceeds of an 2305
existing lodging tax that remain after deduction by an eligible 2306
county of the real and actual costs of administering the tax and 2307
any portion of such proceeds required to be returned to a 2308
municipal corporation or township under division (A) ~~(1)~~ of 2309
section 5739.09 of the Revised Code. 2310

(16) "Net tourism development district revenues" means the 2311
tourism development district revenues remaining after deduction 2312
by the host municipal corporation of an amount, not to exceed 2313

one per cent of any admissions tax revenues, prescribed in any 2314
legislation by which, or agreement pursuant to which, tourism 2315
development district revenues are pledged, or agreed to be 2316
pledged or contributed, by an eligible county, an eligible 2317
transit authority, or a host municipal corporation, or any 2318
combination thereof, in accordance with division (B), (E), (F), 2319
or (G) of this section. 2320

(17) "New community authority" means a new community 2321
authority established under section 349.03 of the Revised Code 2322
by an organizational board of commissioners that is or includes 2323
the board of county commissioners of an eligible county or the 2324
legislative authority of a host municipal corporation. 2325

(18) "Obligations" means obligations issued or incurred by 2326
an issuer pursuant to Chapter 133., 349., or 4582. of the 2327
Revised Code, or otherwise, for the purpose of funding or 2328
paying, or reimbursing persons for the funding or payment of, 2329
project costs, and that evidence the issuer's obligation to 2330
repay borrowed money, including interest thereon, or to pay 2331
other money obligations of the issuer at any future time, 2332
including, without limitation, bonds, notes, anticipatory 2333
securities as defined in section 133.01 of the Revised Code, 2334
certificates of indebtedness, commercial paper, or installment 2335
sale, lease, lease-purchase, or similar agreements. 2336
"Obligations" does not include credit enhancement facilities. 2337

(19) "Person" includes an individual, corporation, limited 2338
liability company, business trust, estate, trust, partnership, 2339
association, eligible county, eligible transit authority, host 2340
municipal corporation, port authority, new community authority, 2341
and any other political subdivision of the state. 2342

(20) "Port authority" means a port authority created under 2343

Chapter 4582. of the Revised Code. 2344

(21) "Project" means acquiring, constructing, 2345
reconstructing, rehabilitating, remodeling, 2346
enlarging, equipping, furnishing, or otherwise improving a 2347
tourism facility or any component or element thereof. 2348

(22) "Project cost" means the cost of acquiring, 2349
constructing, reconstructing, rehabilitating, remodeling, 2350
renovating, enlarging, equipping, financing, refinancing, 2351
furnishing, or otherwise improving a project, including, without 2352
limitation, financing costs; the cost of architectural, 2353
engineering, and other professional services, designs, plans, 2354
specifications, surveys, and estimates of costs; financing or 2355
refinancing obligations issued by, or reimbursing money advanced 2356
by, any cooperating party or any other person, where the 2357
proceeds of the obligations or money advanced was used to pay 2358
any other cost described in this division; inspections and 2359
testing; any indemnity or surety bond or premium related to 2360
insurance pertaining to development of the project; all related 2361
direct and indirect administrative costs and costs of placing a 2362
project in service; fees and expenses of trustees, escrow 2363
agents, depositories, and paying agents for any obligations; 2364
interest on obligations during the planning, design, and 2365
development of a project and for up to eighteen months 2366
thereafter; funding and replenishing reserves for the payment of 2367
debt charges on any obligations; all other expenses necessary or 2368
incident to planning, or determining the feasibility or 2369
practicability of, a project, including, without limitation, 2370
advocating the enactment of legislation to facilitate the 2371
development and financing of a project; and any other costs of a 2372
project that are authorized to be financed by the issuer of 2373
obligations at the time the obligations are issued. 2374

(23) "Taxing authority" means the board of county 2375
commissioners of an eligible county, the legislative authority, 2376
as that term is defined in section 5739.01 of the Revised Code, 2377
of an eligible transit authority, or the legislative authority 2378
of a host municipal corporation. 2379

(24) "Tourism development district" means an area 2380
designated by a host municipal corporation under section 715.014 2381
of the Revised Code. 2382

(25) "Tourism development district revenues" means money 2383
received or receivable by a host municipal corporation from 2384
incremental sales tax growth pursuant to section 5739.213 of the 2385
Revised Code, from a tax levied by the host municipal 2386
corporation pursuant to division (C) of section 5739.101 of the 2387
Revised Code, from a tax levied by the host municipal 2388
corporation pursuant to section 5739.08 or 5739.09 of the 2389
Revised Code on the provision of lodging by hotels located in 2390
the tourism development district, from a tax levied by the host 2391
municipal corporation with respect to admission to any tourism 2392
facility or parking or any other activity occurring at any 2393
location in the tourism development district, or from any tax 2394
levied by an eligible county, eligible transit authority, or 2395
host municipal corporation, except for a tax on property levied 2396
by an eligible county, with respect to activities occurring, or 2397
property located, in the tourism development district, if and to 2398
the extent that revenue from any such tax is authorized to be 2399
used, or is not prohibited by law from being used, to foster and 2400
develop tourism in the tourism development district and is 2401
authorized, contracted, pledged or assigned by the respective 2402
taxing authority to be used to fund or pay, or to reimburse 2403
other persons for funding or payment of, project costs or 2404
maintenance and repair costs. 2405

(26) "Tourism facility" means any permanent improvement, 2406
as defined in section 133.01 of the Revised Code, located in a 2407
tourism development district. 2408

(B) The board of county commissioners of an eligible 2409
county, an eligible transit authority, a host municipal 2410
corporation, the board of education of a host school district, a 2411
port authority, a bureau, a new community authority, and any 2412
other person, or any combination thereof, may enter into a 2413
cooperative agreement for any purpose authorized under this 2414
section and under which any of the following apply: 2415

(1) The board of county commissioners of the eligible 2416
county and the bureau agree to make available to a cooperating 2417
party or any other person net lodging tax proceeds, not to 2418
exceed five hundred thousand dollars each year, to fund or pay, 2419
or to reimburse other persons for funding or payment of, project 2420
costs or debt charges on obligations. 2421

(2) The board of county commissioners of the eligible 2422
county agrees, for the purpose of funding or paying or 2423
supporting, or for reimbursing other persons for funding or 2424
payment of, project costs, including debt charges on 2425
obligations, may do either of the following: 2426

(a) Make available to a cooperating party or other person 2427
an amount equal to incremental sales tax growth or all or a 2428
portion of the county's tourism development district revenues; 2429

(b) Provide, from receipts of a tax levied by the county 2430
under division ~~(A)(11)~~ (K) of section 5739.09 of the Revised 2431
Code, credit enhancement facilities in connection with the 2432
funding or payment of project costs, including debt charges on 2433
obligations, or any portion or combination thereof. 2434

(3) The taxing authority of an eligible transit authority 2435
agrees to make available to a cooperating party or any other 2436
person an amount equal to incremental sales tax growth or all or 2437
a portion of the transit authority's tourism development 2438
district revenues. 2439

(4) The host municipal corporation agrees to make 2440
available credit enhancement facilities or net tourism 2441
development district revenues, or any portion or combination 2442
thereof, to fund, pay, or support, or to reimburse other persons 2443
for funding or payment of, project costs, including debt charges 2444
on obligations, or maintenance and repair costs, or both. Any 2445
agreement to use net tourism development district revenues to 2446
pay or reimburse other persons for payment of maintenance and 2447
repair costs shall be subject to authorization by any 2448
cooperating party providing such funding to the host municipal 2449
corporation and to annual appropriation for such purpose by the 2450
legislative authority of the host municipal corporation and 2451
shall be subordinate to any covenant made to or by an issuer in 2452
connection with the issuance of obligations or credit 2453
enhancement facilities to pay project costs. 2454

(5) The cooperating parties agree, subject to any 2455
conditions or limitations provided in the cooperative agreement, 2456
to any of the following: 2457

(a) The conveyance, grant, or transfer to a cooperating 2458
party or any other person of ownership of, property interests 2459
in, and rights to use real or personal property to create a 2460
tourism facility or with respect to a tourism facility as the 2461
facility exists at the time of the agreement or as it may be 2462
improved by a project; 2463

(b) The respective responsibilities of each cooperating 2464

party for the management, operation, maintenance, repair, and 2465
replacement of a tourism facility, including any project 2466
undertaken with respect to the facility, which may include 2467
authorization for a cooperating party to contract with any other 2468
person for any such purpose; 2469

(c) The respective responsibilities of each cooperating 2470
party for the development and financing of a project, including, 2471
without limitation, the cooperating party or parties that shall 2472
be responsible for contracting for the development of a project 2473
and administering contracts entered into by the party or parties 2474
for that purpose; 2475

(d) The respective responsibilities of each cooperating 2476
party to provide money, credit enhancement facilities, or both, 2477
whether by issuing obligations or otherwise, for the funding, 2478
payment, financing, or refinancing, or reimbursement to a 2479
cooperating party or other person for the funding, payment, 2480
financing, or refinancing, of project costs; 2481

(e) The respective responsibilities of each cooperating 2482
party to provide money, credit enhancement facilities, or other 2483
security for the payment of debt charges on obligations or to 2484
fund or replenish reserves or otherwise provide for the payment 2485
of maintenance and repair costs. 2486

(C) Any conveyance, grant, or transfer of ownership of, 2487
property interests in, or rights to use a tourism development 2488
facility or project, including any project undertaken with 2489
respect to an existing tourism facility, that is contemplated by 2490
a cooperative agreement may be made or entered into by a 2491
cooperating party, in such manner and upon such terms as the 2492
cooperating parties may agree, without regard to ownership of 2493
the tourism facility or project, notwithstanding any other 2494

provision of law that may otherwise apply, including, without 2495
limitation, any requirement for notice, competitive bidding or 2496
selection, or the provision of security. 2497

(D) The board of county commissioners may amend any 2498
previously adopted resolution providing for the levy of an 2499
existing lodging tax to permit the use of any portion of the net 2500
lodging tax proceeds from such tax as provided in this section 2501
if and to the extent such use is not inconsistent with a 2502
cooperative agreement. A host municipal corporation may amend 2503
any previously passed ordinance providing for the levy of 2504
lodging taxes under section 5739.08 or 5739.09 of the Revised 2505
Code to permit the use of any portion of such lodging taxes as 2506
provided in this section. 2507

(E) (1) Notwithstanding any other provision of law: 2508

(a) The board of county commissioners of an eligible 2509
county may provide, from receipts of a tax levied by the county 2510
under division ~~(A)(11)~~ (K) of section 5739.09 of the Revised 2511
Code, credit enhancement facilities in connection with any 2512
project, including, without limitation, for the provision of any 2513
infrastructure necessary to support a tourism facility. 2514

(b) The board of county commissioners of an eligible 2515
county and a bureau may agree to make available to any person, 2516
on such terms and conditions as the board and the bureau may 2517
determine and agree, net lodging tax proceeds. 2518

(c) The board of county commissioners of an eligible 2519
county may agree to make available to any person, on such terms 2520
and conditions as the board may determine and agree, incremental 2521
sales tax growth and all or a portion of the county's tourism 2522
development district revenues. 2523

(2) Any amount made available under division (E) (1) (b) or 2524
(c) of this section shall be used to fund or pay, or to 2525
reimburse other persons for funding or payment of, project 2526
costs, including, without limitation, the payment of debt 2527
charges on obligations, the provision of credit enhancement 2528
facilities and the funding, and funding and replenishing 2529
reserves for that purpose or, subject to annual appropriation, 2530
to pay, or reimburse other persons for payment of, repair and 2531
maintenance costs. 2532

(3) The board of county commissioners, the bureau, or 2533
both, may pledge net lodging tax proceeds, and the board of 2534
county commissioners may pledge incremental sales tax growth and 2535
any tourism development district revenues, or any part or 2536
portion or combination thereof, to the payment of debt charges 2537
on obligations and the funding, or to fund or replenish reserves 2538
for that purpose; provided that, the total amount of net lodging 2539
tax proceeds made available for such use each year shall not 2540
exceed five hundred thousand dollars. 2541

The lien of any such pledge shall be effective against all 2542
persons when it is made, without the requirement for the filing 2543
of any notice, and any such net lodging tax proceeds, 2544
incremental sales tax growth, and tourism development district 2545
revenues, or any part or portion or combination thereof, so 2546
pledged and required to pay debt charges on obligations, to 2547
provide any credit enhancement facilities or to fund, or to fund 2548
or replenish reserves, or any combination thereof, shall be paid 2549
by the county or bureau at the times, in the amounts, and to 2550
such payee, including, without limitation, a corporate trustee 2551
or paying agent, to which the board of county commissioners and 2552
bureau agree with respect to net lodging tax proceeds and to 2553
which the board of county commissioners agree with respect to 2554

incremental sales tax growth or tourism development district 2555
revenues. 2556

(F) Notwithstanding any other provision of law, a host 2557
municipal corporation may agree to make available to any person, 2558
on such terms and conditions to which it may determine and 2559
agree, and any person may use, net tourism development district 2560
revenues, or any part or portion thereof, to fund or pay, or to 2561
reimburse other persons for funding or payment of, project 2562
costs, including, without limitation, the payment of debt 2563
charges on obligations and the funding, and funding and 2564
replenishing reserves for that purpose, or, subject to annual 2565
appropriation, to pay, or to reimburse other persons for payment 2566
of maintenance and repair costs, and the host municipal 2567
corporation may pledge net tourism development district 2568
revenues, or any part or portion thereof, to the payment of debt 2569
charges on obligations and to fund and replenish reserves for 2570
that purpose and may provide credit enhancement facilities. The 2571
lien of any such pledge shall be effective against all persons 2572
when it is made, without the requirement for the filing of any 2573
notice, and any net tourism development district revenues so 2574
pledged and required to pay debt charges on obligations or to 2575
fund and replenish reserves shall be paid by the host municipal 2576
corporation at the times, in the amounts, and to such payee, 2577
including, without limitation, a corporate trustee or paying 2578
agent, to which the host municipal corporation agrees. 2579

(G) Notwithstanding any other provision of law, an 2580
eligible transit authority may agree to make available, on such 2581
terms and conditions to which it may determine and agree, to any 2582
person, and any person may use, incremental sales tax growth and 2583
tourism development district revenues, or any part or portion or 2584
combination thereof, to fund or pay, or to reimburse other 2585

persons for funding or payment of, project costs, including, 2586
without limitation, the payment of debt charges on obligations 2587
and the funding and replenishing of reserves for that purpose, 2588
or, subject to annual appropriation, to pay, or to reimburse any 2589
other person for payment of, maintenance and repair costs, and 2590
the eligible transit authority may pledge incremental sales tax 2591
growth and tourism development district revenues, or any part or 2592
portion or combination thereof, to the payment of debt charges 2593
on obligations and the funding and replenishing of reserves for 2594
that purpose. The lien of any such pledge shall be effective 2595
against all persons when it is made, without the requirement for 2596
the filing of any notice, and any incremental sales tax growth 2597
and tourism development district revenues, or any part or 2598
portion or combination thereof, so pledged and required to pay 2599
debt charges on obligations or to fund and replenish reserves 2600
shall be paid by the eligible transit authority at the times, in 2601
the amounts, and to such payee, including, without limitation, a 2602
corporate trustee or paying agent, to which the eligible transit 2603
authority agrees. 2604

(H) Except as provided herein with respect to agreements 2605
for the payment or reimbursement of maintenance and repair 2606
costs, if the term of an agreement made pursuant to division 2607
(B), (E), (F), or (G) of this section extends beyond the end of 2608
the fiscal year of the eligible county, eligible transit 2609
authority, or host municipal corporation in which it is made, 2610
the agreement shall be subject to section 5705.44 of the Revised 2611
Code, and subject to the certification required by that section, 2612
the amount due under any such agreement in each succeeding 2613
fiscal year shall be included in the annual appropriation 2614
measure of the eligible county, eligible transit authority, or 2615
host municipal corporation for each such fiscal year as a fixed 2616

charge. The obligation of an eligible county, eligible transit 2617
authority, or host municipal corporation, and of each official 2618
thereof, to include the amount required to be paid in any such 2619
fiscal year in its annual appropriation measure as a fixed 2620
charge and to make such payments from and to the extent of the 2621
amounts so pledged, or agreed to be contributed or pledged, 2622
shall be a duty specially enjoined by law and resulting from an 2623
office, trust, or station under section 2731.01 of the Revised 2624
Code, enforceable by writ of mandamus. 2625

(I) (1) Each tourism facility and project constitutes a 2626
"port authority facility" within the meaning of division (D) of 2627
section 4582.01 and division (E) of section 4582.21 of the 2628
Revised Code, and a port authority may issue obligations under 2629
Chapter 4582. of the Revised Code, subject only to the 2630
procedures and requirements applicable to its issuance of 2631
revenue bonds as provided in division (A) (4) of section 4582.06 2632
of the Revised Code or of port authority revenue bonds as 2633
provided in division (A) (8) of section 4582.31 of the Revised 2634
Code. For the purpose of issuing any such obligations, any net 2635
lodging tax proceeds, net tourism development district revenues, 2636
amounts provided pursuant to any credit enhancement facilities, 2637
and revenue from any other tax pledged, assigned, or otherwise 2638
obligated to be contributed to the payment of the obligations 2639
shall be treated as revenues of the port authority for the 2640
purposes of division (A) (4) of section 4582.06 of the Revised 2641
Code and revenues, as defined in section 4582.21 of the Revised 2642
Code. Any obligations issued under division (I) (1) of this 2643
section shall be considered revenue bonds issued under division 2644
(A) (4) of section 4582.06 of the Revised Code or port authority 2645
revenue bonds issued under division (A) (8) of section 4582.31 2646
and section 4582.48 of the Revised Code for all purposes. In 2647

addition to all other powers available to a port authority under 2648
this section or under Chapter 4582. of the Revised Code with 2649
respect to the issuance of or provision for the security for 2650
payment of debt charges on obligations, and with respect to any 2651
tourism facility or project, the port authority may take any of 2652
the actions contemplated by Chapter 4582. of the Revised Code, 2653
including, without limitation, any actions contemplated by 2654
section 4582.06, 4582.31, or 4582.47 of the Revised Code. 2655
Obligations issued by a port authority pursuant to division (I) 2656
(1) of this section shall be special obligations of the port 2657
authority and do not constitute bonded indebtedness, a general 2658
obligation, debt, or a pledge of the full faith and credit of 2659
the state, the port authority, or any other political 2660
subdivision of the state. 2661

(2) Each tourism facility and project constitutes 2662
"community facilities" within the meaning of division (I) of 2663
section 349.01 of the Revised Code, and a new community 2664
authority may issue obligations pursuant to Chapter 349. of the 2665
Revised Code subject only to the procedures and requirements 2666
applicable to its issuance of bonds or notes as used in and 2667
pursuant to section 349.08 of the Revised Code. For the purpose 2668
of issuing any such obligations, net lodging tax proceeds, net 2669
tourism development district revenues, and revenue from any 2670
other tax pledged, assigned, or otherwise obligated to be 2671
contributed to the payment of the obligations shall be treated 2672
as an income source, as defined in section 349.01 of the Revised 2673
Code. Any obligations issued under division (I) (2) of this 2674
section shall be considered bonds issued under section 349.08 of 2675
the Revised Code. In addition to all other powers available to a 2676
new community authority under division (I) (2) of this section or 2677
under Chapter 349. of the Revised Code with respect to the 2678

issuance of or provision for the security for payment of debt 2679
charges on obligations, and with respect to any tourism facility 2680
or project, the new community authority may take any of the 2681
actions contemplated by Chapter 349. of the Revised Code. 2682
Obligations issued by a new community authority pursuant to 2683
division (I)(2) of this section shall be special obligations of 2684
the new community authority and do not constitute bonded 2685
indebtedness, a general obligation, debt, or a pledge of the 2686
full faith and credit of the state, the new community authority, 2687
or any other political subdivision of the state. 2688

(J) Each project for which funding or payment of project 2689
costs is provided, in whole or in part, by the issuance of 2690
obligations secured by a pledge of net lodging tax proceeds or 2691
net tourism development district revenues, or both, and any 2692
agreement to provide credit enhancement facilities or to fund or 2693
pay, and the funding or payment of, such project costs and any 2694
maintenance and repair costs of the project from net lodging 2695
taxes and net tourism development district revenues, are hereby 2696
determined, regardless of the ownership, leasing, or use of the 2697
project by any person, to constitute implementing and 2698
participating in the development of sites and facilities within 2699
the meaning of Section 2p of Article VIII, Ohio Constitution, 2700
including division (D)(3) of that section, and any such 2701
obligations are hereby determined to be issued, and any such 2702
credit enhancement facilities and agreements to fund or pay, and 2703
funding and payment of, project costs and any maintenance and 2704
repair costs of the project, are determined to be made, under 2705
authority of Section 2p of Article VIII, Ohio Constitution, for 2706
and in furtherance of site and facility development purposes 2707
within the meaning of division (E) of that section, pursuant to 2708
provision made by law for the procedure for incurring and 2709

issuing obligations, separately or in combination with other 2710
obligations, and refunding, retiring, and evidencing 2711
obligations, and pursuant to division (F) of Section 2p of 2712
Article VIII, Ohio Constitution, such that provision for the 2713
payment of debt charges on the obligations, credit enhancement 2714
facilities, or both, the purposes and uses to which and the 2715
manner in which the proceeds of those obligations or credit 2716
enhancement facilities or money from other sources are to be or 2717
may be applied, and other implementation of those development 2718
purposes as referred to in this section, including the manner 2719
determined by an issuer to participate for those purposes, are 2720
not subject to Sections 4 and 6 of Article VIII, Ohio 2721
Constitution. 2722

No obligations may be issued under this section to fund or 2723
pay maintenance and repair costs. 2724

(K) No obligations may be issued under this section unless 2725
the issuer's fiscal officer determines that the net lodging tax 2726
proceeds, net tourism development district revenues, or both, 2727
pledged, assigned, or otherwise obligated to be contributed to 2728
the payment of debt charges on such obligations and all other 2729
obligations issued, outstanding and payable therefrom, are 2730
expected to be sufficient to pay all debt charges on all such 2731
obligations except to any extent that such debt charges are to 2732
be paid from proceeds of obligations or refunding obligations 2733
deposited or to be deposited into a pledged fund or account, 2734
including any reserve fund or account, or investment earnings 2735
thereon. 2736

(L) (1) A board of county commissioners shall not repeal, 2737
rescind, or reduce the levy of an existing lodging tax or the 2738
source of any other revenue to the extent revenue from that tax 2739

or source is pledged to the payment of debt charges on 2740
obligations, and any such lodging tax or other revenue source 2741
shall not be subject to repeal, rescission, or reduction by 2742
initiative, referendum, or subsequent enactment of legislation 2743
by the general assembly, so long as there remain outstanding any 2744
obligations as to which the payment of debt charges is secured 2745
by a pledge of the existing lodging tax or other revenue source. 2746

(2) The legislative authority of a host municipal 2747
corporation shall not repeal, rescind, or reduce the levy of any 2748
tax the proceeds of which constitute tourism development 2749
district revenues if its proceeds are pledged to the payment of 2750
debt charges on obligations, and any such tax shall not be 2751
subject to repeal, rescission, or reduction by initiative, 2752
referendum, or subsequent enactment of legislation by the 2753
general assembly, so long as there remain outstanding any 2754
obligations as to which the payment of debt charges is secured 2755
by a pledge of those net tourism development district revenues. 2756

(3) A transit authority shall not repeal, rescind, or 2757
reduce the levy of any tax the proceeds of which are pledged to 2758
the payment of debt charges on obligations, and any such tax 2759
shall not be subject to repeal, rescission, or reduction by 2760
initiative, referendum, or subsequent enactment of legislation 2761
by the general assembly, so long as there remain outstanding any 2762
obligations as to which the payment of debt charges is secured 2763
by the pledge of such tax proceeds. 2764

(M) A pledge, assignment, or other agreement to contribute 2765
net lodging tax proceeds or other revenues or credit enhancement 2766
facilities made by an eligible county under division (B) or (E) 2767
of this section; a pledge, assignment, or other agreement to 2768
contribute net tourism development district revenues or credit 2769

enhancement facilities made by a host municipality under 2770
division (B) or (F) of this section; and a pledge, assignment, 2771
or other agreement made by an eligible county or eligible 2772
transit authority or agreement to contribute revenue from taxes 2773
that constitute tourism development district revenues under 2774
division (B), (E), or (G) of this section, do not constitute 2775
bonded indebtedness, or indebtedness for the purposes of Chapter 2776
133. of the Revised Code, of an eligible county, eligible 2777
transit authority, or host municipal corporation. 2778

(N) The authority provided by this section is supplemental 2779
to, and is not intended to limit in any way, any legal authority 2780
that a cooperating party or any other person may have under any 2781
other provision of law. 2782

Sec. 307.695. (A) As used in this section: 2783

(1) "Arena" means any structure designed and constructed 2784
for the purpose of providing a venue for public entertainment 2785
and recreation by the presentation of concerts, sporting and 2786
athletic events, and other events and exhibitions, including 2787
facilities intended to house or provide a site for one or more 2788
athletic or sports teams or activities, spectator facilities, 2789
parking facilities, walkways, and auxiliary facilities, real and 2790
personal property, property rights, easements, leasehold 2791
estates, and interests that may be appropriate for, or used in 2792
connection with, the operation of the arena. 2793

(2) "Convention center" means any structure expressly 2794
designed and constructed for the purposes of presenting 2795
conventions, public meetings, and exhibitions and includes 2796
parking facilities that serve the center and any personal 2797
property used in connection with any such structure or 2798
facilities. 2799

(3) "Eligible county" means a county having a population 2800
of at least four hundred thousand but not more than eight 2801
hundred thousand according to the 2000 federal decennial census 2802
and that directly borders the geographic boundaries of another 2803
state. 2804

(4) "Entity" means a nonprofit corporation, a municipal 2805
corporation, a port authority created under Chapter 4582. of the 2806
Revised Code, or a convention facilities authority created under 2807
Chapter 351. of the Revised Code. 2808

(5) "Lodging taxes" means excise taxes levied under 2809
division (A) ~~(1)~~, ~~(A)(2)~~ (B), or ~~(C)~~ (M) of section 5739.09 of the 2810
Revised Code and the revenues arising therefrom. 2811

(6) "Nonprofit corporation" means a nonprofit corporation 2812
that is organized under the laws of this state and that includes 2813
within the purposes for which it is incorporated the 2814
authorization to lease and operate facilities such as a 2815
convention center or an arena or a combination of an arena and 2816
convention center. 2817

(7) "Project" means acquiring, constructing, 2818
reconstructing, renovating, rehabilitating, expanding, adding 2819
to, equipping, furnishing or otherwise improving an arena, a 2820
convention center, or a combination of an arena and convention 2821
center. For purposes of this section, a project is a permanent 2822
improvement for one purpose under Chapter 133. of the Revised 2823
Code. 2824

(8) "Project revenues" means money received by a county 2825
with a population greater than four hundred thousand wherein the 2826
population of the largest city comprises more than one-third of 2827
that county's population, other than money from taxes or from 2828

the proceeds of securities secured by taxes, in connection with, 2829
derived from, related to, or resulting from a project, 2830
including, but not limited to, rentals and other payments 2831
received under a lease or agreement with respect to the project, 2832
ticket charges or surcharges for admission to events at a 2833
project, charges or surcharges for parking for events at a 2834
project, charges for the use of a project or any portion of a 2835
project, including suites and seating rights, the sale of naming 2836
rights for the project or a portion of the project, unexpended 2837
proceeds of any county revenue bonds issued for the project, and 2838
any income and profit from the investment of the proceeds of any 2839
such revenue bonds or any project revenues. 2840

(9) "Chapter 133. securities," "debt charges," "general 2841
obligation," "legislation," "one purpose," "outstanding," 2842
"permanent improvement," "person," and "securities" have the 2843
meanings given to those terms in section 133.01 of the Revised 2844
Code. 2845

(B) A board of county commissioners may enter into an 2846
agreement with a convention and visitors' bureau operating in 2847
the county under which: 2848

(1) The bureau agrees to construct and equip a convention 2849
center in the county and to pledge and contribute from the tax 2850
revenues received by it under division (A) of section 5739.09 of 2851
the Revised Code, not more than such portion thereof that it is 2852
authorized to pledge and contribute for the purpose described in 2853
division (C) of this section; and 2854

(2) The board agrees to levy a tax under division ~~(C)~~ (M) 2855
of section 5739.09 of the Revised Code and pledge and contribute 2856
the revenues therefrom for the purpose described in division (C) 2857
of this section. 2858

(C) The purpose of the pledges and contributions described 2859
in divisions (B)(1) and (2) of this section is payment of 2860
principal, interest, and premium, if any, on bonds and notes 2861
issued by or for the benefit of the bureau to finance the 2862
construction and equipping of a convention center. The pledges 2863
and contributions provided for in the agreement shall be for the 2864
period stated in the agreement. Revenues determined from time to 2865
time by the board to be needed to cover the real and actual 2866
costs of administering the tax imposed ~~by~~ under division ~~(C)~~ (M) 2867
of section 5739.09 of the Revised Code may not be pledged or 2868
contributed. The agreement shall provide that any such bonds and 2869
notes shall be secured by a trust agreement between the bureau 2870
or other issuer acting for the benefit of the bureau and a 2871
corporate trustee that is a trust company or bank having the 2872
powers of a trust company within or without the state, and the 2873
trust agreement shall pledge or assign to the retirement of the 2874
bonds or notes, all moneys paid by the county under this 2875
section. A tax the revenues from which are pledged under an 2876
agreement entered into by a board of county commissioners under 2877
this section shall not be subject to diminution by initiative or 2878
referendum, or diminution by statute, unless provision is made 2879
therein for an adequate substitute therefor reasonably 2880
satisfactory to the trustee under the trust agreement that 2881
secures the bonds and notes. 2882

(D) A pledge of money by a county under division (B) of 2883
this section shall not be indebtedness of the county for 2884
purposes of Chapter 133. of the Revised Code. 2885

(E) If the terms of the agreement so provide, the board of 2886
county commissioners may acquire and lease real property to the 2887
convention bureau as the site of the convention center. The 2888
lease shall be on such terms as are set forth in the agreement. 2889

The purchase and lease are not subject to the limitations of 2890
sections 307.02 and 307.09 of the Revised Code. 2891

(F) In addition to the authority granted to a board of 2892
county commissioners under divisions (B) to (E) of this section, 2893
a board of county commissioners in a county with a population of 2894
one million two hundred thousand or more, or a county with a 2895
population greater than four hundred thousand wherein the 2896
population of the largest city comprises more than one-third of 2897
that county's population, may purchase, for cash or by 2898
installment payments, enter into lease-purchase agreements for, 2899
lease with an option to purchase, lease, construct, enlarge, 2900
improve, rebuild, equip, or furnish a convention center. 2901

(G) The board of county commissioners of a county with a 2902
population greater than four hundred thousand wherein the 2903
population of the largest city comprises more than one-third of 2904
that county's population may undertake, finance, operate, and 2905
maintain a project. The board may lease a project to an entity 2906
on terms that the board determines to be in the best interest of 2907
the county and in furtherance of the public purpose of the 2908
project; the lease may be for a term of thirty-five years or 2909
less and may provide for an option of the entity to renew the 2910
lease for a term of thirty-five years or less. The board may 2911
enter into an agreement with an entity with respect to a project 2912
on terms that the board determines to be in the best interest of 2913
the county and in furtherance of the public purpose of the 2914
project. To the extent provided for in an agreement or a lease 2915
with an entity, the board may authorize the entity to administer 2916
on behalf of the board any contracts for the project. The board 2917
may enter into an agreement providing for the sale to a person 2918
of naming rights to a project or portion of a project, for a 2919
period, for consideration, and on other terms and conditions 2920

that the board determines to be in the best interest of the 2921
county and in furtherance of the public purpose of the project. 2922
The board may enter into an agreement with a person owning or 2923
operating a professional athletic or sports team providing for 2924
the use by that person of a project or portion of a project for 2925
that team's offices, training, practices, and home games for a 2926
period, for consideration, and on other terms and conditions 2927
that the board determines to be in the best interest of the 2928
county and in furtherance of the public purpose of the project. 2929
The board may establish ticket charges or surcharges for 2930
admission to events at a project, charges or surcharges for 2931
parking for events at a project, and charges for the use of a 2932
project or any portion of a project, including suites and 2933
seating rights, and may, as necessary, enter into agreements 2934
related thereto with persons for a period, for consideration, 2935
and on other terms and conditions that the board determines to 2936
be in the best interest of the county and in furtherance of the 2937
public purpose of the project. A lease or agreement authorized 2938
by this division is not subject to sections 307.02, 307.09, and 2939
307.12 of the Revised Code. 2940

(H) Notwithstanding any contrary provision in Chapter 2941
5739. of the Revised Code, after adopting a resolution declaring 2942
it to be in the best interest of the county to undertake a 2943
project as described in division (G) of this section, the board 2944
of county commissioners of an eligible county may adopt a 2945
resolution enacting or increasing any lodging taxes within the 2946
limits specified in Chapter 5739. of the Revised Code with 2947
respect to those lodging taxes and amending any prior resolution 2948
under which any of its lodging taxes have been imposed in order 2949
to provide that those taxes, after deducting the real and actual 2950
costs of administering the taxes and any portion of the taxes 2951

returned to any municipal corporation or township as provided in 2952
division (A)~~(1)~~ of section 5739.09 of the Revised Code, shall be 2953
used by the board for the purposes of undertaking, financing, 2954
operating, and maintaining the project, including paying debt 2955
charges on any securities issued by the board under division (I) 2956
of this section, or to make contributions to the convention and 2957
visitors' bureau operating within the county, or to promote, 2958
advertise, and market the region in which the county is located, 2959
all as the board may determine and make appropriations for from 2960
time to time, subject to the terms of any pledge to the payment 2961
of debt charges on outstanding general obligation securities or 2962
special obligation securities authorized under division (I) of 2963
this section. A resolution adopted under division (H) of this 2964
section shall be adopted not earlier than January 15, 2007, and 2965
not later than January 15, 2008. 2966

A resolution adopted under division (H) of this section 2967
may direct the board of elections to submit the question of 2968
enacting or increasing lodging taxes, as the case may be, to the 2969
electors of the county at a special election held on the date 2970
specified by the board in the resolution, provided that the 2971
election occurs not less than ninety days after a certified copy 2972
of the resolution is transmitted to the board of elections and 2973
no later than January 15, 2008. A resolution submitted to the 2974
electors under this division shall not go into effect unless it 2975
is approved by a majority of those voting upon it. A resolution 2976
adopted under division (H) of this section that is not submitted 2977
to the electors of the county for their approval or disapproval 2978
is subject to a referendum as provided in sections 305.31 to 2979
305.41 of the Revised Code. 2980

A resolution adopted under division (H) of this section 2981
takes effect upon its adoption, unless the resolution is 2982

submitted to the electors of the county for their approval or 2983
disapproval, in which case the resolution takes effect on the 2984
date the board of county commissioners receives notification 2985
from the board of elections of the affirmative vote. Lodging 2986
taxes received after the effective date of the resolution may be 2987
used for the purposes described in division (H) of this section, 2988
except that lodging taxes that have been pledged to the payment 2989
of debt charges on any bonds or notes issued by or for the 2990
benefit of a convention and visitors' bureau under division (C) 2991
of this section shall be used exclusively for that purpose until 2992
such time as the bonds or notes are no longer outstanding under 2993
the trust agreement securing those bonds or notes. 2994

(I) (1) The board of county commissioners of a county with 2995
a population greater than four hundred thousand wherein the 2996
population of the largest city comprises more than one-third of 2997
that county's population may issue the following securities of 2998
the county for the purpose of paying costs of the project, 2999
refunding any outstanding county securities issued for that 3000
purpose, refunding any outstanding bonds or notes issued by or 3001
for the benefit of the bureau under division (C) of this 3002
section, or for any combination of those purposes: 3003

(a) General obligation securities issued under Chapter 3004
133. of the Revised Code. The resolution authorizing these 3005
securities may include covenants to appropriate annually from 3006
lawfully available lodging taxes, and to continue to levy and 3007
collect those lodging taxes in, amounts necessary to meet the 3008
debt charges on those securities. 3009

(b) Special obligation securities issued under Chapter 3010
133. of the Revised Code that are secured only by lawfully 3011
available lodging taxes and any other taxes and revenues pledged 3012

to pay the debt charges on those securities, except ad valorem 3013
property taxes. The resolution authorizing those securities 3014
shall include a pledge of and covenants to appropriate annually 3015
from lawfully available lodging taxes and any other taxes and 3016
revenues pledged for such purpose, and to continue to collect 3017
any of those revenues pledged for such purpose and to levy and 3018
collect those lodging taxes and any other taxes pledged for such 3019
purpose, in amounts necessary to meet the debt charges on those 3020
securities. The pledge is valid and binding from the time the 3021
pledge is made, and the lodging taxes so pledged and thereafter 3022
received by the county are immediately subject to the lien of 3023
the pledge without any physical delivery of the lodging taxes or 3024
further act. The lien of any pledge is valid and binding as 3025
against all parties having claims of any kind in tort, contract, 3026
or otherwise against the county, regardless of whether such 3027
parties have notice of the lien. Neither the resolution nor any 3028
trust agreement by which a pledge is created or further 3029
evidenced is required to be filed or recorded except in the 3030
records of the board. The special obligation securities shall 3031
contain a statement on their face to the effect that they are 3032
not general obligation securities, and, unless paid from other 3033
sources, are payable from the pledged lodging taxes. 3034

(c) Revenue securities authorized under section 133.08 of 3035
the Revised Code and issued under Chapter 133. of the Revised 3036
Code that are secured only by lawfully available project 3037
revenues pledged to pay the debt charges on those securities. 3038

(2) The securities described in division (I)(1) of this 3039
section are subject to Chapter 133. of the Revised Code. 3040

(3) Section 133.34 of the Revised Code, except for 3041
division (A) of that section, applies to the issuance of any 3042

refunding securities authorized under this division. In lieu of 3043
division (A) of section 133.34 of the Revised Code, the board of 3044
county commissioners shall establish the maturity date or dates, 3045
the interest payable on, and other terms of refunding securities 3046
as it considers necessary or appropriate for their issuance, 3047
provided that the final maturity of refunding securities shall 3048
not exceed by more than ten years the final maturity of any 3049
bonds refunded by refunding securities. 3050

(4) The board may not repeal, rescind, or reduce all or 3051
any portion of any lodging taxes pledged to the payment of debt 3052
charges on any outstanding special obligation securities 3053
authorized under this division, and no portion of any lodging 3054
taxes that is pledged, or that the board has covenanted to levy, 3055
collect, and appropriate annually to pay debt charges on any 3056
outstanding securities authorized under this division is subject 3057
to repeal, rescission, or reduction by the electorate of the 3058
county. 3059

Sec. 319.301. (A) The reductions required by division (D) 3060
of this section do not apply to any of the following: 3061

(1) Taxes levied at whatever rate is required to produce a 3062
specified amount of tax money, including a tax levied under 3063
section 5705.199, ~~5705.211~~, or 5748.09 of the Revised Code, or 3064
an amount to pay debt charges; 3065

(2) Taxes levied within the one per cent limitation 3066
imposed by Section 2 of Article XII, Ohio Constitution; 3067

(3) Taxes provided for by the charter of a municipal 3068
corporation. 3069

(B) As used in this section: 3070

(1) "Real property" includes real property owned by a 3071

railroad. 3072

(2) "Carryover property" means all real property on the 3073
current year's tax list except: 3074

(a) Land and improvements that were not taxed by the 3075
district in both the preceding year and the current year; 3076

(b) Land and improvements that were not in the same class 3077
in both the preceding year and the current year. 3078

(3) "Effective tax rate" means with respect to each class 3079
of property: 3080

(a) The sum of the total taxes that would have been 3081
charged and payable for current expenses against real property 3082
in that class if each of the district's taxes were reduced for 3083
the current year under division (D) (1) of this section without 3084
regard to the application of division (E) (3) of this section 3085
divided by 3086

(b) The taxable value of all real property in that class. 3087

(4) "Taxes charged and payable" means the taxes charged 3088
and payable prior to any reduction required by section 319.302 3089
of the Revised Code. 3090

(C) The tax commissioner shall make the determinations 3091
required by this section each year, without regard to whether a 3092
taxing district has territory in a county to which section 3093
5715.24 of the Revised Code applies for that year. Separate 3094
determinations shall be made for each of the two classes 3095
established pursuant to section 5713.041 of the Revised Code. 3096

(D) With respect to each tax authorized to be levied by 3097
each taxing district, the tax commissioner, annually, shall do 3098
both of the following: 3099

(1) Determine by what percentage, if any, the sums levied 3100
by such tax against the carryover property in each class would 3101
have to be reduced for the tax to levy the same number of 3102
dollars against such property in that class in the current year 3103
as were charged against such property by such tax in the 3104
preceding year subsequent to the reduction made under this 3105
section but before the reduction made under section 319.302 of 3106
the Revised Code. In the case of a tax levied for the first time 3107
that is not a renewal of an existing tax, the commissioner shall 3108
determine by what percentage the sums that would otherwise be 3109
levied by such tax against carryover property in each class 3110
would have to be reduced to equal the amount that would have 3111
been levied if the full rate thereof had been imposed against 3112
the total taxable value of such property in the preceding tax 3113
year. A tax or portion of a tax that is designated a replacement 3114
levy under section 5705.192 of the Revised Code is not a renewal 3115
of an existing tax for purposes of this division. 3116

(2) Certify each percentage determined in division (D) (1) 3117
of this section, as adjusted under division (E) of this section, 3118
and the class of property to which that percentage applies to 3119
the auditor of each county in which the district has territory. 3120
The auditor, after complying with section 319.30 of the Revised 3121
Code, shall reduce the sum to be levied by such tax against each 3122
parcel of real property in the district by the percentage so 3123
certified for its class. Certification shall be made by the 3124
first day of September except in the case of a tax levied for 3125
the first time, in which case certification shall be made within 3126
fifteen days of the date the county auditor submits the 3127
information necessary to make the required determination. 3128

(E) (1) As used in division (E) (2) of this section, "pre- 3129
1982 joint vocational taxes" means, with respect to a class of 3130

property, the difference between the following amounts: 3131

(a) The taxes charged and payable in tax year 1981 against 3132
the property in that class for the current expenses of the joint 3133
vocational school district of which the school district is a 3134
part after making all reductions under this section; 3135

(b) ~~The following percentage~~ Two-tenths of one per cent of 3136
the taxable value of all real property in that class; 3137

~~(i) In 1987, five one hundredths of one per cent;~~ 3138

~~(ii) In 1988, one tenth of one per cent;~~ 3139

~~(iii) In 1989, fifteen one hundredths of one per cent;~~ 3140

~~(iv) In 1990 and each subsequent year, two tenths of one~~ 3141
~~per cent.~~ 3142

If the amount in division (E) (1) (b) of this section 3143
exceeds the amount in division (E) (1) (a) of this section, the 3144
pre-1982 joint vocational taxes shall be zero. 3145

As used in divisions (E) (2) and (3) of this section, 3146
"taxes charged and payable" has the same meaning as in division 3147
(B) (4) of this section and excludes any tax charged and payable 3148
in 1985 or thereafter under sections 5705.194 to 5705.197 or 3149
section 5705.199, 5705.213, 5705.219, or 5748.09 of the Revised 3150
Code. 3151

(2) If in the case of a school district other than a joint 3152
vocational or cooperative education school district any 3153
percentage required to be used in division (D) (2) of this 3154
section for either class of property could cause the total taxes 3155
charged and payable for current expenses to be less than two per 3156
cent of the taxable value of all real property in that class 3157
that is subject to taxation by the district, the commissioner 3158

shall determine what percentages would cause the district's 3159
total taxes charged and payable for current expenses against 3160
that class, after all reductions that would otherwise be made 3161
under this section, to equal, when combined with the pre-1982 3162
joint vocational taxes against that class, the lesser of the 3163
following: 3164

(a) The sum of the rates at which those taxes are 3165
authorized to be levied; 3166

(b) Two per cent of the taxable value of the property in 3167
that class. The auditor shall use such percentages in making the 3168
reduction required by this section for that class. 3169

(3) ~~(a)~~ If in the case of a joint vocational school 3170
district any percentage required to be used in division (D) (2) 3171
of this section for either class of property could cause the 3172
total taxes charged and payable for current expenses for that 3173
class to be less than the designated amount ~~two-tenths of one per~~ 3174
cent of the taxable value of that class, the commissioner shall 3175
determine what percentages would cause the district's total 3176
taxes charged and payable for current expenses for that class, 3177
after all reductions that would otherwise be made under this 3178
section, to equal ~~the designated that~~ amount. The auditor shall 3179
use such percentages in making the reductions required by this 3180
section for that class. 3181

~~(b) As used in division (E) (3) (a) of this section, the~~ 3182
~~designated amount shall equal the taxable value of all real-~~ 3183
~~property in the class that is subject to taxation by the~~ 3184
~~district times the lesser of the following:~~ 3185

~~(i) Two tenths of one per cent;~~ 3186

~~(ii) The district's effective rate plus the following~~ 3187

~~percentage for the year indicated:~~ 3188

3189

1

2

A ~~WHEN COMPUTING THE~~
~~TAXES CHARGES FOR~~

~~ADD THE FOLLOWING~~
~~PERCENTAGE:~~

B ~~1987~~

~~0.025%~~

C ~~1988~~

~~0.05%~~

D ~~1989~~

~~0.075%~~

E ~~1990~~

~~0.1%~~

F ~~1991~~

~~0.125%~~

G ~~1992~~

~~0.15%~~

H ~~1993~~

~~0.175%~~

I ~~1994 and thereafter~~

~~0.2%~~

(F) No reduction shall be made under this section in the 3190
rate at which any tax is levied. 3191

(G) The commissioner may order a county auditor to furnish 3192
any information the commissioner needs to make the 3193
determinations required under division (D) or (E) of this 3194
section, and the auditor shall supply the information in the 3195
form and by the date specified in the order. If the auditor 3196
fails to comply with an order issued under this division, except 3197
for good cause as determined by the commissioner, the 3198

commissioner shall withhold from such county or taxing district 3199
therein fifty per cent of state revenues to local governments 3200
pursuant to section 5747.50 of the Revised Code or shall direct 3201
the department of education to withhold therefrom fifty per cent 3202
of state revenues to school districts pursuant to Chapter 3317. 3203
of the Revised Code. The commissioner shall withhold the 3204
distribution of such revenues until the county auditor has 3205
complied with this division, and the department shall withhold 3206
the distribution of such revenues until the commissioner has 3207
notified the department that the county auditor has complied 3208
with this division. 3209

(H) If the commissioner is unable to certify a tax 3210
reduction factor for either class of property in a taxing 3211
district located in more than one county by the last day of 3212
November because information required under division (G) of this 3213
section is unavailable, the commissioner may compute and certify 3214
an estimated tax reduction factor for that district for that 3215
class. The estimated factor shall be based upon an estimate of 3216
the unavailable information. Upon receipt of the actual 3217
information for a taxing district that received an estimated tax 3218
reduction factor, the commissioner shall compute the actual tax 3219
reduction factor and use that factor to compute the taxes that 3220
should have been charged and payable against each parcel of 3221
property for the year for which the estimated reduction factor 3222
was used. The amount by which the estimated factor resulted in 3223
an overpayment or underpayment in taxes on any parcel shall be 3224
added to or subtracted from the amount due on that parcel in the 3225
ensuing tax year. 3226

A percentage or a tax reduction factor determined or 3227
computed by the commissioner under this section shall be used 3228
solely for the purpose of reducing the sums to be levied by the 3229

tax to which it applies for the year for which it was determined 3230
or computed. It shall not be used in making any tax computations 3231
for any ensuing tax year. 3232

(I) In making the determinations under division (D) (1) of 3233
this section, the tax commissioner shall take account of changes 3234
in the taxable value of carryover property resulting from 3235
complaints filed under section 5715.19 of the Revised Code for 3236
determinations made for the tax year in which such changes are 3237
reported to the commissioner. Such changes shall be reported to 3238
the commissioner on the first abstract of real property filed 3239
with the commissioner under section 5715.23 of the Revised Code 3240
following the date on which the complaint is finally determined 3241
by the board of revision or by a court or other authority with 3242
jurisdiction on appeal. The tax commissioner shall account for 3243
such changes in making the determinations only for the tax year 3244
in which the change in valuation is reported. Such a valuation 3245
change shall not be used to recompute the percentages determined 3246
under division (D) (1) of this section for any prior tax year. 3247

Sec. 321.03. At the request of the county treasurer, a 3248
board of county commissioners may enter into a contract with any 3249
financial institution under which the financial institution, in 3250
accordance with the terms of the contract, receives at a post 3251
office box any type of payment or fee owed or payable to the 3252
county, opens the mail delivered to that box, processes the 3253
checks and other payments received in such mail and deposits 3254
them into the treasurer's account, and provides the county, ~~the~~ 3255
treasurer daily receipt information with respect to such 3256
payments. The contract may provide for the financial institution 3257
to receive at the post office box those payments and fees 3258
specifically named in the contract or all payments and fees 3259
payable to the county, including, but not limited to, utility, 3260

sewer, water, refuse collection, waste disposal, and airport 3261
fees, but in any case excluding taxes. The contract shall not be 3262
entered into unless: 3263

(A) There is attached to the contract a certification by 3264
the auditor of state that the financial institution and the 3265
treasurer have given assurances satisfactory to the auditor of 3266
state that the records of the financial institution, to the 3267
extent that they relate to payments covered by the contract, 3268
shall be subject to examination by the auditor of state to the 3269
same extent as if the services that the financial institution 3270
has agreed to perform were being performed by the treasurer. 3271

(B) The contract is awarded in accordance with sections 3272
307.86 to 307.92 of the Revised Code. 3273

(C) The treasurer's surety bond includes within its 3274
coverage any loss that might occur as the result of the 3275
contract. 3276

(D) The provisions of the contract do not conflict with 3277
accounting and reporting requirements prescribed by the auditor 3278
of state. 3279

Sec. 321.20. On the first day of each month in each year, 3280
the county treasurer shall deposit with the county auditor all 3281
warrants ~~he the treasurer has redeemed~~ redeemed and take the 3282
auditor's receipt for them. 3283

Sec. 323.154. The county auditor shall approve or deny an 3284
application for reduction under section 323.152 of the Revised 3285
Code and shall so notify the applicant ~~not later than the first~~ 3286
~~Monday in October~~ within thirty days after the application is 3287
approved or denied. Notification shall be provided on a form 3288
prescribed by the tax commissioner. If the application is 3289

approved, upon issuance of the notification the county auditor 3290
shall record the amount of reduction in taxes in the appropriate 3291
column on the general tax list and duplicate of real and public 3292
utility property and on the manufactured home tax list. If the 3293
application is denied, the notification shall inform the 3294
applicant of the reasons for the denial. 3295

If an applicant believes that the application for 3296
reduction has been improperly denied or that the reduction is 3297
for less than that to which the applicant is entitled, the 3298
applicant may file an appeal with the county board of revision 3299
not later than ~~the date of closing of the collection for the~~ 3300
~~first half of real and public utility property taxes or~~ 3301
~~manufactured home taxes~~ sixty days after the notification was 3302
issued under this section. The appeal shall be treated in the 3303
same manner as a complaint relating to the valuation or 3304
assessment of real property under Chapter 5715. of the Revised 3305
Code. 3306

Sec. 323.155. The tax bill prescribed under section 3307
323.131 of the Revised Code shall indicate the net amount of 3308
taxes due following the reductions in taxes under sections 3309
319.301, 319.302, 323.152, and 323.16 of the Revised Code. 3310

Any reduction in taxes under section 323.152 of the 3311
Revised Code shall be disregarded as income or resources in 3312
determining eligibility for any program or calculating any 3313
payment under Title LI of the Revised Code. 3314

Sec. 351.01. As used in this chapter: 3315

(A) "Convention facilities authority" means a body 3316
corporate and politic created pursuant to section 351.02 of the 3317
Revised Code. 3318

(B) "Governmental agency" means a department, division, or 3319
other unit of the state government or of a municipal 3320
corporation, county, township, or other political subdivision of 3321
the state; any state university or college, as defined in 3322
section 3345.12 of the Revised Code, community college, state 3323
community college, university branch, or technical college; any 3324
other public corporation or agency having the power to acquire, 3325
construct, or operate facilities; the United States or any 3326
agency thereof; and any agency, commission, or authority 3327
established pursuant to an interstate compact or agreement. 3328

(C) "Person" means any individual, firm, partnership, 3329
association, or corporation, or any combination of them. 3330

(D) "Facility" or "facilities" means any convention, 3331
entertainment, or sports facility, or combination of them, 3332
located within the territory of the convention facilities 3333
authority, together with all hotels, parking facilities, 3334
walkways, and other auxiliary facilities, real and personal 3335
property, property rights, easements and interests that may be 3336
appropriate for, or used in connection with, the operation of 3337
the facility. 3338

(E) "Cost" means the cost of acquisition of all land, 3339
rights-of-way, property rights, easements, franchise rights, and 3340
interests required for such acquisition; the cost of demolishing 3341
or removing any buildings or structures on land so acquired, 3342
including the cost of acquiring any lands to which such 3343
buildings or structures may be moved; the cost of acquiring or 3344
constructing and equipping a principal office of the convention 3345
facilities authority; the cost of diverting highways, 3346
interchange of highways, access roads to private property, 3347
including the cost of land or easements for such access roads; 3348

the cost of public utility and common carrier relocation or 3349
duplication; the cost of all machinery, furnishings, and 3350
equipment; financing charges; interest prior to and during 3351
construction and for no more than eighteen months after 3352
completion of construction; expenses of research and development 3353
with respect to facilities; legal expenses; expenses of 3354
obtaining plans, specifications, engineering surveys, studies, 3355
and estimates of cost and revenues; working capital; expenses 3356
necessary or incident to determining the feasibility or 3357
practicability of acquiring or constructing such facility; 3358
administrative expense; and such other expenses as may be 3359
necessary or incident to the acquisition or construction of the 3360
facility, the financing of such acquisition or construction, 3361
including the amount authorized in the resolution of the 3362
convention facilities authority providing for the issuance of 3363
convention facilities authority revenue bonds to be paid into 3364
any special funds from the proceeds of such bonds, the cost of 3365
issuing the bonds, and the financing of the placing of such 3366
facility in operation. Any obligation, cost, or expense incurred 3367
by any governmental agency or person for surveys, borings, 3368
preparation of plans and specifications, and other engineering 3369
services, or any other cost described above, in connection with 3370
the acquisition or construction of a facility may be regarded as 3371
part of the cost of such facility and may be reimbursed out of 3372
the proceeds of convention facilities authority revenue bonds as 3373
authorized by this chapter. 3374

(F) "Owner" includes a person having any title or interest 3375
in any property, rights, easements, or interests authorized to 3376
be acquired by Chapter 351. of the Revised Code. 3377

(G) "Revenues" means all rentals and other charges 3378
received by the convention facilities authority for the use or 3379

services of any facility, the sale of any merchandise, or the 3380
operation of any concessions; any gift or grant received with 3381
respect to any facility, any moneys received with respect to the 3382
lease, sublease, sale, including installment sale or conditional 3383
sale, or other disposition of a facility or part thereof; moneys 3384
received in repayment of and for interest on any loans made by 3385
the authority to a person or governmental agency, whether from 3386
the United States or any department, administration, or agency 3387
thereof, or otherwise; proceeds of convention facilities 3388
authority revenue bonds to the extent the use thereof for 3389
payment of principal or of premium, if any, or interest on the 3390
bonds is authorized by the authority; proceeds from any 3391
insurance, appropriation, or guaranty pertaining to a facility 3392
or property mortgaged to secure bonds or pertaining to the 3393
financing of the facility; income and profit from the investment 3394
of the proceeds of convention facilities authority revenue bonds 3395
or of any revenues; contributions of the proceeds of a tax 3396
levied pursuant to division ~~(A) (3)~~ (C) of section 5739.09 of the 3397
Revised Code; and moneys transmitted to the authority pursuant 3398
to division (B) of section 5739.211 and division (B) of section 3399
5741.031 of the Revised Code. 3400

(H) "Public roads" includes all public highways, roads, 3401
and streets in the state, whether maintained by the state, 3402
county, city, township, or other political subdivision. 3403

(I) "Construction," unless the context indicates a 3404
different meaning or intent, includes, but is not limited to, 3405
reconstruction, enlargement, improvement, or providing fixtures, 3406
furnishings, and equipment. 3407

(J) "Convention facilities authority revenue bonds" or 3408
"revenue bonds," unless the context indicates a different 3409

meaning or intent, includes convention facilities authority 3410
revenue notes, convention facilities authority revenue renewal 3411
notes, and convention facilities authority revenue refunding 3412
bonds. 3413

(K) "Convention facilities authority tax anticipation 3414
bonds" or "tax anticipation bonds," unless the context indicates 3415
a different meaning, includes convention facilities authority 3416
tax anticipation bonds, tax anticipation notes, tax anticipation 3417
renewal notes, and tax anticipation refunding bonds. 3418

(L) "Bonds and notes" means convention facilities 3419
authority revenue bonds and convention facilities authority tax 3420
anticipation bonds. 3421

(M) "Territory of the authority" means all of the area of 3422
the county creating the convention facilities authority. 3423

(N) "Excise taxes" means any of the taxes levied pursuant 3424
to division (B) or (C) of section 351.021 of the Revised Code. 3425
"Excise taxes" does not include taxes levied pursuant to section 3426
4301.424, 5743.026, or 5743.324 of the Revised Code. 3427

(O) "Transaction" means the charge by a hotel for each 3428
occupancy by transient guests of a room or suite of rooms used 3429
in a hotel as a single unit for any period of twenty-four hours 3430
or less. 3431

(P) "Hotel" and "transient guests" have the same meanings 3432
as in section 5739.01 of the Revised Code. 3433

(Q) "Sports facility" means a facility intended to house 3434
major league professional athletic teams. 3435

(R) "Constructing" or "construction" includes providing 3436
fixtures, furnishings, and equipment. 3437

Sec. 351.03. (A) Except as provided in division ~~(A) (3)~~ (C) 3438
of section 5739.09 or in section 5739.026 of the Revised Code, 3439
no county creating a convention facilities authority may 3440
appropriate and expend public funds to finance or subsidize the 3441
operation of the authority. 3442

(B) Subject to making due provisions for payment and 3443
performance of its obligations, a convention facilities 3444
authority may be dissolved by the county creating it. In such 3445
event the properties of the authority shall be transferred to 3446
the county creating it, and the county may thereupon appropriate 3447
and expend public funds to finance or subsidize the operation of 3448
such facilities. 3449

Sec. 351.141. A convention facilities authority that 3450
levies any of the excise taxes authorized by division (B) or (C) 3451
of section 351.021 of the Revised Code or that receives 3452
contributions pursuant to division ~~(A) (3)~~ (C) of section 5739.09 3453
of the Revised Code, by resolution may anticipate the proceeds 3454
of the levy and issue convention facilities authority tax 3455
anticipation bonds, and notes anticipating the proceeds or the 3456
bonds, in the principal amount that, in the opinion of the 3457
authority, are necessary for the purpose of paying the cost of 3458
one or more facilities or parts of one or more facilities, and 3459
as able, with the interest on them, be paid over the term of the 3460
issue, or in the case of notes anticipating bonds over the term 3461
of the bonds, by the estimated amount of the excise taxes or 3462
contributions anticipated thereby. The excise taxes or 3463
contributions are determined by the general assembly to satisfy 3464
any applicable requirement of Section 11 of Article XII, Ohio 3465
Constitution. An authority, at any time, may issue renewal tax 3466
anticipation notes, issue tax anticipation bonds to pay such 3467
notes, and, whenever it considers refunding expedient, refund 3468

any tax anticipation bonds by the issuance of tax anticipation 3469
refunding bonds whether the bonds to be refunded have or have 3470
not matured, and issue tax anticipation bonds partly to refund 3471
bonds then outstanding and partly for any other authorized 3472
purpose. The refunding bonds shall be sold and the proceeds 3473
needed for such purpose applied in the manner provided in the 3474
bond proceedings to the purchase, redemption, or payment of the 3475
bonds to be refunded. 3476

Every issue of outstanding tax anticipation bonds shall be 3477
payable out of the proceeds of the excise taxes or contributions 3478
anticipated and other revenues of the authority that are pledged 3479
for such payment. The pledge shall be valid and binding from the 3480
time the pledge is made, and the anticipated excise taxes, 3481
contributions, and revenues so pledged and thereafter received 3482
by the authority immediately shall be subject to the lien of 3483
that pledge without any physical delivery of those excise taxes, 3484
contributions, and revenues or further act. The lien of any 3485
pledge is valid and binding as against all parties having claims 3486
of any kind in tort, contract, or otherwise against the 3487
authority, whether or not such parties have notice of the lien. 3488
Neither the resolution nor any trust agreement by which a pledge 3489
is created need be filed or recorded except in the authority's 3490
records. 3491

Whether or not the bonds or notes are of such form and 3492
character as to be negotiable instruments under Title XIII of 3493
the Revised Code, the bonds or notes shall have all the 3494
qualities and incidents of negotiable instruments, subject only 3495
to their provisions for registration, if any. 3496

The tax anticipation bonds shall bear such date or dates, 3497
and shall mature at such time or times, in the case of any such 3498

notes or any renewals of such notes not exceeding twenty years 3499
from the date of issue of such original notes and in the case of 3500
any such bonds or any refunding bonds not exceeding forty years 3501
from the date of the original issue of notes or bonds for the 3502
purpose, and shall be executed in the manner that the resolution 3503
authorizing the bonds may provide. The tax anticipation bonds 3504
shall bear interest at such rates, or at variable rate or rates 3505
changing from time to time, in accordance with provisions 3506
provided in the authorizing resolution, be in such denominations 3507
and form, either coupon or registered, carry such registration 3508
privileges, be payable in such medium of payment and at such 3509
place or places, and be subject to such terms of redemption, as 3510
the authority may authorize or provide. The tax anticipation 3511
bonds may be sold at public or private sale, and at, or at not 3512
less than the price or prices as the authority determines. If 3513
any officer whose signature or a facsimile of whose signature 3514
appears on any bonds or coupons ceases to be such officer before 3515
delivery of the bonds, the signature or facsimile shall 3516
nevertheless be sufficient for all purposes as if the officer 3517
had remained in office until delivery of the bonds, and in case 3518
the seal of the authority has been changed after a facsimile has 3519
been imprinted on the bonds, the facsimile seal will continue to 3520
be sufficient for all purposes. 3521

Any resolution or resolutions authorizing any tax 3522
anticipation bonds or any issue of tax anticipation bonds may 3523
contain provisions, subject to any agreements with bondholders 3524
as may then exist, which provisions shall be a part of the 3525
contract with the holders of the bonds, as to the pledging of 3526
any or all of the authority's anticipated excise taxes, 3527
contributions, and revenues to secure the payment of the bonds 3528
or of any issue of the bonds; the use and disposition of 3529

revenues of the authority; the crediting of the proceeds of the 3530
sale of bonds to and among the funds referred to or provided for 3531
in the resolution; limitations on the purpose to which the 3532
proceeds of sale of the bonds may be applied and the pledging of 3533
portions of such proceeds to secure the payment of the bonds or 3534
of any issue of the bonds; as to notes issued in anticipation of 3535
the issuance of bonds, the agreement of the authority to do all 3536
things necessary for the authorization, issuance, and sale of 3537
such bonds in such amounts as may be necessary for the timely 3538
retirement of such notes; limitations on the issuance of 3539
additional bonds; the terms upon which additional bonds may be 3540
issued and secured; the refunding of outstanding bonds; the 3541
procedure, if any, by which the terms of any contract with 3542
bondholders may be amended, the amount of bonds the holders of 3543
which must consent thereto, and the manner in which such consent 3544
may be given; securing any bonds by a trust agreement in 3545
accordance with section 351.16 of the Revised Code; any other 3546
matters, of like or different character, that in any way affect 3547
the security or protection of the bonds. The excise taxes 3548
anticipated by the bonds, including bonds anticipated by notes, 3549
shall not be subject to diminution by initiative or referendum 3550
or by law while the bonds or notes remain outstanding in 3551
accordance with their terms, unless provision is made by law or 3552
by the authority for an adequate substitute therefor reasonably 3553
satisfactory to the trustee, if a trust agreement secures the 3554
bonds. 3555

Neither the members of the board of directors of the 3556
authority nor any person executing the bonds shall be liable 3557
personally on the bonds or be subject to any personal liability 3558
or accountability by reason of the issuance thereof. 3559

Sec. 718.01. Any term used in this chapter that is not 3560

otherwise defined in this chapter has the same meaning as when 3561
used in a comparable context in laws of the United States 3562
relating to federal income taxation or in Title LVII of the 3563
Revised Code, unless a different meaning is clearly required. 3564
Except as provided in section 718.81 of the Revised Code, if a 3565
term used in this chapter that is not otherwise defined in this 3566
chapter is used in a comparable context in both the laws of the 3567
United States relating to federal income tax and in Title LVII 3568
of the Revised Code and the use is not consistent, then the use 3569
of the term in the laws of the United States relating to federal 3570
income tax shall control over the use of the term in Title LVII 3571
of the Revised Code. 3572

Except as otherwise provided in section 718.81 of the 3573
Revised Code, as used in this chapter: 3574

(A) (1) "Municipal taxable income" means the following: 3575

(a) For a person other than an individual, income 3576
apportioned or situated to the municipal corporation under 3577
section 718.02 of the Revised Code, as applicable, reduced by 3578
any pre-2017 net operating loss carryforward available to the 3579
person for the municipal corporation. 3580

(b) (i) For an individual who is a resident of a municipal 3581
corporation other than a qualified municipal corporation, income 3582
reduced by exempt income to the extent otherwise included in 3583
income, then reduced as provided in division (A) (2) of this 3584
section, and further reduced by any pre-2017 net operating loss 3585
carryforward available to the individual for the municipal 3586
corporation. 3587

(ii) For an individual who is a resident of a qualified 3588
municipal corporation, Ohio adjusted gross income reduced by 3589

income exempted, and increased by deductions excluded, by the 3590
qualified municipal corporation from the qualified municipal 3591
corporation's tax. If a qualified municipal corporation, on or 3592
before December 31, 2013, exempts income earned by individuals 3593
who are not residents of the qualified municipal corporation and 3594
net profit of persons that are not wholly located within the 3595
qualified municipal corporation, such individual or person shall 3596
have no municipal taxable income for the purposes of the tax 3597
levied by the qualified municipal corporation and may be 3598
exempted by the qualified municipal corporation from the 3599
requirements of section 718.03 of the Revised Code. 3600

(c) For an individual who is a nonresident of a municipal 3601
corporation, income reduced by exempt income to the extent 3602
otherwise included in income and then, as applicable, 3603
apportioned or situated to the municipal corporation under 3604
section 718.02 of the Revised Code, then reduced as provided in 3605
division (A) (2) of this section, and further reduced by any pre- 3606
2017 net operating loss carryforward available to the individual 3607
for the municipal corporation. 3608

(2) In computing the municipal taxable income of a 3609
taxpayer who is an individual, the taxpayer may subtract, as 3610
provided in division (A) (1) (b) (i) or (c) of this section, the 3611
amount of the individual's employee business expenses reported 3612
on the individual's form 2106 that the individual deducted for 3613
federal income tax purposes for the taxable year, subject to the 3614
limitation imposed by section 67 of the Internal Revenue Code. 3615
For the municipal corporation in which the taxpayer is a 3616
resident, the taxpayer may deduct all such expenses allowed for 3617
federal income tax purposes. For a municipal corporation in 3618
which the taxpayer is not a resident, the taxpayer may deduct 3619
such expenses only to the extent the expenses are related to the 3620

taxpayer's performance of personal services in that nonresident 3621
municipal corporation. 3622

(B) "Income" means the following: 3623

(1) (a) For residents, all income, salaries, qualifying 3624
wages, commissions, and other compensation from whatever source 3625
earned or received by the resident, including the resident's 3626
distributive share of the net profit of pass-through entities 3627
owned directly or indirectly by the resident and any net profit 3628
of the resident, except as provided in division (D) (5) of this 3629
section. 3630

(b) For the purposes of division (B) (1) (a) of this 3631
section: 3632

(i) Any net operating loss of the resident incurred in the 3633
taxable year and the resident's distributive share of any net 3634
operating loss generated in the same taxable year and 3635
attributable to the resident's ownership interest in a pass- 3636
through entity shall be allowed as a deduction, for that taxable 3637
year and the following five taxable years, against any other net 3638
profit of the resident or the resident's distributive share of 3639
any net profit attributable to the resident's ownership interest 3640
in a pass-through entity until fully utilized, subject to 3641
division (B) (1) (d) of this section; 3642

(ii) The resident's distributive share of the net profit 3643
of each pass-through entity owned directly or indirectly by the 3644
resident shall be calculated without regard to any net operating 3645
loss that is carried forward by that entity from a prior taxable 3646
year and applied to reduce the entity's net profit for the 3647
current taxable year. 3648

(c) Division (B) (1) (b) of this section does not apply with 3649

respect to any net profit or net operating loss attributable to 3650
an ownership interest in an S corporation unless shareholders' 3651
distributive shares of net profits from S corporations are 3652
subject to tax in the municipal corporation as provided in 3653
division (C) (14) (b) or (c) of this section. 3654

(d) Any amount of a net operating loss used to reduce a 3655
taxpayer's net profit for a taxable year shall reduce the amount 3656
of net operating loss that may be carried forward to any 3657
subsequent year for use by that taxpayer. In no event shall the 3658
cumulative deductions for all taxable years with respect to a 3659
taxpayer's net operating loss exceed the original amount of that 3660
net operating loss available to that taxpayer. 3661

(2) In the case of nonresidents, all income, salaries, 3662
qualifying wages, commissions, and other compensation from 3663
whatever source earned or received by the nonresident for work 3664
done, services performed or rendered, or activities conducted in 3665
the municipal corporation, including any net profit of the 3666
nonresident, but excluding the nonresident's distributive share 3667
of the net profit or loss of only pass-through entities owned 3668
directly or indirectly by the nonresident. 3669

(3) For taxpayers that are not individuals, net profit of 3670
the taxpayer; 3671

(4) Lottery, sweepstakes, gambling and sports winnings, 3672
winnings from games of chance, and prizes and awards. If the 3673
taxpayer is a professional gambler for federal income tax 3674
purposes, the taxpayer may deduct related wagering losses and 3675
expenses to the extent authorized under the Internal Revenue 3676
Code and claimed against such winnings. 3677

(C) "Exempt income" means all of the following: 3678

(1) The military pay or allowances of members of the armed 3679
forces of the United States or members of their reserve 3680
components, including the national guard of any state; 3681

(2) (a) Except as provided in division (C) (2) (b) of this 3682
section, intangible income; 3683

(b) A municipal corporation that taxed any type of 3684
intangible income on March 29, 1988, pursuant to Section 3 of 3685
S.B. 238 of the 116th general assembly, may continue to tax that 3686
type of income if a majority of the electors of the municipal 3687
corporation voting on the question of whether to permit the 3688
taxation of that type of intangible income after 1988 voted in 3689
favor thereof at an election held on November 8, 1988. 3690

(3) Social security benefits, railroad retirement 3691
benefits, unemployment compensation, pensions, retirement 3692
benefit payments, payments from annuities, and similar payments 3693
made to an employee or to the beneficiary of an employee under a 3694
retirement program or plan, disability payments received from 3695
private industry or local, state, or federal governments or from 3696
charitable, religious or educational organizations, and the 3697
proceeds of sickness, accident, or liability insurance policies. 3698
As used in division (C) (3) of this section, "unemployment 3699
compensation" does not include supplemental unemployment 3700
compensation described in section 3402(o) (2) of the Internal 3701
Revenue Code. 3702

(4) The income of religious, fraternal, charitable, 3703
scientific, literary, or educational institutions to the extent 3704
such income is derived from tax-exempt real estate, tax-exempt 3705
tangible or intangible property, or tax-exempt activities. 3706

(5) Compensation paid under section 3501.28 or 3501.36 of 3707

the Revised Code to a person serving as a precinct election 3708
official to the extent that such compensation does not exceed 3709
one thousand dollars for the taxable year. Such compensation in 3710
excess of one thousand dollars for the taxable year may be 3711
subject to taxation by a municipal corporation. A municipal 3712
corporation shall not require the payer of such compensation to 3713
withhold any tax from that compensation. 3714

(6) Dues, contributions, and similar payments received by 3715
charitable, religious, educational, or literary organizations or 3716
labor unions, lodges, and similar organizations; 3717

(7) Alimony and child support received; 3718

(8) Compensation for personal injuries or for damages to 3719
property from insurance proceeds or otherwise, excluding 3720
compensation paid for lost salaries or wages or compensation 3721
from punitive damages; 3722

(9) Income of a public utility when that public utility is 3723
subject to the tax levied under section 5727.24 or 5727.30 of 3724
the Revised Code. Division (C) (9) of this section does not apply 3725
for purposes of Chapter 5745. of the Revised Code. 3726

(10) Gains from involuntary conversions, interest on 3727
federal obligations, items of income subject to a tax levied by 3728
the state and that a municipal corporation is specifically 3729
prohibited by law from taxing, and income of a decedent's estate 3730
during the period of administration except such income from the 3731
operation of a trade or business; 3732

(11) Compensation or allowances excluded from federal 3733
gross income under section 107 of the Internal Revenue Code; 3734

(12) Employee compensation that is not qualifying wages as 3735
defined in division (R) of this section; 3736

(13) Compensation paid to a person employed within the 3737
boundaries of a United States air force base under the 3738
jurisdiction of the United States air force that is used for the 3739
housing of members of the United States air force and is a 3740
center for air force operations, unless the person is subject to 3741
taxation because of residence or domicile. If the compensation 3742
is subject to taxation because of residence or domicile, tax on 3743
such income shall be payable only to the municipal corporation 3744
of residence or domicile. 3745

(14) (a) Except as provided in division (C) (14) (b) or (c) 3746
of this section, an S corporation shareholder's distributive 3747
share of net profits of the S corporation, other than any part 3748
of the distributive share of net profits that represents wages 3749
as defined in section 3121(a) of the Internal Revenue Code or 3750
net earnings from self-employment as defined in section 1402(a) 3751
of the Internal Revenue Code. 3752

(b) If, pursuant to division (H) of former section 718.01 3753
of the Revised Code as it existed before March 11, 2004, a 3754
majority of the electors of a municipal corporation voted in 3755
favor of the question at an election held on November 4, 2003, 3756
the municipal corporation may continue after 2002 to tax an S 3757
corporation shareholder's distributive share of net profits of 3758
an S corporation. 3759

(c) If, on December 6, 2002, a municipal corporation was 3760
imposing, assessing, and collecting a tax on an S corporation 3761
shareholder's distributive share of net profits of the S 3762
corporation to the extent the distributive share would be 3763
allocated or apportioned to this state under divisions (B) (1) 3764
and (2) of section 5733.05 of the Revised Code if the S 3765
corporation were a corporation subject to taxes imposed under 3766

Chapter 5733. of the Revised Code, the municipal corporation may 3767
continue to impose the tax on such distributive shares to the 3768
extent such shares would be so allocated or apportioned to this 3769
state only until December 31, 2004, unless a majority of the 3770
electors of the municipal corporation voting on the question of 3771
continuing to tax such shares after that date voted in favor of 3772
that question at an election held November 2, 2004. If a 3773
majority of those electors voted in favor of the question, the 3774
municipal corporation may continue after December 31, 2004, to 3775
impose the tax on such distributive shares only to the extent 3776
such shares would be so allocated or apportioned to this state. 3777

(d) A municipal corporation shall be deemed to have 3778
elected to tax S corporation shareholders' distributive shares 3779
of net profits of the S corporation in the hands of the 3780
shareholders if a majority of the electors of a municipal 3781
corporation voted in favor of a question at an election held 3782
under division (C) (14) (b) or (c) of this section. The municipal 3783
corporation shall specify by resolution or ordinance that the 3784
tax applies to the distributive share of a shareholder of an S 3785
corporation in the hands of the shareholder of the S 3786
corporation. 3787

(15) To the extent authorized under a resolution or 3788
ordinance adopted by a municipal corporation before January 1, 3789
2016, all or a portion of the income of individuals or a class 3790
of individuals under eighteen years of age. 3791

(16) (a) Except as provided in divisions (C) (16) (b), (c), 3792
and (d) of this section, qualifying wages described in division 3793
(B) (1) or (E) of section 718.011 of the Revised Code to the 3794
extent the qualifying wages are not subject to withholding for 3795
the municipal corporation under either of those divisions. 3796

(b) The exemption provided in division (C)(16)(a) of this 3797
section does not apply with respect to the municipal corporation 3798
in which the employee resided at the time the employee earned 3799
the qualifying wages. 3800

(c) The exemption provided in division (C)(16)(a) of this 3801
section does not apply to qualifying wages that an employer 3802
elects to withhold under division (D)(2) of section 718.011 of 3803
the Revised Code. 3804

(d) The exemption provided in division (C)(16)(a) of this 3805
section does not apply to qualifying wages if both of the 3806
following conditions apply: 3807

(i) For qualifying wages described in division (B)(1) of 3808
section 718.011 of the Revised Code, the employee's employer 3809
withholds and remits tax on the qualifying wages to the 3810
municipal corporation in which the employee's principal place of 3811
work is situated, or, for qualifying wages described in division 3812
(E) of section 718.011 of the Revised Code, the employee's 3813
employer withholds and remits tax on the qualifying wages to the 3814
municipal corporation in which the employer's fixed location is 3815
located; 3816

(ii) The employee receives a refund of the tax described 3817
in division (C)(16)(d)(i) of this section on the basis of the 3818
employee not performing services in that municipal corporation. 3819

(17)(a) Except as provided in division (C)(17)(b) or (c) 3820
of this section, compensation that is not qualifying wages paid 3821
to a nonresident individual for personal services performed in 3822
the municipal corporation on not more than twenty days in a 3823
taxable year. 3824

(b) The exemption provided in division (C)(17)(a) of this 3825

section does not apply under either of the following 3826
circumstances: 3827

(i) The individual's base of operation is located in the 3828
municipal corporation. 3829

(ii) The individual is a professional athlete, 3830
professional entertainer, or public figure, and the compensation 3831
is paid for the performance of services in the individual's 3832
capacity as a professional athlete, professional entertainer, or 3833
public figure. For purposes of division (C) (17) (b) (ii) of this 3834
section, "professional athlete," "professional entertainer," and 3835
"public figure" have the same meanings as in section 718.011 of 3836
the Revised Code. 3837

(c) Compensation to which division (C) (17) of this section 3838
applies shall be treated as earned or received at the 3839
individual's base of operation. If the individual does not have 3840
a base of operation, the compensation shall be treated as earned 3841
or received where the individual is domiciled. 3842

(d) For purposes of division (C) (17) of this section, 3843
"base of operation" means the location where an individual owns 3844
or rents an office, storefront, or similar facility to which the 3845
individual regularly reports and at which the individual 3846
regularly performs personal services for compensation. 3847

(18) Compensation paid to a person for personal services 3848
performed for a political subdivision on property owned by the 3849
political subdivision, regardless of whether the compensation is 3850
received by an employee of the subdivision or another person 3851
performing services for the subdivision under a contract with 3852
the subdivision, if the property on which services are performed 3853
is annexed to a municipal corporation pursuant to section 3854

709.023 of the Revised Code on or after March 27, 2013, unless 3855
the person is subject to such taxation because of residence. If 3856
the compensation is subject to taxation because of residence, 3857
municipal income tax shall be payable only to the municipal 3858
corporation of residence. 3859

(19) In the case of a tax administered, collected, and 3860
enforced by a municipal corporation pursuant to an agreement 3861
with the board of directors of a joint economic development 3862
district under section 715.72 of the Revised Code, the net 3863
profits of a business, and the income of the employees of that 3864
business, exempted from the tax under division (Q) of that 3865
section. 3866

(20) All of the following: 3867

(a) Income derived from disaster work conducted in this 3868
state by an out-of-state disaster business during a disaster 3869
response period pursuant to a qualifying solicitation received 3870
by the business; 3871

(b) Income of a qualifying employee described in division 3872
(A) (14) (a) of section 5703.94 of the Revised Code, to the extent 3873
such income is derived from disaster work conducted in this 3874
state by the employee during a disaster response period pursuant 3875
to a qualifying solicitation received by the employee's 3876
employer; 3877

(c) Income of a qualifying employee described in division 3878
(A) (14) (b) of section 5703.94 of the Revised Code, to the extent 3879
such income is derived from disaster work conducted in this 3880
state by the employee during a disaster response period on 3881
critical infrastructure owned or used by the employee's 3882
employer. 3883

(21) Income the taxation of which is prohibited by the 3884
constitution or laws of the United States. 3885

Any item of income that is exempt income of a pass-through 3886
entity under division (C) of this section is exempt income of 3887
each owner of the pass-through entity to the extent of that 3888
owner's distributive or proportionate share of that item of the 3889
entity's income. 3890

(D) (1) "Net profit" for a person who is an individual 3891
means the individual's net profit required to be reported on 3892
schedule C, schedule E, or schedule F reduced by any net 3893
operating loss carried forward. For the purposes of division (D) 3894
(1) of this section, the net operating loss carried forward 3895
shall be calculated and deducted in the same manner as provided 3896
in division (D) (3) of this section. 3897

(2) "Net profit" for a person other than an individual 3898
means adjusted federal taxable income reduced by any net 3899
operating loss incurred by the person in a taxable year 3900
beginning on or after January 1, 2017, subject to the 3901
limitations of division (D) (3) of this section. 3902

(3) (a) The amount of such net operating loss shall be 3903
deducted from net profit to the extent necessary to reduce 3904
municipal taxable income to zero, with any remaining unused 3905
portion of the net operating loss carried forward to not more 3906
than five consecutive taxable years following the taxable year 3907
in which the loss was incurred, but in no case for more years 3908
than necessary for the deduction to be fully utilized. 3909

(b) No person shall use the deduction allowed by division 3910
(D) (3) of this section to offset qualifying wages. 3911

(c) (i) For taxable years beginning in 2018, 2019, 2020, 3912

2021, or 2022, a person may not deduct, for purposes of an 3913
income tax levied by a municipal corporation that levies an 3914
income tax before January 1, 2016, more than fifty per cent of 3915
the amount of the deduction otherwise allowed by division (D) (3) 3916
of this section. 3917

(ii) For taxable years beginning in 2023 or thereafter, a 3918
person may deduct, for purposes of an income tax levied by a 3919
municipal corporation that levies an income tax before January 3920
1, 2016, the full amount allowed by division (D) (3) of this 3921
section without regard to the limitation of division (D) (3) (b) 3922
(i) of this section. 3923

(d) Any pre-2017 net operating loss carryforward deduction 3924
that is available may be utilized before a taxpayer may deduct 3925
any amount pursuant to division (D) (3) of this section. 3926

(e) Nothing in division (D) (3) (c) (i) of this section 3927
precludes a person from carrying forward, for use with respect 3928
to any return filed for a taxable year beginning after 2018, any 3929
amount of net operating loss that was not fully utilized by 3930
operation of division (D) (3) (c) (i) of this section. To the 3931
extent that an amount of net operating loss that was not fully 3932
utilized in one or more taxable years by operation of division 3933
(D) (3) (c) (i) of this section is carried forward for use with 3934
respect to a return filed for a taxable year beginning in 2019, 3935
2020, 2021, or 2022, the limitation described in division (D) (3) 3936
(c) (i) of this section shall apply to the amount carried 3937
forward. 3938

(4) For the purposes of this chapter, and notwithstanding 3939
division (D) (2) of this section, net profit of a disregarded 3940
entity shall not be taxable as against that disregarded entity, 3941
but shall instead be included in the net profit of the owner of 3942

the disregarded entity. 3943

(5) For the purposes of this chapter, and notwithstanding 3944
any other provision of this chapter, the net profit of a 3945
publicly traded partnership that makes the election described in 3946
division (D) (5) of this section shall be taxed as if the 3947
partnership were a C corporation, and shall not be treated as 3948
the net profit or income of any owner of the partnership. 3949

A publicly traded partnership that is treated as a 3950
partnership for federal income tax purposes and that is subject 3951
to tax on its net profits in one or more municipal corporations 3952
in this state may elect to be treated as a C corporation for 3953
municipal income tax purposes. The publicly traded partnership 3954
shall make the election in every municipal corporation in which 3955
the partnership is subject to taxation on its net profits. The 3956
election shall be made on the annual tax return filed in each 3957
such municipal corporation. The publicly traded partnership 3958
shall not be required to file the election with any municipal 3959
corporation in which the partnership is not subject to taxation 3960
on its net profits, but division (D) (5) of this section applies 3961
to all municipal corporations in which an individual owner of 3962
the partnership resides. 3963

(E) "Adjusted federal taxable income," for a person 3964
required to file as a C corporation, or for a person that has 3965
elected to be taxed as a C corporation under division (D) (5) of 3966
this section, means a C corporation's federal taxable income 3967
before net operating losses and special deductions as determined 3968
under the Internal Revenue Code, adjusted as follows: 3969

(1) Deduct intangible income to the extent included in 3970
federal taxable income. The deduction shall be allowed 3971
regardless of whether the intangible income relates to assets 3972

used in a trade or business or assets held for the production of 3973
income. 3974

(2) Add an amount equal to five per cent of intangible 3975
income deducted under division (E) (1) of this section, but 3976
excluding that portion of intangible income directly related to 3977
the sale, exchange, or other disposition of property described 3978
in section 1221 of the Internal Revenue Code; 3979

(3) Add any losses allowed as a deduction in the 3980
computation of federal taxable income if the losses directly 3981
relate to the sale, exchange, or other disposition of an asset 3982
described in section 1221 or 1231 of the Internal Revenue Code; 3983

(4) (a) Except as provided in division (E) (4) (b) of this 3984
section, deduct income and gain included in federal taxable 3985
income to the extent the income and gain directly relate to the 3986
sale, exchange, or other disposition of an asset described in 3987
section 1221 or 1231 of the Internal Revenue Code; 3988

(b) Division (E) (4) (a) of this section does not apply to 3989
the extent the income or gain is income or gain described in 3990
section 1245 or 1250 of the Internal Revenue Code. 3991

(5) Add taxes on or measured by net income allowed as a 3992
deduction in the computation of federal taxable income; 3993

(6) In the case of a real estate investment trust or 3994
regulated investment company, add all amounts with respect to 3995
dividends to, distributions to, or amounts set aside for or 3996
credited to the benefit of investors and allowed as a deduction 3997
in the computation of federal taxable income; 3998

(7) Deduct, to the extent not otherwise deducted or 3999
excluded in computing federal taxable income, any income derived 4000
from a transfer agreement or from the enterprise transferred 4001

under that agreement under section 4313.02 of the Revised Code; 4002

(8) Deduct exempt income to the extent not otherwise 4003
deducted or excluded in computing adjusted federal taxable 4004
income. 4005

(9) Deduct any net profit of a pass-through entity owned 4006
directly or indirectly by the taxpayer and included in the 4007
taxpayer's federal taxable income unless an affiliated group of 4008
corporations includes that net profit in the group's federal 4009
taxable income in accordance with division (E) (3) (b) of section 4010
718.06 of the Revised Code. 4011

(10) Add any loss incurred by a pass-through entity owned 4012
directly or indirectly by the taxpayer and included in the 4013
taxpayer's federal taxable income unless an affiliated group of 4014
corporations includes that loss in the group's federal taxable 4015
income in accordance with division (E) (3) (b) of section 718.06 4016
of the Revised Code. 4017

If the taxpayer is not a C corporation, is not a 4018
disregarded entity that has made the election described in 4019
division (L) (2) of this section, is not a publicly traded 4020
partnership that has made the election described in division (D) 4021
(5) of this section, and is not an individual, the taxpayer 4022
shall compute adjusted federal taxable income under this section 4023
as if the taxpayer were a C corporation, except guaranteed 4024
payments and other similar amounts paid or accrued to a partner, 4025
former partner, shareholder, former shareholder, member, or 4026
former member shall not be allowed as a deductible expense 4027
unless such payments are in consideration for the use of capital 4028
and treated as payment of interest under section 469 of the 4029
Internal Revenue Code or United States treasury regulations. 4030
Amounts paid or accrued to a qualified self-employed retirement 4031

plan with respect to a partner, former partner, shareholder, 4032
former shareholder, member, or former member of the taxpayer, 4033
amounts paid or accrued to or for health insurance for a 4034
partner, former partner, shareholder, former shareholder, 4035
member, or former member, and amounts paid or accrued to or for 4036
life insurance for a partner, former partner, shareholder, 4037
former shareholder, member, or former member shall not be 4038
allowed as a deduction. 4039

Nothing in division (E) of this section shall be construed 4040
as allowing the taxpayer to add or deduct any amount more than 4041
once or shall be construed as allowing any taxpayer to deduct 4042
any amount paid to or accrued for purposes of federal self- 4043
employment tax. 4044

(F) "Schedule C" means internal revenue service schedule C 4045
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 4046
Code. 4047

(G) "Schedule E" means internal revenue service schedule E 4048
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 4049
Code. 4050

(H) "Schedule F" means internal revenue service schedule F 4051
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 4052
Code. 4053

(I) "Internal Revenue Code" has the same meaning as in 4054
section 5747.01 of the Revised Code. 4055

(J) "Resident" means an individual who is domiciled in the 4056
municipal corporation as determined under section 718.012 of the 4057
Revised Code. 4058

(K) "Nonresident" means an individual that is not a 4059
resident. 4060

(L) (1) "Taxpayer" means a person subject to a tax levied 4061
on income by a municipal corporation in accordance with this 4062
chapter. "Taxpayer" does not include a grantor trust or, except 4063
as provided in division (L) (2) (a) of this section, a disregarded 4064
entity. 4065

(2) (a) A single member limited liability company that is a 4066
disregarded entity for federal tax purposes may be a separate 4067
taxpayer from its single member in all Ohio municipal 4068
corporations in which it either filed as a separate taxpayer or 4069
did not file for its taxable year ending in 2003, if all of the 4070
following conditions are met: 4071

(i) The limited liability company's single member is also 4072
a limited liability company. 4073

(ii) The limited liability company and its single member 4074
were formed and doing business in one or more Ohio municipal 4075
corporations for at least five years before January 1, 2004. 4076

(iii) Not later than December 31, 2004, the limited 4077
liability company and its single member each made an election to 4078
be treated as a separate taxpayer under division (L) of this 4079
section as this section existed on December 31, 2004. 4080

(iv) The limited liability company was not formed for the 4081
purpose of evading or reducing Ohio municipal corporation income 4082
tax liability of the limited liability company or its single 4083
member. 4084

(v) The Ohio municipal corporation that was the primary 4085
place of business of the sole member of the limited liability 4086
company consented to the election. 4087

(b) For purposes of division (L) (2) (a) (v) of this section, 4088
a municipal corporation was the primary place of business of a 4089

limited liability company if, for the limited liability 4090
company's taxable year ending in 2003, its income tax liability 4091
was greater in that municipal corporation than in any other 4092
municipal corporation in Ohio, and that tax liability to that 4093
municipal corporation for its taxable year ending in 2003 was at 4094
least four hundred thousand dollars. 4095

(M) "Person" includes individuals, firms, companies, joint 4096
stock companies, business trusts, estates, trusts, partnerships, 4097
limited liability partnerships, limited liability companies, 4098
associations, C corporations, S corporations, governmental 4099
entities, and any other entity. 4100

(N) "Pass-through entity" means a partnership not treated 4101
as an association taxable as a C corporation for federal income 4102
tax purposes, a limited liability company not treated as an 4103
association taxable as a C corporation for federal income tax 4104
purposes, an S corporation, or any other class of entity from 4105
which the income or profits of the entity are given pass-through 4106
treatment for federal income tax purposes. "Pass-through entity" 4107
does not include a trust, estate, grantor of a grantor trust, or 4108
disregarded entity. 4109

(O) "S corporation" means a person that has made an 4110
election under subchapter S of Chapter 1 of Subtitle A of the 4111
Internal Revenue Code for its taxable year. 4112

(P) "Single member limited liability company" means a 4113
limited liability company that has one direct member. 4114

(Q) "Limited liability company" means a limited liability 4115
company formed under Chapter 1705. of the Revised Code or under 4116
the laws of another state. 4117

(R) "Qualifying wages" means wages, as defined in section 4118

3121(a) of the Internal Revenue Code, without regard to any wage 4119
limitations, adjusted as follows: 4120

(1) Deduct the following amounts: 4121

(a) Any amount included in wages if the amount constitutes 4122
compensation attributable to a plan or program described in 4123
section 125 of the Internal Revenue Code. 4124

(b) Any amount included in wages if the amount constitutes 4125
payment on account of a disability related to sickness or an 4126
accident paid by a party unrelated to the employer, agent of an 4127
employer, or other payer. 4128

(c) Any amount attributable to a nonqualified deferred 4129
compensation plan or program described in section 3121(v)(2)(C) 4130
of the Internal Revenue Code if the compensation is included in 4131
wages and the municipal corporation has, by resolution or 4132
ordinance adopted before January 1, 2016, exempted the amount 4133
from withholding and tax. 4134

(d) Any amount included in wages if the amount arises from 4135
the sale, exchange, or other disposition of a stock option, the 4136
exercise of a stock option, or the sale, exchange, or other 4137
disposition of stock purchased under a stock option and the 4138
municipal corporation has, by resolution or ordinance adopted 4139
before January 1, 2016, exempted the amount from withholding and 4140
tax. 4141

(e) Any amount included in wages that is exempt income. 4142

(2) Add the following amounts: 4143

(a) Any amount not included in wages solely because the 4144
employee was employed by the employer before April 1, 1986. 4145

(b) Any amount not included in wages because the amount 4146

arises from the sale, exchange, or other disposition of a stock 4147
option, the exercise of a stock option, or the sale, exchange, 4148
or other disposition of stock purchased under a stock option and 4149
the municipal corporation has not, by resolution or ordinance, 4150
exempted the amount from withholding and tax adopted before 4151
January 1, 2016. Division (R) (2) (b) of this section applies only 4152
to those amounts constituting ordinary income. 4153

(c) Any amount not included in wages if the amount is an 4154
amount described in section 401(k), 403(b), or 457 of the 4155
Internal Revenue Code. Division (R) (2) (c) of this section 4156
applies only to employee contributions and employee deferrals. 4157

(d) Any amount that is supplemental unemployment 4158
compensation benefits described in section 3402(o) (2) of the 4159
Internal Revenue Code and not included in wages. 4160

(e) Any amount received that is treated as self-employment 4161
income for federal tax purposes in accordance with section 4162
1402(a) (8) of the Internal Revenue Code. 4163

(f) Any amount not included in wages if all of the 4164
following apply: 4165

(i) For the taxable year the amount is employee 4166
compensation that is earned outside of the United States and 4167
that either is included in the taxpayer's gross income for 4168
federal income tax purposes or would have been included in the 4169
taxpayer's gross income for such purposes if the taxpayer did 4170
not elect to exclude the income under section 911 of the 4171
Internal Revenue Code; 4172

(ii) For no preceding taxable year did the amount 4173
constitute wages as defined in section 3121(a) of the Internal 4174
Revenue Code; 4175

(iii) For no succeeding taxable year will the amount 4176
constitute wages; and 4177

(iv) For any taxable year the amount has not otherwise 4178
been added to wages pursuant to either division (R) (2) of this 4179
section or section 718.03 of the Revised Code, as that section 4180
existed before the effective date of H.B. 5 of the 130th general 4181
assembly, March 23, 2015. 4182

(S) "Intangible income" means income of any of the 4183
following types: income yield, interest, capital gains, 4184
dividends, or other income arising from the ownership, sale, 4185
exchange, or other disposition of intangible property including, 4186
but not limited to, investments, deposits, money, or credits as 4187
those terms are defined in Chapter 5701. of the Revised Code, 4188
and patents, copyrights, trademarks, tradenames, investments in 4189
real estate investment trusts, investments in regulated 4190
investment companies, and appreciation on deferred compensation. 4191
"Intangible income" does not include prizes, awards, or other 4192
income associated with any lottery winnings, gambling winnings, 4193
or other similar games of chance. 4194

(T) "Taxable year" means the corresponding tax reporting 4195
period as prescribed for the taxpayer under the Internal Revenue 4196
Code. 4197

(U) "Tax administrator" means the individual charged with 4198
direct responsibility for administration of an income tax levied 4199
by a municipal corporation in accordance with this chapter, and 4200
also includes the following: 4201

(1) A municipal corporation acting as the agent of another 4202
municipal corporation; 4203

(2) A person retained by a municipal corporation to 4204

administer a tax levied by the municipal corporation, but only 4205
if the municipal corporation does not compensate the person in 4206
whole or in part on a contingency basis; 4207

(3) The central collection agency or the regional income 4208
tax agency or their successors in interest, or another entity 4209
organized to perform functions similar to those performed by the 4210
central collection agency and the regional income tax agency. 4211

"Tax administrator" does not include the tax commissioner. 4212

(V) "Employer" means a person that is an employer for 4213
federal income tax purposes. 4214

(W) "Employee" means an individual who is an employee for 4215
federal income tax purposes. 4216

(X) "Other payer" means any person, other than an 4217
individual's employer or the employer's agent, that pays an 4218
individual any amount included in the federal gross income of 4219
the individual. "Other payer" includes casino operators and 4220
video lottery terminal sales agents. 4221

(Y) "Calendar quarter" means the three-month period ending 4222
on the last day of March, June, September, or December. 4223

(Z) "Form 2106" means internal revenue service form 2106 4224
filed by a taxpayer pursuant to the Internal Revenue Code. 4225

(AA) "Municipal corporation" includes a joint economic 4226
development district or joint economic development zone that 4227
levies an income tax under section 715.691, 715.70, 715.71, or 4228
715.72 of the Revised Code. 4229

(BB) "Disregarded entity" means a single member limited 4230
liability company, a qualifying subchapter S subsidiary, or 4231
another entity if the company, subsidiary, or entity is a 4232

disregarded entity for federal income tax purposes. 4233

(CC) "Generic form" means an electronic or paper form that 4234
is not prescribed by a particular municipal corporation and that 4235
is designed for reporting taxes withheld by an employer, agent 4236
of an employer, or other payer, estimated municipal income 4237
taxes, or annual municipal income tax liability or for filing a 4238
refund claim. 4239

(DD) "Tax return preparer" means any individual described 4240
in section 7701(a)(36) of the Internal Revenue Code and 26 4241
C.F.R. 301.7701-15. 4242

(EE) "Ohio business gateway" means the online computer 4243
network system, created under section 125.30 of the Revised 4244
Code, that allows persons to electronically file business reply 4245
forms with state agencies and includes any successor electronic 4246
filing and payment system. 4247

(FF) "Local board of tax review" and "board of tax review" 4248
mean the entity created under section 718.11 of the Revised 4249
Code. 4250

(GG) "Net operating loss" means a loss incurred by a 4251
person in the operation of a trade or business. "Net operating 4252
loss" does not include unutilized losses resulting from basis 4253
limitations, at-risk limitations, or passive activity loss 4254
limitations. 4255

(HH) "Casino operator" and "casino facility" have the same 4256
meanings as in section 3772.01 of the Revised Code. 4257

(II) "Video lottery terminal" has the same meaning as in 4258
section 3770.21 of the Revised Code. 4259

(JJ) "Video lottery terminal sales agent" means a lottery 4260

sales agent licensed under Chapter 3770. of the Revised Code to 4261
conduct video lottery terminals on behalf of the state pursuant 4262
to section 3770.21 of the Revised Code. 4263

(KK) "Postal service" means the United States postal 4264
service. 4265

(LL) "Certified mail," "express mail," "United States 4266
mail," "postal service," and similar terms include any delivery 4267
service authorized pursuant to section 5703.056 of the Revised 4268
Code. 4269

(MM) "Postmark date," "date of postmark," and similar 4270
terms include the date recorded and marked in the manner 4271
described in division (B) (3) of section 5703.056 of the Revised 4272
Code. 4273

(NN) "Related member" means a person that, with respect to 4274
the taxpayer during all or any portion of the taxable year, is 4275
either a related entity, a component member as defined in 4276
section 1563(b) of the Internal Revenue Code, or a person to or 4277
from whom there is attribution of stock ownership in accordance 4278
with section 1563(e) of the Internal Revenue Code except, for 4279
purposes of determining whether a person is a related member 4280
under this division, "twenty per cent" shall be substituted for 4281
"5 percent" wherever "5 percent" appears in section 1563(e) of 4282
the Internal Revenue Code. 4283

(OO) "Related entity" means any of the following: 4284

(1) An individual stockholder, or a member of the 4285
stockholder's family enumerated in section 318 of the Internal 4286
Revenue Code, if the stockholder and the members of the 4287
stockholder's family own directly, indirectly, beneficially, or 4288
constructively, in the aggregate, at least fifty per cent of the 4289

value of the taxpayer's outstanding stock; 4290

(2) A stockholder, or a stockholder's partnership, estate, 4291
trust, or corporation, if the stockholder and the stockholder's 4292
partnerships, estates, trusts, or corporations own directly, 4293
indirectly, beneficially, or constructively, in the aggregate, 4294
at least fifty per cent of the value of the taxpayer's 4295
outstanding stock; 4296

(3) A corporation, or a party related to the corporation 4297
in a manner that would require an attribution of stock from the 4298
corporation to the party or from the party to the corporation 4299
under division (00)(4) of this section, provided the taxpayer 4300
owns directly, indirectly, beneficially, or constructively, at 4301
least fifty per cent of the value of the corporation's 4302
outstanding stock; 4303

(4) The attribution rules described in section 318 of the 4304
Internal Revenue Code apply for the purpose of determining 4305
whether the ownership requirements in divisions (00)(1) to (3) 4306
of this section have been met. 4307

(PP)(1) "Assessment" means a written finding by the tax 4308
administrator that a person has underpaid municipal income tax, 4309
or owes penalty and interest, or any combination of tax, 4310
penalty, or interest, to the municipal corporation that 4311
commences the person's time limitation for making an appeal to 4312
the local board of tax review pursuant to section 718.11 of the 4313
Revised Code, and has "ASSESSMENT" written in all capital 4314
letters at the top of such finding. 4315

(2) "Assessment" does not include an informal notice 4316
denying a request for refund issued under division (B)(3) of 4317
section 718.19 of the Revised Code, a billing statement 4318

notifying a taxpayer of current or past-due balances owed to the 4319
municipal corporation, a tax administrator's request for 4320
additional information, a notification to the taxpayer of 4321
mathematical errors, or a tax administrator's other written 4322
correspondence to a person or taxpayer that does not meet the 4323
criteria prescribed by division (PP)(1) of this section. 4324

(QQ) "Taxpayers' rights and responsibilities" means the 4325
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 4326
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 4327
Revised Code and the responsibilities of taxpayers to file, 4328
report, withhold, remit, and pay municipal income tax and 4329
otherwise comply with Chapter 718. of the Revised Code and 4330
resolutions, ordinances, and rules adopted by a municipal 4331
corporation for the imposition and administration of a municipal 4332
income tax. 4333

(RR) "Qualified municipal corporation" means a municipal 4334
corporation that, by resolution or ordinance adopted on or 4335
before December 31, 2011, adopted Ohio adjusted gross income, as 4336
defined by section 5747.01 of the Revised Code, as the income 4337
subject to tax for the purposes of imposing a municipal income 4338
tax. 4339

(SS) (1) "Pre-2017 net operating loss carryforward" means 4340
any net operating loss incurred in a taxable year beginning 4341
before January 1, 2017, to the extent such loss was permitted, 4342
by a resolution or ordinance of the municipal corporation that 4343
was adopted by the municipal corporation before January 1, 2016, 4344
to be carried forward and utilized to offset income or net 4345
profit generated in such municipal corporation in future taxable 4346
years. 4347

(2) For the purpose of calculating municipal taxable 4348

income, any pre-2017 net operating loss carryforward may be 4349
carried forward to any taxable year, including taxable years 4350
beginning in 2017 or thereafter, for the number of taxable years 4351
provided in the resolution or ordinance or until fully utilized, 4352
whichever is earlier. 4353

(TT) "Small employer" means any employer that had total 4354
revenue of less than five hundred thousand dollars during the 4355
preceding taxable year. For purposes of this division, "total 4356
revenue" means receipts of any type or kind, including, but not 4357
limited to, sales receipts; payments; rents; profits; gains, 4358
dividends, and other investment income; compensation; 4359
commissions; premiums; money; property; grants; contributions; 4360
donations; gifts; program service revenue; patient service 4361
revenue; premiums; fees, including premium fees and service 4362
fees; tuition payments; unrelated business revenue; 4363
reimbursements; any type of payment from a governmental unit, 4364
including grants and other allocations; and any other similar 4365
receipts reported for federal income tax purposes or under 4366
generally accepted accounting principles. "Small employer" does 4367
not include the federal government; any state government, 4368
including any state agency or instrumentality; any political 4369
subdivision; or any entity treated as a government for financial 4370
accounting and reporting purposes. 4371

(UU) "Audit" means the examination of a person or the 4372
inspection of the books, records, memoranda, or accounts of a 4373
person for the purpose of determining liability for a municipal 4374
income tax. 4375

(VV) "Publicly traded partnership" means any partnership, 4376
an interest in which is regularly traded on an established 4377
securities market. A "publicly traded partnership" may have any 4378

number of partners. 4379

(WW) "Tax commissioner" means the tax commissioner 4380
appointed under section 121.03 of the Revised Code. 4381

(XX) "Out-of-state disaster business," "qualifying 4382
solicitation," "qualifying employee," "disaster work," "critical 4383
infrastructure," and "disaster response period" have the same 4384
meanings as in section 5703.94 of the Revised Code. 4385

(YY) "Pension" means a retirement benefit plan, regardless 4386
of whether the plan satisfies the qualifications described under 4387
section 401(a) of the Internal Revenue Code, including amounts 4388
that are taxable under the "Federal Insurance Contributions 4389
Act," Chapter 21 of the Internal Revenue Code, excluding 4390
employee contributions and elective deferrals, and regardless of 4391
whether such amounts are paid in the same taxable year in which 4392
the amounts are included in the employee's wages, as defined by 4393
section 3121(a) of the Internal Revenue Code. 4394

(ZZ) "Retirement benefit plan" means an arrangement 4395
whereby an entity provides benefits to individuals either on or 4396
after their termination of service because of retirement or 4397
disability. "Retirement benefit plan" does not include wage 4398
continuation payments, severance payments, or payments made for 4399
accrued personal or vacation time. 4400

Sec. 718.021. (A) As used in this section: 4401

(1) "Nonqualified deferred compensation plan" means a 4402
compensation plan described in section 3121(v)(2)(C) of the 4403
Internal Revenue Code. 4404

(2) (a) Except as provided in division (A)(2)(b) of this 4405
section, "qualifying loss" means the excess, if any, of the 4406
total amount of compensation the payment of which is deferred 4407

pursuant to a nonqualified deferred compensation plan over the 4408
total amount of income the taxpayer has recognized for federal 4409
income tax purposes for all taxable years on a cumulative basis 4410
as compensation with respect to the taxpayer's receipt of money 4411
and property attributable to distributions in connection with 4412
the nonqualified deferred compensation plan. 4413

(b) If, for one or more taxable years, the taxpayer has 4414
not paid to one or more municipal corporations income tax 4415
imposed on the entire amount of compensation the payment of 4416
which is deferred pursuant to a nonqualified deferred 4417
compensation plan, then the "qualifying loss" is the product of 4418
the amount resulting from the calculation described in division 4419
(A) (2) (a) of this section computed without regard to division 4420
(A) (2) (b) of this section and a fraction the numerator of which 4421
is the portion of such compensation on which the taxpayer has 4422
paid income tax to one or more municipal corporations and the 4423
denominator of which is the total amount of compensation the 4424
payment of which is deferred pursuant to a nonqualified deferred 4425
compensation plan. 4426

(c) With respect to a nonqualified deferred compensation 4427
plan, the taxpayer sustains a qualifying loss only in the 4428
taxable year in which the taxpayer receives the final 4429
distribution of money and property pursuant to that nonqualified 4430
deferred compensation plan. 4431

(3) "Qualifying tax rate" means the applicable tax rate 4432
for the taxable year for ~~the~~ which the taxpayer paid income tax 4433
to a municipal corporation with respect to any portion of the 4434
total amount of compensation the payment of which is deferred 4435
pursuant to a nonqualified deferred compensation plan. If 4436
different tax rates applied for different taxable years, then 4437

the "qualifying tax rate" is a weighted average of those 4438
different tax rates. The weighted average shall be based upon 4439
the tax paid to the municipal corporation each year with respect 4440
to the nonqualified deferred compensation plan. 4441

(B) (1) Except as provided in division (D) of this section, 4442
a refundable credit shall be allowed against the income tax 4443
imposed by a municipal corporation for each qualifying loss 4444
sustained by a taxpayer during the taxable year. The amount of 4445
the credit shall be equal to the product of the qualifying loss 4446
and the qualifying tax rate. 4447

(2) A taxpayer shall claim the credit allowed under this 4448
section from each municipal corporation to which the taxpayer 4449
paid municipal income tax with respect to the nonqualified 4450
deferred compensation plan in one or more taxable years. 4451

(3) If a taxpayer has paid tax to more than one municipal 4452
corporation with respect to the nonqualified deferred 4453
compensation plan, the amount of the credit that a taxpayer may 4454
claim from each municipal corporation shall be calculated on the 4455
basis of each municipal corporation's proportionate share of the 4456
total municipal corporation income tax paid by the taxpayer to 4457
all municipal corporations with respect to the nonqualified 4458
deferred compensation plan. 4459

(4) In no case shall the amount of the credit allowed 4460
under this section exceed the cumulative income tax that a 4461
taxpayer has paid to a municipal corporation for all taxable 4462
years with respect to the nonqualified deferred compensation 4463
plan. 4464

(C) (1) For purposes of this section, municipal corporation 4465
income tax that has been withheld with respect to a nonqualified 4466

deferred compensation plan shall be considered to have been paid 4467
by the taxpayer with respect to the nonqualified deferred 4468
compensation plan. 4469

(2) Any municipal income tax that has been refunded or 4470
otherwise credited for the benefit of the taxpayer with respect 4471
to a nonqualified deferred compensation plan shall not be 4472
considered to have been paid to the municipal corporation by the 4473
taxpayer. 4474

(D) The credit allowed under this section is allowed only 4475
to the extent the taxpayer's qualifying loss is attributable to: 4476

(1) The insolvency or bankruptcy of the employer who had 4477
established the nonqualified deferred compensation plan; or 4478

(2) The employee's failure or inability to satisfy all of 4479
the employer's terms and conditions necessary to receive the 4480
nonqualified deferred compensation. 4481

Sec. 929.01. As used in this chapter: 4482

(A) "Agricultural production" means commercial 4483
aquaculture, algaculture meaning the farming of algae, 4484
apiculture, animal husbandry, or poultry husbandry; the 4485
production for a commercial purpose of timber, field crops, 4486
tobacco, fruits, vegetables, nursery stock, ornamental shrubs, 4487
ornamental trees, flowers, or sod; the growth of timber for a 4488
noncommercial purpose if the land on which the timber is grown 4489
is contiguous to or part of a parcel of land under common 4490
ownership that is otherwise devoted exclusively to agricultural 4491
use; or any combination of such husbandry, production, or 4492
growth; and includes the processing, drying, storage, and 4493
marketing of agricultural products when those activities are 4494
conducted in conjunction with such husbandry, production, or 4495

growth. 4496

"Agricultural production" includes conservation practices, 4497
provided that the tracts, lots, or parcels of land or portions 4498
thereof that are used for conservation practices comprise not 4499
more than twenty-five per cent of tracts, lots, or parcels of 4500
land that are otherwise devoted exclusively to agricultural use 4501
and for which an application is filed under section 929.02 of 4502
the Revised Code. 4503

(B) "Withdrawal from an agricultural district" includes 4504
the explicit removal of land from an agricultural district, 4505
conversion of land in an agricultural district to use for 4506
purposes other than agricultural production, and withdrawal of 4507
land from a land retirement or conservation program to use for 4508
purposes other than agricultural production. Withdrawal from an 4509
agricultural district does not include land described in 4510
division (A) ~~(4)~~ (3) of section 5713.30 of the Revised Code. 4511

(C) "Conservation practice" has the same meaning as in 4512
section 5713.30 of the Revised Code. 4513

Sec. 1545.041. (A) Any township park district created 4514
pursuant to section 511.18 of the Revised Code that includes 4515
park land located outside the township in which the park 4516
district was established may be converted under the procedures 4517
provided in this section into a park district to be operated and 4518
maintained as provided for in this chapter, provided that there 4519
is no existing park district created under section 1545.04 of 4520
the Revised Code in the county in which the township park 4521
district is located. The proposed park district shall include 4522
within its boundary all townships and municipal corporations in 4523
which lands owned by the township park district seeking 4524
conversion are located, and may include any other townships and 4525

municipal corporations in the county in which the township park 4526
district is located. 4527

(B) Conversion of a township park district into a park 4528
district operated and maintained under this chapter shall be 4529
initiated by a resolution adopted by the board of park 4530
commissioners of the park district. Any resolution initiating a 4531
conversion shall include the following: 4532

(1) The name of the township park district seeking 4533
conversion; 4534

(2) The name of the proposed park district; 4535

(3) An accurate description of the territory to be 4536
included in the proposed district; 4537

(4) An accurate map or plat of the proposed park district. 4538
The resolution may also include a proposed tax levy for the 4539
operation and maintenance of the proposed park district. If such 4540
a tax levy is proposed, the resolution shall specify the annual 4541
rate of the tax, expressed in dollars and cents for each one 4542
hundred dollars of valuation and in mills for each dollar of 4543
valuation, and shall specify the number of consecutive years the 4544
levy will be in effect. The annual rate of such a tax may not be 4545
higher than the total combined millage of all levies then in 4546
effect for the benefit of the township park district named in 4547
the resolution. 4548

(C) Upon adoption of the resolution provided for in 4549
division (B) of this section, the board of park commissioners of 4550
the township park district seeking conversion under this section 4551
shall certify the resolution to the board of elections of the 4552
county in which the park district is located no later than four 4553
p.m. of the seventy-fifth day before the day of the election at 4554

which the question will be voted upon. Upon certification of the
resolution to the board, the board of elections shall make the
necessary arrangements to submit the question of conversion of
the township park into a park district operated and maintained
under Chapter 1545. of the Revised Code, to the electors
qualified to vote at the next primary or general election who
reside in the territory of the proposed park district. The
question shall provide for a tax levy if such a levy is
specified in the resolution.

(D) The ballot submitted to the electors as provided in
division (C) of this section shall contain the following
language:

"Shall the _____ (name of the township park
district seeking conversion) be converted into a park district
to be operated and maintained under Chapter 1545. of the Revised
Code under the name of _____ (name of proposed park
district), which park district shall include the following
townships and municipal corporations:

(Name townships and municipal corporations)

Approval of the proposed conversion will result in the
termination of all existing tax levies voted for the benefit of
_____ (name of the township park district sought to be
converted) and in the levy of a new tax for the operation and
maintenance of _____ (name of proposed park district)
at a rate not exceeding _____ (number of mills) mills for
each one dollar of valuation, which is _____ (rate expressed
in dollars and cents) for each one hundred dollars of valuation,
for _____ (number of years the millage is to be imposed) years,
commencing on the _____ (year) tax duplicate.

4584

	For the proposed conversion	
	Against the proposed conversion	"

4585 (E) If the proposed conversion is approved by at least a
4586 majority of the electors voting on the proposal, the township
4587 park district that seeks conversion shall become a park district
4588 subject to Chapter 1545. of the Revised Code effective the first
4589 day of January following approval by the voters. The park
4590 district shall have the name specified in the resolution, and
4591 effective the first day of January following approval by the
4592 voters, the following shall occur:

4593 (1) The indebtedness of the former township park district
4594 shall be assumed by the new park district;

4595 (2) All rights, assets, properties, and other interests of
4596 the former township park district shall become vested in the new
4597 park district, including the rights to any tax revenues
4598 previously vested in the former township park district;
4599 provided, that all tax levies in excess of the ten mill
4600 limitation approved for the benefit of the former township park
4601 district shall be removed from the tax lists after the February
4602 settlement next succeeding the conversion. Any tax levy approved
4603 in connection with the conversion shall be certified as provided
4604 in section 5705.25 of the Revised Code.

4605 (3) The members of the board of park commissioners of the
4606 former township park district shall be the members ~~of the~~
4607 ~~members~~ of the board of park commissioners of the new park
4608 district, with all the same powers and duties as if appointed
4609 under section 1545.05 of the Revised Code. The term of each such

commissioner shall expire on the first day of January of the 4610
year following the year in which his term would have expired 4611
under section 511.19 of the Revised Code. Thereafter, 4612
commissioners shall be appointed pursuant to section 1545.05 of 4613
the Revised Code. 4614

Sec. 1545.21. The board of park commissioners, by 4615
resolution, may submit to the electors of the park district the 4616
question of levying taxes for the use of the district. The 4617
resolution shall declare the necessity of levying such taxes, 4618
shall specify the purpose for which such taxes shall be used, 4619
the annual rate proposed, and the number of consecutive years 4620
the rate shall be levied. Such resolution shall be forthwith 4621
certified to the board of elections in each county in which any 4622
part of such district is located, not later than the ninetieth 4623
day before the day of the election, and the question of the levy 4624
of taxes as provided in such resolution shall be submitted to 4625
the electors of the district at a special election to be held on 4626
whichever of the following occurs first: 4627

(A) The day of the next general election; 4628

(B) The first Tuesday after the first Monday in May in any 4629
calendar year, except that if a presidential primary election is 4630
held in that calendar year, then the day of that election. ~~The~~ 4631

The ballot shall set forth the purpose for which the taxes 4632
shall be levied, the annual rate of levy, and the number of 4633
years of such levy. If the tax is to be placed on the current 4634
tax list, the form of the ballot shall state that the tax will 4635
be levied in the current tax year and shall indicate the first 4636
calendar year the tax will be due. If the resolution of the 4637
board of park commissioners provides that an existing levy will 4638
be canceled upon the passage of the new levy, the ballot may 4639

include a statement that: "an existing levy of ____ mills 4640
(stating the original levy millage), having ____ years remaining, 4641
will be canceled and replaced upon the passage of this levy." In 4642
such case, the ballot may refer to the new levy as a 4643
"replacement levy" if the new millage does not exceed the 4644
original millage of the levy being canceled or as a "replacement 4645
and additional levy" if the new millage exceeds the original 4646
millage of the levy being canceled. If a majority of the 4647
electors voting upon the question of such levy vote in favor 4648
thereof, such taxes shall be levied and shall be in addition to 4649
the taxes authorized by section 1545.20 of the Revised Code, and 4650
all other taxes authorized by law. The rate submitted to the 4651
electors at any one time shall not exceed two mills annually 4652
upon each dollar of valuation unless the purpose of the levy 4653
includes providing operating revenues for one of Ohio's major 4654
metropolitan zoos, as defined in section 4503.74 of the Revised 4655
Code, in which case the rate shall not exceed three mills 4656
annually upon each dollar of valuation. When a tax levy has been 4657
authorized as provided in this section or in section 1545.041 of 4658
the Revised Code, the board of park commissioners may issue 4659
bonds pursuant to section 133.24 of the Revised Code in 4660
anticipation of the collection of such levy, provided that such 4661
bonds shall be issued only for the purpose of acquiring and 4662
improving lands. Such levy, when collected, shall be applied in 4663
payment of the bonds so issued and the interest thereon. The 4664
amount of bonds so issued and outstanding at any time shall not 4665
exceed one per cent of the total tax valuation in such district. 4666
Such bonds shall bear interest at a rate not to exceed the rate 4667
determined as provided in section 9.95 of the Revised Code. 4668

Sec. 1711.15. In any county in which there is a duly 4669
organized county agricultural society, the board of county 4670

commissioners or the county agricultural society itself may 4671
purchase or lease, for a term of not less than twenty years, 4672
real estate on which to hold fairs under the management and 4673
control of the county agricultural society, and may erect 4674
suitable buildings on the real estate and otherwise improve it. 4675

In counties in which there is a county agricultural 4676
society that has purchased, or leased for a term of not less 4677
than twenty years, real estate as a site on which to hold fairs, 4678
or if the title to the site is vested in fee in the county, the 4679
board of county commissioners may erect or repair buildings or 4680
otherwise improve the site and pay the rental of it, or 4681
contribute to or pay any other form of indebtedness of the 4682
society, if the director of agriculture has certified to the 4683
board that the county agricultural society is complying with all 4684
laws and rules governing the operation of county agricultural 4685
societies. The board may appropriate from the county's general 4686
fund or permanent improvement fund, and may appropriate revenue 4687
from a tax levied under division ~~(L)~~-(T) of section 5739.09 of 4688
the Revised Code, any amount that it considers necessary for any 4689
of those purposes, provided that an appropriation of revenue 4690
from that tax may be expended only for the purposes provided in 4691
the resolution levying that tax. 4692

Sec. 1711.16. When the control and management of a 4693
fairground is in a county agricultural society, and the board of 4694
county commissioners has appropriated an amount for the aid of 4695
the society as provided in section 1711.15 of the Revised Code, 4696
the society, with the consent of the board, may contract for the 4697
erection or repair of buildings or otherwise improve the 4698
fairground, to the extent that the payment for the improvement 4699
is provided by the board. 4700

When the appropriation is made by the board, the county auditor shall place the proceeds in a special fund, designated the "county agricultural society fund," indicating the purpose for which it is available, provided that an appropriation of revenue from a tax levied by the board under division ~~(H)~~ (T) of section 5739.09 of the Revised Code may be expended only for the purposes provided in the resolution levying that tax. On application of the treasurer of the society, the auditor shall issue an order for the amount of the appropriation to the treasurer of the society, if the society has secured the certificate required under section 1711.05 of the Revised Code, on the treasurer's filing with the auditor a bond in double the amount collected, with good and sufficient sureties approved by the auditor, conditioned for the satisfactory paying over and accounting of the funds for the purposes for which they were provided. The funds shall remain in the special fund in which they are placed by the auditor until they are applied for by the treasurer of the society and the bond is given, or until they are expended by the board for the purposes for which the fund was created. If the society ceases to exist or releases the fund as not required for the purposes for which the fund was created, the board may by resolution transfer the fund to the general fund of the county.

Sec. 3316.03. (A) The existence of a fiscal watch shall be declared by the auditor of state. The auditor of state may make a determination on the auditor of state's initiative, or upon receipt of a written request for such a determination, which may be filed by the governor, the superintendent of public instruction, or a majority of the members of the board of education of the school district.

(1) The auditor of state shall declare a school district

to be in a state of fiscal watch if the auditor of state 4732
determines that both of the following conditions are satisfied 4733
with respect to the school district: 4734

(a) An operating deficit has been certified for the 4735
current fiscal year by the auditor of state, and the certified 4736
operating deficit exceeds eight per cent of the school 4737
district's general fund revenue for the preceding fiscal year; 4738

(b) A majority of the voting electors have not voted in 4739
favor of levying a tax under section 5705.194, 5705.199, or 4740
5705.21 or Chapter 5748. of the Revised Code that the auditor of 4741
state expects will raise enough additional revenue in the next 4742
succeeding fiscal year that division (A) (1) (a) of this section 4743
will not apply to the district in such next succeeding fiscal 4744
year. 4745

(2) The auditor of state shall declare a school district 4746
to be in a state of fiscal watch if the auditor of state 4747
determines that the school district has outstanding securities 4748
issued under division (A) (4) of section 3316.06 of the Revised 4749
Code, and its financial planning and supervision commission has 4750
been terminated under section 3316.16 of the Revised Code. 4751

(3) The auditor of state shall declare a school district 4752
to be in a state of fiscal watch if both of the following 4753
conditions are satisfied: 4754

(a) The superintendent of public instruction has reported 4755
to the auditor of state that the superintendent has declared the 4756
district under section 3316.031 of the Revised Code to be under 4757
a fiscal caution, has found that the district has not acted 4758
reasonably to eliminate or correct practices or conditions that 4759
prompted the declaration, and has determined the declaration of 4760

a state of fiscal watch necessary to prevent further fiscal 4761
decline; 4762

(b) The auditor of state determines that the decision of 4763
the superintendent is reasonable. 4764

If the auditor of state determines that the decision of 4765
the superintendent is not reasonable, the auditor of state shall 4766
provide the superintendent with a written explanation of that 4767
determination. 4768

(4) The auditor of state may declare a school district to 4769
be in a state of fiscal watch if all of the following conditions 4770
are satisfied: 4771

(a) An operating deficit has been certified for the 4772
current fiscal year by the auditor of state, and the certified 4773
operating deficit exceeds two per cent, but does not exceed 4774
eight per cent, of the school district's general fund revenue 4775
for the preceding fiscal year; 4776

(b) A majority of the voting electors have not voted in 4777
favor of levying a tax under section 5705.194, 5705.199, or 4778
5705.21 or Chapter 5748. of the Revised Code that the auditor of 4779
state expects will raise enough additional revenue in the next 4780
succeeding fiscal year that division (A) (4) (a) of this section 4781
will not apply to the district in the next succeeding fiscal 4782
year; 4783

(c) The auditor of state determines that there is no 4784
reasonable cause for the deficit or that the declaration of 4785
fiscal watch is necessary to prevent further fiscal decline in 4786
the district. 4787

(B) (1) The auditor of state shall issue an order declaring 4788
a school district to be in a state of fiscal emergency if the 4789

auditor of state determines that both of the following 4790
conditions are satisfied with respect to the school district: 4791

(a) An operating deficit has been certified for the 4792
current fiscal year by the auditor of state, and the certified 4793
operating deficit exceeds fifteen per cent of the school 4794
district's general fund revenue for the preceding fiscal year. 4795
~~In determining the amount of an operating deficit under division~~ 4796
~~(B) (1) (a) of this section, the auditor of state shall credit~~ 4797
~~toward the amount of that deficit only the amount that may be~~ 4798
~~borrowed from the spending reserve balance as determined under~~ 4799
~~section 133.301 and division (F) of section 5705.29 of the~~ 4800
~~Revised Code.~~ 4801

(b) A majority of the voting electors have not voted in 4802
favor of levying a tax under section 5705.194, 5705.199, or 4803
5705.21 or Chapter 5748. of the Revised Code that the auditor of 4804
state expects will raise enough additional revenue in the next 4805
succeeding fiscal year that division (B) (1) (a) of this section 4806
will not apply to the district in such next succeeding fiscal 4807
year. 4808

(2) The auditor of state shall issue an order declaring a 4809
school district to be in a state of fiscal emergency if the 4810
school district board fails, pursuant to section 3316.04 of the 4811
Revised Code, to submit a plan acceptable to the state 4812
superintendent of public instruction within one hundred twenty 4813
days of the auditor of state's declaration under division (A) of 4814
this section or an updated plan when one is required by division 4815
(C) of section 3316.04 of the Revised Code; 4816

(3) The auditor of state shall issue an order declaring a 4817
school district to be in a state of fiscal emergency if both of 4818
the following conditions are satisfied: 4819

(a) The superintendent of public instruction has reported 4820
to the auditor of state that the district is not materially 4821
complying with the provisions of an original or updated plan as 4822
approved by the state superintendent under section 3316.04 of 4823
the Revised Code, and that the state superintendent has 4824
determined the declaration of a state of fiscal emergency 4825
necessary to prevent further fiscal decline; 4826

(b) The auditor of state finds that the determination of 4827
the superintendent is reasonable. 4828

If the auditor of state determines that the decision of 4829
the superintendent is not reasonable, the auditor of state shall 4830
provide the superintendent a written explanation of that 4831
determination. 4832

(4) The auditor of state shall issue an order declaring a 4833
school district to be in a state of fiscal emergency if a 4834
declaration of fiscal emergency is required by division (D) of 4835
section 3316.04 of the Revised Code. 4836

(5) The auditor of state may issue an order declaring a 4837
school district to be in a state of fiscal emergency if all of 4838
the following conditions are satisfied: 4839

(a) An operating deficit has been certified for the 4840
current fiscal year by the auditor of state, and the certified 4841
operating deficit exceeds ten per cent, but does not exceed 4842
fifteen per cent, of the school district's general fund revenue 4843
for the preceding fiscal year; 4844

(b) A majority of the voting electors have not voted in 4845
favor of levying a tax under section 5705.194, 5705.199, or 4846
5705.21 or Chapter 5748. of the Revised Code that the auditor of 4847
state expects will raise enough additional revenue in the next 4848

succeeding fiscal year that division (B) (5) (a) of this section 4849
will not apply to the district in the next succeeding fiscal 4850
year; 4851

(c) The auditor of state determines that a declaration of 4852
fiscal emergency is necessary to correct the district's fiscal 4853
problems and to prevent further fiscal decline. 4854

(C) In making the determinations under this section, the 4855
auditor of state may use financial reports required under 4856
section 117.43 of the Revised Code; tax budgets, certificates of 4857
estimated resources and amendments thereof, annual appropriating 4858
measures and spending plans, and any other documents or 4859
information prepared pursuant to Chapter 5705. of the Revised 4860
Code; and any other documents, records, or information available 4861
to the auditor of state that indicate the conditions described 4862
in divisions (A) and (B) of this section. 4863

(D) The auditor of state shall certify the action taken 4864
under division (A) or (B) of this section to the board of 4865
education of the school district, the director of budget and 4866
management, the mayor or county auditor who could be required to 4867
act pursuant to division (B) (1) of section 3316.05 of the 4868
Revised Code, and to the superintendent of public instruction. 4869

(E) A determination by the auditor of state under this 4870
section that a fiscal emergency condition does not exist is 4871
final and conclusive and not appealable. A determination by the 4872
auditor of state under this section that a fiscal emergency 4873
exists is final, except that the board of education of the 4874
school district affected by such a determination may appeal the 4875
determination of the existence of a fiscal emergency condition 4876
to the court of appeals having territorial jurisdiction over the 4877
school district. The appeal shall be heard expeditiously by the 4878

court of appeals and for good cause shown shall take precedence 4879
over all other civil matters except earlier matters of the same 4880
character. Notice of such appeal must be filed with the auditor 4881
of state and such court within thirty days after certification 4882
by the auditor of state to the board of education of the school 4883
district provided for in division (D) of this section. In such 4884
appeal, determinations of the auditor of state shall be presumed 4885
to be valid and the board of education shall have the burden of 4886
proving, by clear and convincing evidence, that each of the 4887
determinations made by the auditor of state as to the existence 4888
of a fiscal emergency condition under this section was in error. 4889
If the board of education fails, upon presentation of its case, 4890
to prove by clear and convincing evidence that each such 4891
determination by the auditor of state was in error, the court 4892
shall dismiss the appeal. The board of education and the auditor 4893
of state may introduce any evidence relevant to the existence or 4894
nonexistence of such fiscal emergency conditions. The pendency 4895
of any such appeal shall not affect or impede the operations of 4896
this chapter; no restraining order, temporary injunction, or 4897
other similar restraint upon actions consistent with this 4898
chapter shall be imposed by the court or any court pending 4899
determination of such appeal; and all things may be done under 4900
this chapter that may be done regardless of the pendency of any 4901
such appeal. Any action taken or contract executed pursuant to 4902
this chapter during the pendency of such appeal is valid and 4903
enforceable among all parties, notwithstanding the decision in 4904
such appeal. If the court of appeals reverses the determination 4905
of the existence of a fiscal emergency condition by the auditor 4906
of state, the determination no longer has any effect, and any 4907
procedures undertaken as a result of the determination shall be 4908
terminated. 4909

Sec. 3316.06. (A) Within one hundred twenty days after the 4910
first meeting of a school district financial planning and 4911
supervision commission, the commission shall adopt a financial 4912
recovery plan regarding the school district for which the 4913
commission was created. During the formulation of the plan, the 4914
commission shall seek appropriate input from the school district 4915
board and from the community. This plan shall contain the 4916
following: 4917

(1) Actions to be taken to: 4918

(a) Eliminate all fiscal emergency conditions declared to 4919
exist pursuant to division (B) of section 3316.03 of the Revised 4920
Code; 4921

(b) Satisfy any judgments, past-due accounts payable, and 4922
all past-due and payable payroll and fringe benefits; 4923

(c) Eliminate the deficits in all deficit funds, except 4924
that any prior year deficits in the capital and maintenance fund 4925
established pursuant to section 3315.18 of the Revised Code 4926
shall be forgiven; 4927

(d) Restore to special funds any moneys from such funds 4928
that were used for purposes not within the purposes of such 4929
funds, or borrowed from such funds by the purchase of debt 4930
obligations of the school district with the moneys of such 4931
funds, or missing from the special funds and not accounted for, 4932
if any; 4933

(e) Balance the budget, avoid future deficits in any 4934
funds, and maintain on a current basis payments of payroll, 4935
fringe benefits, and all accounts; 4936

(f) Avoid any fiscal emergency condition in the future; 4937

(g) Restore the ability of the school district to market 4938
long-term general obligation bonds under provisions of law 4939
applicable to school districts generally. 4940

(2) The management structure that will enable the school 4941
district to take the actions enumerated in division (A)(1) of 4942
this section. The plan shall specify the level of fiscal and 4943
management control that the commission will exercise within the 4944
school district during the period of fiscal emergency, and shall 4945
enumerate respectively, the powers and duties of the commission 4946
and the powers and duties of the school board during that 4947
period. The commission may elect to assume any of the powers and 4948
duties of the school board it considers necessary, including all 4949
powers related to personnel, curriculum, and legal issues in 4950
order to successfully implement the actions described in 4951
division (A)(1) of this section. 4952

(3) The target dates for the commencement, progress upon, 4953
and completion of the actions enumerated in division (A)(1) of 4954
this section and a reasonable period of time expected to be 4955
required to implement the plan. The commission shall prepare a 4956
reasonable time schedule for progress toward and achievement of 4957
the requirements for the plan, and the plan shall be consistent 4958
with that time schedule. 4959

(4) The amount and purpose of any issue of debt 4960
obligations that will be issued, together with assurances that 4961
any such debt obligations that will be issued will not exceed 4962
debt limits supported by appropriate certifications by the 4963
fiscal officer of the school district and the county auditor. 4964
~~Debt obligations issued pursuant to section 133.301 of the~~ 4965
~~Revised Code shall include assurances that such debt shall be in~~ 4966
~~an amount not to exceed the amount certified under division (B)~~ 4967

~~of such section.~~ If the commission considers it necessary in 4968
order to maintain or improve educational opportunities of pupils 4969
in the school district, the plan may include a proposal to 4970
restructure or refinance outstanding debt obligations incurred 4971
by the board under section 3313.483 of the Revised Code 4972
contingent upon the approval, during the period of the fiscal 4973
emergency, by district voters of a tax levied under section 4974
718.09, 718.10, 5705.194, 5705.21, 5748.02, 5748.08, or 5748.09 4975
of the Revised Code that is not a renewal or replacement levy, 4976
or a levy under section 5705.199 of the Revised Code, and that 4977
will provide new operating revenue. Notwithstanding any 4978
provision of Chapter 133. or sections 3313.483 to 3313.4810 of 4979
the Revised Code, following the required approval of the 4980
district voters and with the approval of the commission, the 4981
school district may issue securities to evidence the 4982
restructuring or refinancing. Those securities may extend the 4983
original period for repayment, not to exceed ten years, and may 4984
alter the frequency and amount of repayments, interest or other 4985
financing charges, and other terms of agreements under which the 4986
debt originally was contracted, at the discretion of the 4987
commission, provided that any loans received pursuant to section 4988
3313.483 of the Revised Code shall be paid from funds the 4989
district would otherwise receive under Chapter 3317. of the 4990
Revised Code, as required under division (E)(3) of section 4991
3313.483 of the Revised Code. The securities issued for the 4992
purpose of restructuring or refinancing the debt shall be repaid 4993
in equal payments and at equal intervals over the term of the 4994
debt and are not eligible to be included in any subsequent 4995
proposal for the purpose of restructuring or refinancing debt 4996
under this section. 4997

(5) An evaluation of the feasibility of entering into 4998

shared services agreements with other political subdivisions for 4999
the joint exercise of any power, performance of any function, or 5000
rendering of any service, if so authorized by statute. 5001

(B) Any financial recovery plan may be amended subsequent 5002
to its adoption. Each financial recovery plan shall be updated 5003
annually. 5004

(C) Each school district financial planning and 5005
supervision commission shall submit the financial recovery plan 5006
it adopts or updates under this section to the state 5007
superintendent of public instruction for approval immediately 5008
following its adoption or updating. The state superintendent 5009
shall evaluate the plan and either approve or disapprove it 5010
within thirty calendar days from the date of its submission. If 5011
the plan is disapproved, the state superintendent shall 5012
recommend modifications that will render it acceptable. No 5013
financial planning and supervision commission shall implement a 5014
financial recovery plan that is adopted or updated on or after 5015
April 10, 2001, unless the state superintendent has approved it. 5016

Sec. 3317.01. As used in this section, "school district," 5017
unless otherwise specified, means any city, local, exempted 5018
village, joint vocational, or cooperative education school 5019
district and any educational service center. 5020

This chapter shall be administered by the state board of 5021
education. The superintendent of public instruction shall 5022
calculate the amounts payable to each school district and shall 5023
certify the amounts payable to each eligible district to the 5024
treasurer of the district as provided by this chapter. ~~As soon~~ 5025
~~as possible after such amounts are calculated, the~~ 5026
~~superintendent shall certify to the treasurer of each school~~ 5027
~~district the district's adjusted charge off increase, as defined~~ 5028

~~in section 5705.211 of the Revised Code.~~ Certification of moneys 5029
pursuant to this section shall include the amounts payable to 5030
each school building, at a frequency determined by the 5031
superintendent, for each subgroup of students, as defined in 5032
section 3317.40 of the Revised Code, receiving services, 5033
provided for by state funding, from the district or school. No 5034
moneys shall be distributed pursuant to this chapter without the 5035
approval of the controlling board. 5036

The state board of education shall, in accordance with 5037
appropriations made by the general assembly, meet the financial 5038
obligations of this chapter. 5039

Moneys distributed to school districts pursuant to this 5040
chapter shall be calculated based on the annual enrollment 5041
calculated from the three reports required under sections 5042
3317.03 and 3317.036 of the Revised Code and paid on a fiscal 5043
year basis, beginning with the first day of July and extending 5044
through the thirtieth day of June. In any given fiscal year, 5045
prior to school districts submitting the first report required 5046
under section 3317.03 of the Revised Code, enrollment for the 5047
districts shall be calculated based on the third report 5048
submitted by the districts for the previous fiscal year. The 5049
moneys appropriated for each fiscal year shall be distributed 5050
periodically to each school district unless otherwise provided 5051
for. The state board, in June of each year, shall submit to the 5052
controlling board the state board's year-end distributions 5053
pursuant to this chapter. 5054

Except as otherwise provided, payments under this chapter 5055
shall be made only to those school districts in which: 5056

(A) The school district, except for any educational 5057
service center and any joint vocational or cooperative education 5058

school district, levies for current operating expenses at least 5059
twenty mills. Levies for joint vocational or cooperative 5060
education school districts or county school financing districts, 5061
limited to or to the extent apportioned to current expenses, 5062
shall be included in this qualification requirement. School 5063
district income tax levies under Chapter 5748. of the Revised 5064
Code, limited to or to the extent apportioned to current 5065
operating expenses, shall be included in this qualification 5066
requirement to the extent determined by the tax commissioner 5067
under division (C) of section 3317.021 of the Revised Code. 5068

(B) The school year next preceding the fiscal year for 5069
which such payments are authorized meets the requirement of 5070
section 3313.48 of the Revised Code, with regard to the minimum 5071
number of hours school must be open for instruction with pupils 5072
in attendance, for individualized parent-teacher conference and 5073
reporting periods, and for professional meetings of teachers. 5074

A school district shall not be considered to have failed 5075
to comply with this division because schools were open for 5076
instruction but either twelfth grade students were excused from 5077
attendance for up to the equivalent of three school days or only 5078
a portion of the kindergarten students were in attendance for up 5079
to the equivalent of three school days in order to allow for the 5080
gradual orientation to school of such students. 5081

A board of education or governing board of an educational 5082
service center which has not conformed with other law and the 5083
rules pursuant thereto, shall not participate in the 5084
distribution of funds authorized by this chapter, except for 5085
good and sufficient reason established to the satisfaction of 5086
the state board of education and the state controlling board. 5087

All funds allocated to school districts under this 5088

chapter, except those specifically allocated for other purposes, 5089
shall be used to pay current operating expenses only. 5090

Sec. 4301.20. This chapter and Chapter 4303. of the 5091
Revised Code do not prevent the following: 5092

(A) The storage of intoxicating liquor in bonded 5093
warehouses, established in accordance with the acts of congress 5094
and under the regulation of the United States, located in this 5095
state, or the transportation of intoxicating liquor to or from 5096
bonded warehouses of the United States wherever located; 5097

(B) A bona fide resident of this state who is the owner of 5098
a warehouse receipt from obtaining or transporting to the 5099
resident's residence for the resident's own consumption and not 5100
for resale spirituous liquor stored in a government bonded 5101
warehouse in this state or in another state prior to December 5102
1933, subject to such terms as are prescribed by the division of 5103
liquor control; 5104

(C) The manufacture of cider from fruit for the purpose of 5105
making vinegar, and nonintoxicating cider and fruit juices for 5106
use and sale; 5107

(D) A licensed physician or dentist from administering or 5108
dispensing intoxicating liquor or alcohol to a patient in good 5109
faith in the actual course of the practice of the physician's or 5110
dentist's profession; 5111

(E) The sale of alcohol to physicians, dentists, 5112
druggists, veterinary surgeons, manufacturers, hospitals, 5113
infirmaries, or medical or educational institutions using the 5114
alcohol for medicinal, mechanical, chemical, or scientific 5115
purposes; 5116

(F) The sale, gift, or keeping for sale by druggists and 5117

others of any of the medicinal preparations manufactured in 5118
accordance with the formulas prescribed by the United States 5119
Pharmacopoeia and National Formulary, patent or proprietary 5120
preparations, and other bona fide medicinal and technical 5121
preparations, which contain no more alcohol than is necessary to 5122
hold the medicinal agents in solution and to preserve the same, 5123
which are manufactured and sold as medicine and not as 5124
beverages, are unfit for use for beverage purposes, and the sale 5125
of which does not require the payment of a United States liquor 5126
dealer's tax; 5127

(G) The manufacture and sale of tinctures or of toilet, 5128
medicinal, and antiseptic preparations and solutions not 5129
intended for internal human use nor to be sold as beverages, and 5130
which are unfit for beverage purposes, if upon the outside of 5131
each bottle, box, or package of which there is printed in the 5132
English language, conspicuously and legibly, the quantity by 5133
volume of alcohol in the preparation or solution; 5134

(H) The manufacture and keeping for sale of the food 5135
products known as flavoring extracts when manufactured and sold 5136
for cooking, culinary, or flavoring purposes, and which are 5137
unfit for use for beverage purposes; 5138

(I) The lawful sale of wood alcohol or of ethyl alcohol 5139
for external use when combined with other substances as to make 5140
it unfit for internal use; 5141

(J) The manufacture, sale, and transport of ethanol or 5142
ethyl alcohol for use as fuel. As used in this division, 5143
"ethanol" has the same meaning as in section ~~5733.46~~122.075 of 5144
the Revised Code. 5145

(K) The purchase and importation into this state or the 5146

purchase at wholesale from A or B permit holders in this state 5147
of beer and intoxicating liquor for use in manufacturing 5148
processes of nonbeverage food products under terms prescribed by 5149
the division, provided that the terms prescribed by the division 5150
shall not increase the cost of the beer or intoxicating liquor 5151
to any person, firm, or corporation purchasing and importing it 5152
into this state or purchasing it from an A or B permit holder 5153
for that use; 5154

(L) Any resident of this state or any member of the armed 5155
forces of the United States, who has attained the age of twenty- 5156
one years, from bringing into this state, for personal use and 5157
not for resale, not more than one liter of spirituous liquor, 5158
four and one-half liters of wine, or two hundred eighty-eight 5159
ounces of beer in any thirty-day period, and the same is free of 5160
any tax consent fee when the resident or member of the armed 5161
forces physically possesses and accompanies the spirituous 5162
liquor, wine, or beer on returning from a foreign country, 5163
another state, or an insular possession of the United States; 5164

(M) Persons, at least twenty-one years of age, who collect 5165
ceramic commemorative bottles containing spirituous liquor that 5166
have unbroken federal tax stamps on them from selling or trading 5167
the bottles to other collectors. The bottles shall originally 5168
have been purchased at retail from the division, legally 5169
imported under division (L) of this section, or legally imported 5170
pursuant to a supplier registration issued by the division. The 5171
sales shall be for the purpose of exchanging a ceramic 5172
commemorative bottle between private collectors and shall not be 5173
for the purpose of selling the spirituous liquor for personal 5174
consumption. The sale or exchange authorized by this division 5175
shall not occur on the premises of any permit holder, shall not 5176
be made in connection with the business of any permit holder, 5177

and shall not be made in connection with any mercantile 5178
business. 5179

(N) The sale of beer or intoxicating liquor without a 5180
liquor permit at a private residence, not more than five times 5181
per calendar year at a residence address, at an event that has 5182
the following characteristics: 5183

(1) The event is for a charitable, benevolent, or 5184
political purpose, but shall not include any event the proceeds 5185
of which are for the profit or gain of any individual; 5186

(2) The event has in attendance not more than fifty 5187
people; 5188

(3) The event shall be for a period not to exceed twelve 5189
hours; 5190

(4) The sale of beer and intoxicating liquor at the event 5191
shall not take place between two-thirty a.m. and five-thirty 5192
a.m.; 5193

(5) No person under twenty-one years of age shall purchase 5194
or consume beer or intoxicating liquor at the event and no beer 5195
or intoxicating liquor shall be sold to any person under twenty- 5196
one years of age at the event; and 5197

(6) No person at the event shall sell or furnish beer or 5198
intoxicating liquor to an intoxicated person. 5199

(O) The possession or consumption of beer or intoxicating 5200
liquor by a person who is under twenty-one years of age and who 5201
is a student at an accredited college or university, provided 5202
that both of the following apply: 5203

(1) The person is required to taste and expectorate the 5204
beer or intoxicating liquor for a culinary, food service, or 5205

hospitality course. 5206

(2) The person is under the direct supervision of the 5207
instructor of the culinary, food service, or hospitality course. 5208

Sec. 4582.024. After a port authority has been created, 5209
any municipal corporation, township, or county, acting by 5210
ordinance, resolution of the township trustees, or resolution of 5211
the county commissioners, respectively, which is contiguous to 5212
such port authority, or to any municipal corporation, township, 5213
or county which proposes to join such port authority at the same 5214
time and is contiguous to such port authority, or any county 5215
within which such port authority is situated, may join such port 5216
authority and thereupon the jurisdiction and territory of such 5217
port authority shall include such municipal corporation, county, 5218
or township. If more than one such political subdivision is to 5219
be joined to the port authority at the same time, then each such 5220
ordinance or resolution shall designate the political 5221
subdivisions which are to be so joined. Any territory or 5222
municipal corporation not included in a port authority and which 5223
is annexed to a municipal corporation included within the 5224
jurisdiction and territory of a port authority shall, on such 5225
annexation and without further proceedings, be annexed to and be 5226
included in the jurisdiction and territory of such port 5227
authority. Before such political subdivision or subdivisions are 5228
joined to a port authority, other than by annexation to a 5229
municipality, the political subdivision or subdivisions 5230
theretofore comprising such port authority shall agree upon the 5231
terms and conditions pursuant to which such political 5232
subdivision or subdivisions are to be joined. For all purposes 5233
of sections 4582.01 to 4582.20, inclusive, of the Revised Code, 5234
such political subdivision or subdivisions shall be considered 5235
to have participated in the creation of such port authority, 5236

except that the initial term of any director of the port 5237
authority appointed by such a political subdivision shall be 5238
four years. After each ordinance or resolution proposing joinder 5239
to the port authority has become effective and the terms and 5240
conditions of joinder have been agreed to, the board of 5241
directors of the port authority shall by resolution either 5242
accept or reject such joinder. Such joinder shall be effective 5243
on adoption of the resolution accepting such joinder, unless the 5244
port authority to which a political subdivision or subdivisions 5245
including a county within which such port authority is located, 5246
are to be joined has authority under section 4582.14 of the 5247
Revised Code to levy a tax on property within its jurisdiction, 5248
then such joinder shall not be effective until approved by the 5249
affirmative vote of a majority of the electors voting on the 5250
question of such joinder. If more than one political subdivision 5251
is to be joined to the port authority, then the electors of such 5252
subdivision shall vote as a district and the majority 5253
affirmative vote shall be determined by the vote cast in such 5254
district as a whole. Such election shall be called by the board 5255
of directors of the port authority and shall be held, canvassed, 5256
and certified in the manner provided for the submission of tax 5257
levies under section 5705.191 of the Revised Code except that 5258
the question appearing on the ballot shall read: 5259
"Shall _____ 5260
(name or names of political subdivisions to be joined) 5261
be joined to _____ (name) port authority and the 5262
~~(name)~~ 5263
existing tax levy (levies) of such port authority (aggregating) 5264
_____ mill per dollar of valuation be authorized to be 5265

levied against properties within 5266

_____ " 5267

(name or names of political subdivisions to be joined) 5268

If the question is approved such joinder shall be immediately 5269
effective and the port authority shall be authorized to extend 5270
the levy of such tax against all the taxable property within the 5271
political subdivision or political subdivisions which have been 5272
joined. If such question is approved at a general election then 5273
the port authority may amend its budget and resolution adopted 5274
pursuant to section 5705.34 of the Revised Code and such levy 5275
shall be placed on the current tax list and duplicate and 5276
collected as other taxes are collected from all taxable property 5277
within the port authority including the political subdivision or 5278
political subdivisions joined as a result of such election. 5279

Sec. 4582.26. After a port authority has been created, any 5280
municipal corporation, township, county, or other political 5281
subdivision, acting by ordinance or resolution, which is 5282
contiguous to any municipal corporation, township, county, or 5283
other political subdivision which participated in the creation 5284
of such port authority or to any municipal corporation, 5285
township, county, or other political subdivision which proposes 5286
to join the port authority at the same time and is contiguous to 5287
any municipal corporation, township, county, or other political 5288
subdivision which participated in the creation of such port 5289
authority, may join such port authority, and thereupon the 5290
jurisdiction and territory of the port authority includes the 5291
municipal corporation, county, township, or other political 5292
subdivision so joining. If more than one such political 5293
subdivision is to be joined to the port authority at the same 5294
time, then each such ordinance or resolution shall designate the 5295

political subdivisions which are to be so joined. Any territory 5296
or municipal corporation not included in a port authority and 5297
which is annexed to a municipal corporation included within the 5298
jurisdiction and territory of a port authority shall, on such 5299
annexation and without further proceedings, be annexed to and be 5300
included in the jurisdiction and territory of the port 5301
authority. Before such political subdivision or subdivisions are 5302
joined to a port authority, other than by annexation to a 5303
municipal corporation, the political subdivision or subdivisions 5304
theretofore comprising such port authority shall agree upon the 5305
terms and conditions pursuant to which such political 5306
subdivision or subdivisions are to be joined. For all purposes 5307
of sections 4582.21 to 4582.59 of the Revised Code, such 5308
political subdivision or subdivisions shall be considered to 5309
have participated in the creation of such port authority, except 5310
that the initial term of any director of the port authority 5311
appointed by such a political subdivision shall be four years. 5312
After each ordinance or resolution proposing joinder to the port 5313
authority has become effective and the terms and conditions of 5314
joinder have been agreed to, the board of directors of the port 5315
authority shall by resolution either accept or reject such 5316
joinder. Such joinder shall be effective upon adoption of the 5317
resolution accepting such joinder, unless the port authority to 5318
which a political subdivision or subdivisions, including a 5319
county within which such port authority is located, are to be 5320
joined, has authority under section 4582.40 of the Revised Code 5321
to levy a tax on property within its jurisdiction, then such 5322
joinder shall not be effective until approved by the affirmative 5323
vote of a majority of the electors voting on the question of the 5324
joinder. If more than one political subdivision is to be joined 5325
to the port authority, then the electors of such subdivisions 5326
shall vote as a district and the majority affirmative vote shall 5327

be determined by the vote cast in such district as a whole. The 5328
election shall be called by the board of directors of the port 5329
authority and shall be held, canvassed, and certified in the 5330
manner provided for the submission of tax levies under section 5331
5705.191 of the Revised Code except that the question appearing 5332
on the ballot shall read: 5333

"Shall _____ 5334

(Name or names of political subdivisions to be joined) 5335

_____ 5336

~~be joined)~~ 5337

be joined to _____ (Name) port authority 5338

~~(Name)~~ 5339

and the existing tax levy (levies) of such port authority 5340

(aggregating) _____ mill per dollar of valuation 5341

be authorized to be levied against properties within 5342

_____?" 5343

(Name or names of political subdivisions to be joined) 5344

If the question is approved the joinder becomes immediately 5345

effective and the port authority is authorized to extend the 5346

levy of such tax against all the taxable property within the 5347

political subdivision or political subdivisions which have been 5348

joined. If such question is approved at a general election, then 5349

the port authority may amend its budget and resolution adopted 5350

pursuant to section 5705.34 of the Revised Code and such levy 5351

shall be placed on the current tax list and duplicate and 5352

collected as other taxes are collected from all taxable property 5353

within the port authority including the political subdivision or 5354

political subdivisions joined as a result of the election. 5355

Sec. 4582.56. (A) As used in this section: 5356

(1) "Eligible county" means a county whose territory 5357
includes a part of Lake Erie the shoreline of which represents 5358
at least fifty per cent of the linear length of the county's 5359
border with other counties of this state. 5360

(2) "Lakeshore improvement project" means construction of 5361
a port authority facility within one mile of the Lake Erie 5362
shoreline in an eligible county. 5363

(3) "Construction" includes acquisition, alteration, 5364
construction, creation, development, enlargement, equipment, 5365
improvement, installation, reconstruction, remodeling, 5366
renovation, or any combination thereof. 5367

(B) The board of directors of a port authority may enter 5368
into an agreement with the board of county commissioners of an 5369
eligible county that created the port authority providing for 5370
all of the following, and any other terms mutually agreeable to 5371
the boards: 5372

(1) The board of county commissioners levies an excise tax 5373
under division ~~(M)~~ (U) of section 5739.09 of the Revised Code 5374
and pledges all the revenue from the tax to the port authority 5375
for the purpose of financing lakeshore improvement projects 5376
including the payment of debt charges on any securities issued 5377
under division (C) of this section. 5378

(2) The port authority constructs or finances the 5379
construction of lakeshore improvements and pays the costs of 5380
such projects with revenue from the tax pledged under the 5381
agreement. Such construction or financing is an authorized 5382
purpose for the purposes of division (B) of section 4582.21 of 5383

the Revised Code. 5384

(3) The port authority may not enter into any contract or 5385
other obligation regarding a lakeshore improvement project 5386
before obtaining the approval for the project by the board of 5387
county commissioners by a resolution of the board. 5388

(C) The board of directors of a port authority that enters 5389
into an agreement under this section may issue port authority 5390
special obligation bonds, and notes anticipating the proceeds of 5391
the bonds, in the principal amount that, in the opinion of the 5392
board, are necessary for the purpose of paying the costs of one 5393
or more lakeshore improvement projects or parts of one or more 5394
projects and interest on the bonds payable over the term of the 5395
issue. The board may refund any special obligation bonds by the 5396
issuance of special obligation refunding bonds regardless of 5397
whether the bonds to be refunded have or have not matured. The 5398
refunding bonds shall be sold, and the proceeds needed for such 5399
purpose applied, in the manner provided in the bond proceedings. 5400

Every issue of special obligation bonds issued under this 5401
section shall be payable from the revenue from the tax levied 5402
under division ~~(M)~~ (U) of section 5739.09 of the Revised Code 5403
and pledged for such payment under the agreement. The pledge 5404
shall be valid and binding from the time the pledge is made, and 5405
the revenue so pledged and received by the port authority shall 5406
be subject to the lien of the pledge without any physical 5407
delivery of the revenue or any further act. The lien of any 5408
pledge is valid and binding as against all parties having claims 5409
of any kind in tort, contract, or otherwise against the port 5410
authority, whether or not such parties have notice of the lien. 5411
Neither the resolution nor any trust agreement by which a pledge 5412
is created need be filed or recorded except in the port 5413

authority's records. 5414

Whether or not the bonds are of such form and character as 5415
to be negotiable instruments under Title XIII of the Revised 5416
Code, the bonds shall have all the qualities and incidents of 5417
negotiable instruments, subject only to their provisions for 5418
registration, if any. 5419

Bonds issued under this section shall bear such date or 5420
dates, and shall mature at such time or times not exceeding 5421
thirty years from the date of issue of the original bonds and 5422
shall be executed in the manner that the resolution authorizing 5423
the bonds may provide. The bonds shall bear interest at such 5424
rates, or at variable rate or rates changing from time to time, 5425
in accordance with provisions provided in the authorizing 5426
resolution, shall be in such denominations and form, either 5427
coupon or registered, shall carry such registration privileges, 5428
shall be payable in such medium of payment and at such place or 5429
places, and be subject to such terms of redemption, as the board 5430
of directors of the port authority may authorize or provide. The 5431
bonds may be sold at public or private sale, and at, or at not 5432
less than, the price or prices as the board determines. If any 5433
officer whose signature or a facsimile of whose signature 5434
appears on any bonds or coupons ceases to be such officer before 5435
delivery of the bonds, the signature or facsimile shall 5436
nevertheless be sufficient for all purposes as if the officer 5437
had remained in office until delivery of the bonds, and in case 5438
the seal of the authority has been changed after a facsimile has 5439
been imprinted on the bonds, the facsimile seal will continue to 5440
be sufficient for all purposes. 5441

Any resolution authorizing bonds under this section may 5442
contain provisions governing the use and disposition of revenue 5443

pledged under the agreement under division (B) of this section; 5444
the crediting of the proceeds of the sale of the bonds to and 5445
among the funds referred to or provided for in the resolution; 5446
limitations on the purpose to which the proceeds of sale of the 5447
bonds may be applied and the pledging of portions of such 5448
proceeds to secure payment of the bonds; the issuance of notes 5449
in anticipation of the issuance of bonds; the terms upon which 5450
additional bonds may be issued and secured; the refunding of 5451
outstanding bonds; the procedure, if any, by which the terms of 5452
any contract with bondholders may be amended, the amount of 5453
bonds the holders of which must consent thereto, and the manner 5454
in which such consent may be given; securing any bonds by a 5455
trust agreement in accordance with division (D) of this section; 5456
and any other matters that may affect the security or protection 5457
of the bonds. The taxes anticipated by the bonds are not subject 5458
to diminution by initiative or referendum or by law while the 5459
bonds or notes remain outstanding in accordance with their 5460
terms, unless provision is made by law or by the board of county 5461
commissioners and board of directors of the port authority for 5462
an adequate substitute therefor reasonably satisfactory to the 5463
trustee, if a trust agreement secures the bonds. 5464

Neither the members of the board of directors of the port 5465
authority nor any person executing the bonds shall be liable 5466
personally on the bonds or be subject to any personal liability 5467
or accountability by reason of the issuance. 5468

(D) In the discretion of the board of directors, the bonds 5469
issued under this section may be secured by a trust agreement 5470
between the board of directors on behalf of the port authority 5471
and a corporate trustee, which may be any trust company or bank 5472
having powers of a trust company, within or outside the state. 5473

The trust agreement may provide for the pledge or 5474
assignment of the tax revenue to be received under the agreement 5475
entered into under division (B) of this section, but shall not 5476
pledge the general credit or other taxing power of the county or 5477
the general credit or taxing power of the port authority. The 5478
trust agreement or the resolution providing for the issuance of 5479
the bonds may set forth the rights and remedies of the 5480
bondholders and trustee, and may contain other provisions for 5481
protecting and enforcing their rights and remedies that are 5482
determined in the discretion of the board of directors to be 5483
reasonable and proper. 5484

Sec. 4723.43. A certified registered nurse anesthetist, 5485
clinical nurse specialist, certified nurse-midwife, or certified 5486
nurse practitioner may provide to individuals and groups nursing 5487
care that requires knowledge and skill obtained from advanced 5488
formal education and clinical experience. In this capacity as an 5489
advanced practice registered nurse, a certified nurse-midwife is 5490
subject to division (A) of this section, a certified registered 5491
nurse anesthetist is subject to division (B) of this section, a 5492
certified nurse practitioner is subject to division (C) of this 5493
section, and a clinical nurse specialist is subject to division 5494
(D) of this section. 5495

(A) A nurse authorized to practice as a certified nurse- 5496
midwife, in collaboration with one or more physicians, may 5497
provide the management of preventive services and those primary 5498
care services necessary to provide health care to women 5499
antepartally, intrapartally, postpartally, and gynecologically, 5500
consistent with the nurse's education and certification, and in 5501
accordance with rules adopted by the board of nursing. 5502

No certified nurse-midwife may perform version, deliver 5503

breech or face presentation, use forceps, do any obstetric 5504
operation, or treat any other abnormal condition, except in 5505
emergencies. Division (A) of this section does not prohibit a 5506
certified nurse-midwife from performing episiotomies or normal 5507
vaginal deliveries, or repairing vaginal tears. A certified 5508
nurse-midwife may, in collaboration with one or more physicians, 5509
prescribe drugs and therapeutic devices in accordance with 5510
section 4723.481 of the Revised Code. 5511

(B) A nurse authorized to practice as a certified 5512
registered nurse anesthetist, ~~with the supervision and in the~~ 5513
~~immediate presence of a physician, podiatrist, or dentist, may~~ 5514
~~administer anesthesia and perform anesthesia induction,~~ 5515
~~maintenance, and emergence, and may perform with supervision~~ 5516
~~preanesthetic preparation and evaluation, postanesthesia care,~~ 5517
~~and clinical support functions,~~ consistent with the nurse's 5518
education and certification, and in accordance with rules 5519
adopted by the board, may do the following: 5520

(1) With supervision and in the immediate presence of a 5521
physician, podiatrist, or dentist, administer anesthesia and 5522
perform anesthesia induction, maintenance, and emergence; 5523

(2) With supervision, obtain informed consent for 5524
anesthesia care and perform preanesthetic preparation and 5525
evaluation, postanesthetic preparation and evaluation, 5526
postanesthesia care, and, subject to section 4723.433 of the 5527
Revised Code, clinical support functions; 5528

(3) With supervision and in accordance with section 5529
4723.434 of the Revised Code, engage in the activities described 5530
in division (A) of that section. 5531

The physician, podiatrist, or dentist supervising a 5532

certified registered nurse anesthetist must be actively engaged 5533
in practice in this state. When a certified registered nurse 5534
anesthetist is supervised by a podiatrist, the nurse's scope of 5535
practice is limited to the anesthesia procedures that the 5536
podiatrist has the authority under section 4731.51 of the 5537
Revised Code to perform. A certified registered nurse 5538
anesthetist may not administer general anesthesia under the 5539
supervision of a podiatrist in a podiatrist's office. When a 5540
certified registered nurse anesthetist is supervised by a 5541
dentist, the nurse's scope of practice is limited to the 5542
anesthesia procedures that the dentist has the authority under 5543
Chapter 4715. of the Revised Code to perform. 5544

(C) A nurse authorized to practice as a certified nurse 5545
practitioner, in collaboration with one or more physicians or 5546
podiatrists, may provide preventive and primary care services, 5547
provide services for acute illnesses, and evaluate and promote 5548
patient wellness within the nurse's nursing specialty, 5549
consistent with the nurse's education and certification, and in 5550
accordance with rules adopted by the board. A certified nurse 5551
practitioner may, in collaboration with one or more physicians 5552
or podiatrists, prescribe drugs and therapeutic devices in 5553
accordance with section 4723.481 of the Revised Code. 5554

When a certified nurse practitioner is collaborating with 5555
a podiatrist, the nurse's scope of practice is limited to the 5556
procedures that the podiatrist has the authority under section 5557
4731.51 of the Revised Code to perform. 5558

(D) A nurse authorized to practice as a clinical nurse 5559
specialist, in collaboration with one or more physicians or 5560
podiatrists, may provide and manage the care of individuals and 5561
groups with complex health problems and provide health care 5562

services that promote, improve, and manage health care within 5563
the nurse's nursing specialty, consistent with the nurse's 5564
education and in accordance with rules adopted by the board. A 5565
clinical nurse specialist may, in collaboration with one or more 5566
physicians or podiatrists, prescribe drugs and therapeutic 5567
devices in accordance with section 4723.481 of the Revised Code. 5568

When a clinical nurse specialist is collaborating with a 5569
podiatrist, the nurse's scope of practice is limited to the 5570
procedures that the podiatrist has the authority under section 5571
4731.51 of the Revised Code to perform. 5572

Sec. 4723.433. When performing clinical support functions 5573
as authorized by section 4723.43 of the Revised Code, a 5574
certified registered nurse anesthetist may direct a registered 5575
nurse, licensed practical nurse, or respiratory therapist to 5576
provide supportive care, including monitoring vital signs, 5577
conducting electrocardiograms, and administering intravenous 5578
fluids, if the nurse or therapist is authorized by law to 5579
provide such care. 5580

In addition, the certified registered nurse anesthetist 5581
may direct the nurse or therapist to administer treatments, 5582
drugs, and intravenous fluids to treat conditions related to the 5583
administration of anesthesia if the nurse or therapist is 5584
authorized by law to administer treatments, drugs, and 5585
intravenous fluids and a physician, podiatrist, or dentist 5586
ordered the treatments, drugs, and intravenous fluids. 5587

Sec. 4723.434. (A) During the time period that begins on a 5588
patient's admission for a surgery or procedure to a health care 5589
facility where the certified registered nurse anesthetist 5590
practices and ends with the patient's discharge from recovery, 5591
the nurse may engage in one or more of the following activities: 5592

(1) Performing and documenting evaluations and 5593
assessments, which may include ordering and evaluating one or 5594
more diagnostic tests for conditions related to the 5595
administration of anesthesia; 5596

(2) As necessary for patient management and care, 5597
selecting, ordering, and administering treatments, drugs, and 5598
intravenous fluids for conditions related to the administration 5599
of anesthesia; 5600

(3) As necessary for patient management and care, 5601
directing registered nurses, licensed practical nurses, and 5602
respiratory therapists to perform either or both of the 5603
following activities if authorized by law to perform such 5604
activities: 5605

(a) Providing supportive care, including monitoring vital 5606
signs, conducting electrocardiograms, and administering 5607
intravenous fluids; 5608

(b) Administering treatments, drugs, and intravenous 5609
fluids to treat conditions related to the administration of 5610
anesthesia. 5611

(B) (1) A certified registered nurse anesthetist may not 5612
engage in one or more of the activities described in division 5613
(A) of this section unless all of the following apply: 5614

(a) The nurse is physically present at the health care 5615
facility when performing the activities. 5616

(b) The nurse's supervising physician, podiatrist, or 5617
dentist is physically present at the health care facility where 5618
the nurse is performing the activities. 5619

(c) The health care facility where the nurse practices has 5620

adopted a written policy developed by the facility's medical, 5621
nursing, and pharmacy directors that meets the requirements of 5622
section 4723.435 of the Revised Code. 5623

(2) A certified registered nurse anesthetist shall not 5624
engage in one or more of the activities described in division 5625
(A) of this section if the supervising physician, podiatrist, or 5626
dentist or the health care facility where the nurse practices 5627
determines that it is not in a patient's best interest for the 5628
nurse to perform such an activity or activities. If a 5629
supervising physician, podiatrist, or dentist or facility makes 5630
such a determination, the patient's medical or electronic health 5631
record shall indicate that the nurse is prohibited from 5632
performing the activity or activities. 5633

(3) If a certified registered nurse anesthetist performs 5634
one or more of the activities described in division (A) of this 5635
section, the nurse shall so indicate in the patient's medical or 5636
electronic health record. 5637

(C) (1) This section does not authorize a certified 5638
registered nurse anesthetist to prescribe a drug for use outside 5639
of the health care facility where the nurse practices. 5640

(2) This section does not prohibit a certified registered 5641
nurse from implementing a verbal order of a supervising 5642
physician, podiatrist, or dentist. 5643

Sec. 4723.435. (A) A written policy adopted by a health 5644
care facility as described in section 4723.434 of the Revised 5645
Code shall establish standards and procedures to be followed by 5646
certified registered nurse anesthetists when performing one or 5647
more of the following activities in the health care facility: 5648

(1) Selecting, ordering, and administering treatments, 5649

drugs, and intravenous fluids; 5650

(2) Ordering diagnostic tests and evaluating those tests; 5651

(3) Directing registered nurses, licensed practical 5652
nurses, and respiratory therapists to perform activities as 5653
described in division (A) (3) of section 4723.434 of the Revised 5654
Code. 5655

(B) In adopting a policy, both of the following apply: 5656

(1) The health care facility shall not authorize a 5657
certified registered nurse anesthetist to select, order, or 5658
administer any drug that a supervising physician, podiatrist, or 5659
dentist is not authorized to prescribe. 5660

(2) The health care facility shall allow a supervising 5661
physician, podiatrist, or dentist to issue every order related 5662
to a patient's anesthesia care. 5663

Sec. 4729.01. As used in this chapter: 5664

(A) "Pharmacy," except when used in a context that refers 5665
to the practice of pharmacy, means any area, room, rooms, place 5666
of business, department, or portion of any of the foregoing 5667
where the practice of pharmacy is conducted. 5668

(B) "Practice of pharmacy" means providing pharmacist care 5669
requiring specialized knowledge, judgment, and skill derived 5670
from the principles of biological, chemical, behavioral, social, 5671
pharmaceutical, and clinical sciences. As used in this division, 5672
"pharmacist care" includes the following: 5673

(1) Interpreting prescriptions; 5674

(2) Dispensing drugs and drug therapy related devices; 5675

(3) Compounding drugs; 5676

(4) Counseling individuals with regard to their drug 5677
therapy, recommending drug therapy related devices, and 5678
assisting in the selection of drugs and appliances for treatment 5679
of common diseases and injuries and providing instruction in the 5680
proper use of the drugs and appliances; 5681

(5) Performing drug regimen reviews with individuals by 5682
discussing all of the drugs that the individual is taking and 5683
explaining the interactions of the drugs; 5684

(6) Performing drug utilization reviews with licensed 5685
health professionals authorized to prescribe drugs when the 5686
pharmacist determines that an individual with a prescription has 5687
a drug regimen that warrants additional discussion with the 5688
prescriber; 5689

(7) Advising an individual and the health care 5690
professionals treating an individual with regard to the 5691
individual's drug therapy; 5692

(8) Acting pursuant to a consult agreement with one or 5693
more physicians authorized under Chapter 4731. of the Revised 5694
Code to practice medicine and surgery or osteopathic medicine 5695
and surgery, if an agreement has been established; 5696

(9) Engaging in the administration of immunizations to the 5697
extent authorized by section 4729.41 of the Revised Code; 5698

(10) Engaging in the administration of drugs to the extent 5699
authorized by section 4729.45 of the Revised Code. 5700

(C) "Compounding" means the preparation, mixing, 5701
assembling, packaging, and labeling of one or more drugs in any 5702
of the following circumstances: 5703

(1) Pursuant to a prescription issued by a licensed health 5704

professional authorized to prescribe drugs; 5705

(2) Pursuant to the modification of a prescription made in 5706
accordance with a consult agreement; 5707

(3) As an incident to research, teaching activities, or 5708
chemical analysis; 5709

(4) In anticipation of orders for drugs pursuant to 5710
prescriptions, based on routine, regularly observed dispensing 5711
patterns; 5712

(5) Pursuant to a request made by a licensed health 5713
professional authorized to prescribe drugs for a drug that is to 5714
be used by the professional for the purpose of direct 5715
administration to patients in the course of the professional's 5716
practice, if all of the following apply: 5717

(a) At the time the request is made, the drug is not 5718
commercially available regardless of the reason that the drug is 5719
not available, including the absence of a manufacturer for the 5720
drug or the lack of a readily available supply of the drug from 5721
a manufacturer. 5722

(b) A limited quantity of the drug is compounded and 5723
provided to the professional. 5724

(c) The drug is compounded and provided to the 5725
professional as an occasional exception to the normal practice 5726
of dispensing drugs pursuant to patient-specific prescriptions. 5727

(D) "Consult agreement" means an agreement that has been 5728
entered into under section 4729.39 of the Revised Code. 5729

(E) "Drug" means: 5730

(1) Any article recognized in the United States 5731

pharmacopoeia and national formulary, or any supplement to them, 5732
intended for use in the diagnosis, cure, mitigation, treatment, 5733
or prevention of disease in humans or animals; 5734

(2) Any other article intended for use in the diagnosis, 5735
cure, mitigation, treatment, or prevention of disease in humans 5736
or animals; 5737

(3) Any article, other than food, intended to affect the 5738
structure or any function of the body of humans or animals; 5739

(4) Any article intended for use as a component of any 5740
article specified in division (E) (1), (2), or (3) of this 5741
section; but does not include devices or their components, 5742
parts, or accessories. 5743

"Drug" does not include "hemp" or a "hemp product" as 5744
those terms are defined in section 928.01 of the Revised Code. 5745

(F) "Dangerous drug" means any of the following: 5746

(1) Any drug to which either of the following applies: 5747

(a) Under the "Federal Food, Drug, and Cosmetic Act," 52 5748
Stat. 1040 (1938), 21 U.S.C.A. 301, as amended, the drug is 5749
required to bear a label containing the legend "Caution: Federal 5750
law prohibits dispensing without prescription" or "Caution: 5751
Federal law restricts this drug to use by or on the order of a 5752
licensed veterinarian" or any similar restrictive statement, or 5753
the drug may be dispensed only upon a prescription; 5754

(b) Under Chapter 3715. or 3719. of the Revised Code, the 5755
drug may be dispensed only upon a prescription. 5756

(2) Any drug that contains a schedule V controlled 5757
substance and that is exempt from Chapter 3719. of the Revised 5758
Code or to which that chapter does not apply; 5759

(3) Any drug intended for administration by injection into 5760
the human body other than through a natural orifice of the human 5761
body; 5762

(4) Any drug that is a biological product, as defined in 5763
section 3715.01 of the Revised Code. 5764

(G) "Federal drug abuse control laws" has the same meaning 5765
as in section 3719.01 of the Revised Code. 5766

(H) "Prescription" means all of the following: 5767

(1) A written, electronic, or oral order for drugs or 5768
combinations or mixtures of drugs to be used by a particular 5769
individual or for treating a particular animal, issued by a 5770
licensed health professional authorized to prescribe drugs; 5771

(2) For purposes of sections 2925.61, 4723.488, 4730.431, 5772
and 4731.94 of the Revised Code, a written, electronic, or oral 5773
order for naloxone issued to and in the name of a family member, 5774
friend, or other individual in a position to assist an 5775
individual who there is reason to believe is at risk of 5776
experiencing an opioid-related overdose. 5777

(3) For purposes of section 4729.44 of the Revised Code, a 5778
written, electronic, or oral order for naloxone issued to and in 5779
the name of either of the following: 5780

(a) An individual who there is reason to believe is at 5781
risk of experiencing an opioid-related overdose; 5782

(b) A family member, friend, or other individual in a 5783
position to assist an individual who there is reason to believe 5784
is at risk of experiencing an opioid-related overdose. 5785

(4) For purposes of sections 4723.4810, 4729.282, 5786
4730.432, and 4731.93 of the Revised Code, a written, 5787

electronic, or oral order for a drug to treat chlamydia, 5788
gonorrhea, or trichomoniasis issued to and in the name of a 5789
patient who is not the intended user of the drug but is the 5790
sexual partner of the intended user; 5791

(5) For purposes of sections 3313.7110, 3313.7111, 5792
3314.143, 3326.28, 3328.29, 4723.483, 4729.88, 4730.433, 5793
4731.96, and 5101.76 of the Revised Code, a written, electronic, 5794
or oral order for an epinephrine autoinjector issued to and in 5795
the name of a school, school district, or camp; 5796

(6) For purposes of Chapter 3728. and sections 4723.483, 5797
4729.88, 4730.433, and 4731.96 of the Revised Code, a written, 5798
electronic, or oral order for an epinephrine autoinjector issued 5799
to and in the name of a qualified entity, as defined in section 5800
3728.01 of the Revised Code. 5801

(I) "Licensed health professional authorized to prescribe 5802
drugs" or "prescriber" means an individual who is authorized by 5803
law to prescribe drugs or dangerous drugs or drug therapy 5804
related devices in the course of the individual's professional 5805
practice, including only the following: 5806

(1) A dentist licensed under Chapter 4715. of the Revised 5807
Code; 5808

(2) A clinical nurse specialist, certified nurse-midwife, 5809
or certified nurse practitioner who holds a current, valid 5810
license issued under Chapter 4723. of the Revised Code to 5811
practice nursing as an advanced practice registered nurse—~~issued~~ 5812
~~under Chapter 4723. of the Revised Code;~~ 5813

(3) A certified registered nurse anesthetist who holds a 5814
current, valid license issued under Chapter 4723. of the Revised 5815
Code to practice nursing as an advanced practice registered 5816

nurse, but only to the extent of the nurse's authority under 5817
sections 4723.43 and 4723.434 the Revised Code; 5818

(4) An optometrist licensed under Chapter 4725. of the 5819
Revised Code to practice optometry under a therapeutic 5820
pharmaceutical agents certificate; 5821

~~(4)~~ (5) A physician authorized under Chapter 4731. of the 5822
Revised Code to practice medicine and surgery, osteopathic 5823
medicine and surgery, or podiatric medicine and surgery; 5824

~~(5)~~ (6) A physician assistant who holds a license to 5825
practice as a physician assistant issued under Chapter 4730. of 5826
the Revised Code, holds a valid prescriber number issued by the 5827
state medical board, and has been granted physician-delegated 5828
prescriptive authority; 5829

~~(6)~~ (7) A veterinarian licensed under Chapter 4741. of the 5830
Revised Code. 5831

(J) "Sale" or "sell" includes any transaction made by any 5832
person, whether as principal proprietor, agent, or employee, to 5833
do or offer to do any of the following: deliver, distribute, 5834
broker, exchange, gift or otherwise give away, or transfer, 5835
whether the transfer is by passage of title, physical movement, 5836
or both. 5837

(K) "Wholesale sale" and "sale at wholesale" mean any sale 5838
in which the purpose of the purchaser is to resell the article 5839
purchased or received by the purchaser. 5840

(L) "Retail sale" and "sale at retail" mean any sale other 5841
than a wholesale sale or sale at wholesale. 5842

(M) "Retail seller" means any person that sells any 5843
dangerous drug to consumers without assuming control over and 5844

responsibility for its administration. Mere advice or 5845
instructions regarding administration do not constitute control 5846
or establish responsibility. 5847

(N) "Price information" means the price charged for a 5848
prescription for a particular drug product and, in an easily 5849
understandable manner, all of the following: 5850

(1) The proprietary name of the drug product; 5851

(2) The established (generic) name of the drug product; 5852

(3) The strength of the drug product if the product 5853
contains a single active ingredient or if the drug product 5854
contains more than one active ingredient and a relevant strength 5855
can be associated with the product without indicating each 5856
active ingredient. The established name and quantity of each 5857
active ingredient are required if such a relevant strength 5858
cannot be so associated with a drug product containing more than 5859
one ingredient. 5860

(4) The dosage form; 5861

(5) The price charged for a specific quantity of the drug 5862
product. The stated price shall include all charges to the 5863
consumer, including, but not limited to, the cost of the drug 5864
product, professional fees, handling fees, if any, and a 5865
statement identifying professional services routinely furnished 5866
by the pharmacy. Any mailing fees and delivery fees may be 5867
stated separately without repetition. The information shall not 5868
be false or misleading. 5869

(O) "Wholesale distributor of dangerous drugs" or 5870
"wholesale distributor" means a person engaged in the sale of 5871
dangerous drugs at wholesale and includes any agent or employee 5872
of such a person authorized by the person to engage in the sale 5873

of dangerous drugs at wholesale. 5874

(P) "Manufacturer of dangerous drugs" or "manufacturer" 5875
means a person, other than a pharmacist or prescriber, who 5876
manufactures dangerous drugs and who is engaged in the sale of 5877
those dangerous drugs. 5878

(Q) "Terminal distributor of dangerous drugs" or "terminal 5879
distributor" means a person who is engaged in the sale of 5880
dangerous drugs at retail, or any person, other than a 5881
manufacturer, repackager, outsourcing facility, third-party 5882
logistics provider, wholesale distributor, or pharmacist, who 5883
has possession, custody, or control of dangerous drugs for any 5884
purpose other than for that person's own use and consumption. 5885
"Terminal distributor" includes pharmacies, hospitals, nursing 5886
homes, and laboratories and all other persons who procure 5887
dangerous drugs for sale or other distribution by or under the 5888
supervision of a pharmacist, licensed health professional 5889
authorized to prescribe drugs, or other person authorized by the 5890
state board of pharmacy. 5891

(R) "Promote to the public" means disseminating a 5892
representation to the public in any manner or by any means, 5893
other than by labeling, for the purpose of inducing, or that is 5894
likely to induce, directly or indirectly, the purchase of a 5895
dangerous drug at retail. 5896

(S) "Person" includes any individual, partnership, 5897
association, limited liability company, or corporation, the 5898
state, any political subdivision of the state, and any district, 5899
department, or agency of the state or its political 5900
subdivisions. 5901

(T) "Animal shelter" means a facility operated by a humane 5902

society or any society organized under Chapter 1717. of the 5903
Revised Code or a dog pound operated pursuant to Chapter 955. of 5904
the Revised Code. 5905

(U) "Food" has the same meaning as in section 3715.01 of 5906
the Revised Code. 5907

(V) "Pain management clinic" has the same meaning as in 5908
section 4731.054 of the Revised Code. 5909

(W) "Investigational drug or product" means a drug or 5910
product that has successfully completed phase one of the United 5911
States food and drug administration clinical trials and remains 5912
under clinical trial, but has not been approved for general use 5913
by the United States food and drug administration. 5914
"Investigational drug or product" does not include controlled 5915
substances in schedule I, as defined in section 3719.01 of the 5916
Revised Code. 5917

(X) "Product," when used in reference to an 5918
investigational drug or product, means a biological product, 5919
other than a drug, that is made from a natural human, animal, or 5920
microorganism source and is intended to treat a disease or 5921
medical condition. 5922

(Y) "Third-party logistics provider" means a person that 5923
provides or coordinates warehousing or other logistics services 5924
pertaining to dangerous drugs including distribution, on behalf 5925
of a manufacturer, wholesale distributor, or terminal 5926
distributor of dangerous drugs, but does not take ownership of 5927
the drugs or have responsibility to direct the sale or 5928
disposition of the drugs. 5929

(Z) "Repackager of dangerous drugs" or "repackager" means 5930
a person that repacks and relabels dangerous drugs for sale or 5931

distribution. 5932

(AA) "Outsourcing facility" means a facility that is 5933
engaged in the compounding and sale of sterile drugs and is 5934
registered as an outsourcing facility with the United States 5935
food and drug administration. 5936

(BB) "Laboratory" means a laboratory licensed under this 5937
chapter as a terminal distributor of dangerous drugs and 5938
entrusted to have custody of any of the following drugs and to 5939
use the drugs for scientific and clinical purposes and for 5940
purposes of instruction: dangerous drugs that are not controlled 5941
substances, as defined in section 3719.01 of the Revised Code; 5942
dangerous drugs that are controlled substances, as defined in 5943
that section; and controlled substances in schedule I, as 5944
defined in that section. 5945

Sec. 4761.17. All of the following apply to the practice 5946
of respiratory care by a person who holds a license or limited 5947
permit issued under this chapter: 5948

(A) The person shall practice only pursuant to a 5949
prescription or other order for respiratory care issued by any 5950
of the following: 5951

(1) A physician; 5952

(2) A clinical nurse specialist, certified nurse-midwife, 5953
or certified nurse practitioner who holds a current, valid 5954
license issued under Chapter 4723. of the Revised Code to 5955
practice nursing as an advanced practice registered nurse and 5956
has entered into a standard care arrangement with a physician; 5957

(3) A certified registered nurse anesthetist who holds a 5958
current, valid license issued under Chapter 4723. of the Revised 5959
Code to practice nursing as an advanced practice registered 5960

nurse and acts in compliance with sections 4723.43, 4723.433, 5961
and 4723.434 of the Revised Code; 5962

(4) A physician assistant who holds a valid prescriber 5963
number issued by the state medical board, has been granted 5964
physician-delegated prescriptive authority, and has entered into 5965
a supervision agreement that allows the physician assistant to 5966
prescribe or order respiratory care services. 5967

(B) The person shall practice only under the supervision 5968
of any of the following: 5969

(1) A physician; 5970

(2) A certified nurse practitioner, certified nurse- 5971
midwife, or clinical nurse specialist; 5972

(3) A physician assistant who is authorized to prescribe 5973
or order respiratory care services as provided in division ~~(A)~~ 5974
~~(3)~~ (A) (4) of this section. 5975

(C) (1) When practicing under the prescription or order of 5976
a certified nurse practitioner, certified nurse midwife, or 5977
clinical nurse specialist or under the supervision of such a 5978
nurse, the person's administration of medication that requires a 5979
prescription is limited to the drugs that the nurse is 5980
authorized to prescribe pursuant to section 4723.481 of the 5981
Revised Code. 5982

(2) When practicing under the order of a certified 5983
registered nurse anesthetist, the person's administration of 5984
medication is limited to the drugs that the nurse is authorized 5985
to order or direct the person to administer, as provided in 5986
sections 4723.43, 4723.433, and 4723.434 of the Revised Code. 5987

(3) When practicing under the prescription or order of a 5988

physician assistant or under the supervision of a physician 5989
assistant, the person's administration of medication that 5990
requires a prescription is limited to the drugs that the 5991
physician assistant is authorized to prescribe pursuant to the 5992
physician assistant's physician-delegated prescriptive 5993
authority. 5994

Sec. 5104.31. (A) Publicly funded child care may be 5995
provided only by the following: 5996

(1) Any of the following licensed by the department of job 5997
and family services pursuant to section 5104.03 of the Revised 5998
Code or pursuant to rules adopted under section 5104.018 of the 5999
Revised Code: 6000

(a) A child day-care center, including a parent 6001
cooperative child day-care center; 6002

(b) A type A family day-care home, including a parent 6003
cooperative type A family day-care home; 6004

(c) A licensed type B family day-care home. 6005

(2) An in-home aide who has been certified by the county 6006
department of job and family services pursuant to section 6007
5104.12 of the Revised Code; 6008

(3) A child day camp approved pursuant to section 5104.22 6009
of the Revised Code; 6010

(4) A licensed preschool program; 6011

(5) A licensed school child program; 6012

(6) A border state child care provider, except that a 6013
border state child care provider may provide publicly funded 6014
child care only to an individual who resides in an Ohio county 6015

that borders the state in which the provider is located. 6016

(B) Publicly funded child day-care may be provided in a 6017
child's own home only by an in-home aide. 6018

(C) (1) Beginning ~~July~~ September 1, 2020, and except as 6019
provided in division (C) (2) of this section, a licensed child 6020
care program may provide publicly funded child care only if the 6021
program is rated through the step up to quality program 6022
established pursuant to section 5104.29 of the Revised Code. 6023

(2) A licensed child care program that is any of the 6024
following may provide publicly funded child care without being 6025
rated through the step up to quality program: 6026

(a) A program that operates only during the summer and for 6027
not more than fifteen consecutive weeks; 6028

(b) A program that operates only during school breaks; 6029

(c) A program that operates only on weekday evenings, 6030
weekends, or both; 6031

(d) A program that holds a provisional license issued 6032
under section 5104.03 of the Revised Code; 6033

(e) A program that had its step up to quality program 6034
rating removed by the department of job and family services 6035
within the previous twelve months; 6036

(f) A program that is the subject of a revocation action 6037
initiated by the department, but the license has not yet been 6038
revoked. 6039

Sec. 5701.08. As used in Title LVII of the Revised Code: 6040

(A) Personal property is "used" within the meaning of 6041
"used in business" when employed or utilized in connection with 6042

ordinary or special operations, when acquired or held as means 6043
or instruments for carrying on the business, when kept and 6044
maintained as a part of a plant capable of operation, whether 6045
actually in operation or not, or when stored or kept on hand as 6046
material, parts, products, or merchandise. Machinery and 6047
equipment classifiable upon completion as personal property 6048
while under construction or installation to become part of a new 6049
or existing plant or other facility is not considered to be 6050
"used" by the owner of such plant or other facility within the 6051
meaning of "used in business" until such machinery and equipment 6052
is installed and in operation or capable of operation in the 6053
business for which acquired. Agricultural products in storage in 6054
a grain elevator, a warehouse, or a place of storage which 6055
products are subject to control of the United States government 6056
and are to be shipped on order of the United States government 6057
are not used in business in this state. 6058

(B) Merchandise or agricultural products shipped from 6059
outside this state and held in this state in a warehouse or a 6060
place of storage without further manufacturing or processing and 6061
for storage only and for shipment outside this state are not 6062
used in business in this state. Such property qualifies for this 6063
exception if division (B) (1) or (2) of this section applies: 6064

(1) During any period that a person owns such property in 6065
this state: 6066

(a) The property is to be shipped from a warehouse or 6067
place of storage in this state to the owner of the property or 6068
persons other than customers at locations outside this state for 6069
use, processing, or sale; or 6070

(b) The property is located in public or private 6071
warehousing facilities in this state which are not subject to 6072

the control of or under the supervision of the owner of the 6073
property or manned by its employees and from which the property 6074
is to be shipped to any person, including a customer, outside 6075
this state. 6076

(2) During the first twenty-four calendar months that a 6077
person first owns such property in this state, the property is 6078
held in a warehouse or place of storage in this state located 6079
within one mile of the closest boundary of an airport, and is 6080
shipped to any person, including a customer, outside this state. 6081

For the purposes of division (B) (2) of this section, 6082
"airport" means any airport, as defined in division (C) of 6083
section 4561.01 of the Revised Code, which is approved by the 6084
department of transportation under section 4561.11 of the 6085
Revised Code to be used for commercial purposes, is regularly 6086
served by only one air carrier authorized to do so under 14 6087
C.F.R., and is not a public airport as defined in 49 U.S.C. 6088
Appx. 2202(a) (17) as existing ~~on the effective date of this~~ 6089
~~amendment~~ July 26, 1991. 6090

(3) For property that may meet the condition for the 6091
exception provided in division (B) (2) of this section, if it is 6092
not known at the conclusion of a reporting period whether the 6093
property yet qualifies for such exception, the owner of such 6094
property shall return it for taxation. If it is later determined 6095
that the returned property does so qualify, the owner may apply 6096
for a final assessment and refund on the property as provided in 6097
section 5711.26 of the Revised Code. 6098

(C) Leased property used by the lessee exclusively for 6099
agricultural purposes and new or used machinery and equipment 6100
and accessories therefor that are designed and built for 6101
agricultural use and owned by a merchant as defined in section 6102

5711.15 of the Revised Code are not considered to be "used" 6103
within the meaning of "used in business." 6104

(D) Moneys, deposits, investments, accounts receivable, 6105
and prepaid items, and other taxable intangibles are "used" when 6106
they or the avails thereof are being applied, or are intended to 6107
be applied, in the conduct of the business, whether in this 6108
state or elsewhere. 6109

(E) "Business" includes all enterprises, except 6110
agriculture, conducted for gain, profit, or income and extends 6111
to personal service occupations. 6112

Sec. 5701.11. The effective date to which this section 6113
refers is the effective date of this section as amended by ~~S.B.~~ 6114
~~22~~-H.B. 197 of the ~~132nd~~-133rd general assembly. 6115

(A) (1) Except as provided under division (A) (2) or (B) of 6116
this section, any reference in Title LVII of the Revised Code to 6117
the Internal Revenue Code, to the Internal Revenue Code "as 6118
amended," to other laws of the United States, or to other laws 6119
of the United States, "as amended," means the Internal Revenue 6120
Code or other laws of the United States as they exist on the 6121
effective date. 6122

(2) This section does not apply to any reference in Title 6123
LVII of the Revised Code to the Internal Revenue Code as of a 6124
date certain specifying the day, month, and year, or to other 6125
laws of the United States as of a date certain specifying the 6126
day, month, and year. 6127

(B) (1) For purposes of applying section 5733.04, 5745.01, 6128
or 5747.01 of the Revised Code to a taxpayer's taxable year 6129
ending after March 30, ~~2017~~2018, and before the effective date, 6130
a taxpayer may irrevocably elect to incorporate the provisions 6131

of the Internal Revenue Code or other laws of the United States 6132
that are in effect for federal income tax purposes for that 6133
taxable year if those provisions differ from the provisions 6134
that, under division (A) of this section, would otherwise apply. 6135
The filing by the taxpayer for that taxable year of a report or 6136
return that incorporates the provisions of the Internal Revenue 6137
Code or other laws of the United States applicable for federal 6138
income tax purposes for that taxable year, and that does not 6139
include any adjustments to reverse the effects of any 6140
differences between those provisions and the provisions that 6141
would otherwise apply, constitutes the making of an irrevocable 6142
election under this division for that taxable year. 6143

(2) Elections under prior versions of division (B) (1) of 6144
this section remain in effect for the taxable years to which 6145
they apply. 6146

Sec. 5701.12. (A) The effective date to which this section 6147
refers is March 27, 2013, the effective date of this section as 6148
enacted by H.B. 510 of the 129th general assembly. 6149

(B) Any reference in Title LVII to "consolidated reports 6150
of condition and income" or "call report" means the consolidated 6151
reports of condition and income as those reports existed on the 6152
effective date. 6153

(C) Any reference in Title LVII to "FR Y-9" or "Y-9" means 6154
the FR Y-9 financial statements as those financial statements 6155
existed on the effective date. 6156

(D) This section does not apply to any reference in Title 6157
LVII of the Revised Code to "consolidated reports of condition 6158
and income," "call report," "FR Y-9," or "Y-9" as of a date 6159
certain specifying the day, month, and year. 6160

Sec. 5703.04. The tax commissioner shall have the 6161
following powers, duties, privileges, and immunities of the 6162
department of taxation: 6163

(A) All powers whatsoever of an inquisitorial nature as 6164
provided by law, including, the right to inspect books, 6165
accounts, records, and memorandums, to examine persons under 6166
oath, to issue orders or subpoenas for the production of books, 6167
accounts, papers, records, documents, and testimony, to take 6168
depositions, to apply to a court for attachment proceedings as 6169
for contempt, to approve vouchers for the fees of officers and 6170
witnesses, and to administer oaths; provided that the powers 6171
referred to in this division of this section shall be exercised 6172
by the board of tax appeals or by the tax commissioner only in 6173
connection with the performance of the duties respectively 6174
assigned to each under sections 5703.01 to 5703.09, 5703.14, and 6175
5703.15 of the Revised Code; 6176

(B) Appoint agents and prescribe their powers and duties 6177
as provided by section 5703.17 of the Revised Code; 6178

(C) Confer and meet with officers of other states and 6179
officers of the United States on any matters pertaining to their 6180
respective official duties as provided by law; 6181

(D) The immunity provided by section 5703.38 of the 6182
Revised Code; 6183

(E) The rights of action provided by section 5703.39 of 6184
the Revised Code; 6185

(F) The duties and powers mentioned in section 5703.41 of 6186
the Revised Code. 6187

Sec. 5703.211. (A) The tax commissioner shall adopt rules 6188
under Chapter 119. of the Revised Code that, except as otherwise 6189

provided in division (B) of this section, require that any 6190
search of any of the databases of the department of taxation be 6191
tracked so that administrators of the database or investigators 6192
can identify each account holder who conducted a search of the 6193
database. 6194

(B) The rules adopted under division (A) of this section 6195
shall not require the tracking of any search of any of the 6196
databases of the department conducted by an account holder in 6197
any of the following circumstances: 6198

(1) The search occurs as a result of research performed 6199
for official agency purposes, routine office procedures, or 6200
incidental contact with the information, unless the search is 6201
specifically directed toward a ~~specifically~~ specifically named 6202
individual or a group of specifically named individuals. 6203

(2) The search is for information about an individual, and 6204
it is performed as a result of a request by that individual for 6205
information about that individual. 6206

Sec. 5703.54. (A) A taxpayer aggrieved by an action or 6207
omission of an officer or employee of the department of taxation 6208
may bring an action for damages in the court of claims pursuant 6209
to Chapter ~~2734.~~ 2743. of the Revised Code, if all of the 6210
following apply: 6211

(1) In the action or omission the officer or employee 6212
frivolously disregards a provision of Chapter 5711., 5733., 6213
5739., 5741., or 5747. of the Revised Code or a rule of the tax 6214
commissioner adopted under authority of one of those chapters; 6215

(2) The action or omission occurred with respect to an 6216
audit or assessment and the review and collection proceedings 6217
connected with the audit or assessment; 6218

(3) The officer or employee did not act manifestly outside 6219
the scope of the officer's or employee's office or employment 6220
and did not act with malicious purpose, in bad faith, or in a 6221
wanton or reckless manner. 6222

(B) In any action brought under division (A) of this 6223
section, upon a finding of liability on the part of the state, 6224
the state shall be liable to the taxpayer in an amount equal to 6225
the sum of the following: 6226

(1) Compensatory damages sustained by the taxpayer as a 6227
result of the action or omission by the department's officer or 6228
employee; 6229

(2) Reasonable costs of litigation and attorneys fees 6230
sustained by the taxpayer. 6231

(C) In the awarding of damages under division (B) of this 6232
section, the court shall take into account the negligent actions 6233
or omissions, if any, on the part of the taxpayer that 6234
contributed to the damages, but shall not be bound by the 6235
provisions of sections 2315.32 to 2315.36 of the Revised Code. 6236

(D) Whenever it appears to the court that a taxpayer's 6237
conduct in the proceedings brought under division (A) of this 6238
section is frivolous, the court may impose a penalty against the 6239
taxpayer in an amount not to exceed ten thousand dollars which 6240
shall be paid to the general revenue fund of the state. 6241

(E) (1) Division (A) of this section does not apply to 6242
advisory opinions or other informational functions of an officer 6243
or employee of the department. 6244

(2) Division (A) of this section does not authorize a 6245
taxpayer to bring an action for damages based on an action or 6246
omission of a county auditor or an employee of a county auditor. 6247

(F) As used in this section, "frivolous" means that the 6248
conduct of the commissioner, or of the taxpayer or the 6249
taxpayer's counsel of record satisfies either of the following: 6250

(1) It obviously serves merely to harass or maliciously 6251
injure the state or its employees or officers if referring to 6252
the conduct of a taxpayer, or to harass or maliciously injure 6253
the taxpayer if referring to the conduct of the tax 6254
commissioner; 6255

(2) It is not warranted under existing law and cannot be 6256
supported by a good faith argument for an extension, 6257
modification, or reversal of existing law. 6258

Sec. 5703.94. (A) As used in this section: 6259

(1) "Declared disaster" means an event for which a 6260
disaster declaration has been issued. 6261

(2) "Disaster declaration" means a declaration issued by 6262
the president of the United States or the governor of this state 6263
that an emergency exists. 6264

(3) "Disaster response period" means the period that 6265
begins on the tenth day preceding the day on which a disaster 6266
declaration is issued through the sixtieth day following the day 6267
that the disaster declaration expires or is rescinded. 6268

(4) "Disaster work" means both of the following: 6269

(a) Repairing, renovating, installing, or constructing 6270
critical infrastructure damaged or destroyed by the declared 6271
disaster, or other business activities related to that critical 6272
infrastructure; 6273

(b) Activities conducted in preparation for any activity 6274
described in division (A) (4) (a) of this section. 6275

(5) "Critical infrastructure" means property and equipment 6276
owned or used by a qualifying owner or user to provide service 6277
to more than one customer, including related support facilities 6278
such as buildings, offices, power lines, cable lines, poles, 6279
communication lines, and structures. 6280

(6) "Qualifying owner or user" means a public utility, 6281
commercial mobile radio service provider, cable service 6282
provider, or video service provider. 6283

(7) "Public utility" has the same meaning as in section 6284
4905.02 of the Revised Code, without regard to the exclusions 6285
from that definition prescribed in divisions (A) (1) to (5) of 6286
that section. 6287

(8) "Commercial mobile radio service provider" means a 6288
person providing commercial mobile service as defined in 47 6289
U.S.C. 332(d) . 6290

(9) "Cable service provider" and "video service provider" 6291
have the same meanings as in section 1332.21 of the Revised 6292
Code. 6293

(10) "Out-of-state disaster business" means a person that 6294
does all of the following or to which apply all of the 6295
following: 6296

(a) Receives a qualifying solicitation; 6297

(b) Conducts disaster work in this state during a disaster 6298
response period; 6299

(c) Is not subject to taxation under Chapter 5747. or 6300
5751. of the Revised Code on any basis other than such disaster 6301
work during the calendar year preceding the year in which the 6302
disaster response period begins or is subject to such taxation 6303

during that year solely because the person is a related member 6304
of another person. 6305

(11) "Out-of-state employee" means an individual who 6306
performs no work in this state, except disaster work during a 6307
disaster response period, from the first day of the preceding 6308
calendar year to the date on which the disaster response period 6309
begins. 6310

(12) "Related member" has the same meaning as in section 6311
5733.042 of the Revised Code without regard to division (B) of 6312
that section. 6313

(13) "Qualifying solicitation" means a written 6314
solicitation or request from the state, a county, municipal 6315
corporation, or township, or a qualifying user or owner of 6316
critical infrastructure soliciting or requesting the assistance 6317
of a person to perform disaster work in this state. 6318

(14) "Qualifying employee" means one of the following: 6319

(a) An out-of-state employee performing disaster work in 6320
this state during a disaster response period whose employer 6321
receives a qualifying solicitation to perform such work; 6322

(b) An out-of-state employee performing disaster work in 6323
this state on critical infrastructure owned or used by the 6324
employee's employer during a disaster response period, provided 6325
that employer is a qualifying user or owner. 6326

(B) An out-of-state disaster business or qualifying 6327
employee shall qualify for all of the following, as applicable: 6328

(1) The exemption authorized in division (C) (20) of 6329
section 718.01, the exemption authorized in division (C) (10) of 6330
section 5741.02, the deduction authorized in division (A) ~~(33)~~ 6331

(30) of section 5747.01, and the exclusion authorized in 6332
division (F) (2) (11) of section 5751.01 of the Revised Code; 6333

(2) An exemption from any requirement to file a document 6334
or application with or to remit a fee to the secretary of state 6335
as a condition precedent to engaging in business in this state, 6336
in accordance with section 1701.041 of the Revised Code; 6337

(3) An exemption from the requirements of Chapters 4121., 6338
4123., and 4141. of the Revised Code, in accordance with 6339
division (A) (2) of section 4123.01 and section 4141.42 of the 6340
Revised Code; 6341

(4) An exemption from the requirement to obtain a state or 6342
local occupational license or other authorization, in accordance 6343
with section 4799.04 of the Revised Code. 6344

(C) (1) Upon the request of the tax commissioner, an out- 6345
of-state disaster business shall provide the following 6346
information to the commissioner: 6347

(a) The name of the out-of-state disaster business and the 6348
address of its principal place of business; 6349

(b) The business' federal tax identification number; 6350

(c) A copy of the qualifying solicitation received by the 6351
business; 6352

(d) The dates that the out-of-state disaster business and 6353
each of the business' out-of-state employees performing disaster 6354
work in this state during a disaster response period began 6355
performing disaster work in this state during that period; 6356

(e) The name and social security number of each of the 6357
out-of-state disaster business' out-of-state employees 6358
performing disaster work in this state during a disaster 6359

response period; 6360

(f) The name of any person of which the out-of-state 6361
disaster business is a related member, provided that person is 6362
subject to taxation under Chapter 5747. or 5751. of the Revised 6363
Code during the calendar year preceding the year in which the 6364
disaster response period begins; 6365

(g) Any other information required by the tax 6366
commissioner. 6367

(2) Upon the request of the tax commissioner, the employer 6368
of a qualifying employee shall provide the following information 6369
to the commissioner: 6370

(a) The employer's name and the address of its principal 6371
place of business; 6372

(b) The employer's federal tax identification number; 6373

(c) For the employer of a qualifying employee described in 6374
division (A)(14)(a) of this section, a copy of the qualifying 6375
solicitation received by the employer; 6376

(d) The date each of the employer's out-of-state employees 6377
performing disaster work in this state during a disaster 6378
response period began performing disaster work in this state 6379
during that period; 6380

(e) The name and social security number of each of the 6381
employer's out-of-state employees performing disaster work in 6382
this state during a disaster response period; 6383

(f) Any other information required by the tax 6384
commissioner. 6385

(3) If the commissioner makes a request under division (C) 6386

(1) or (2) of this section, the out-of-state disaster business 6387
or employer shall submit information described in that division 6388
to the commissioner not later than thirty days from the date the 6389
disaster response period terminates or thirty days after the 6390
business or employer receives the request, whichever is later. 6391

(D) The department of taxation may adopt rules necessary 6392
to administer this section. 6393

Sec. 5703.95. (A) As used in this section, "tax 6394
expenditure" has the same meaning as in section 5703.48 of the 6395
Revised Code. 6396

(B) There is hereby created the tax expenditure review 6397
committee, consisting of seven members, composed of the 6398
following: 6399

(1) Three members of the house of representatives 6400
appointed by the speaker of the house of representatives in 6401
consultation with the minority leader of the house of 6402
representatives. Members described in division (B)(1) of this 6403
section shall not all be members of the same party and should be 6404
members of the house of representatives committee that deals 6405
primarily with tax legislation; 6406

(2) Three members of the senate appointed by the president 6407
of the senate in consultation with the minority leader of the 6408
senate. Members described in division (B)(2) of this section 6409
shall not all be members of the same party and should be members 6410
of the senate committee that deals primarily with tax 6411
legislation; 6412

(3) The tax commissioner or the tax commissioner's 6413
designee. The member described in division (B)(3) of this 6414
section shall be a nonvoting member. 6415

The speaker of the house of representatives and the 6416
president of the senate shall make initial appointments to the 6417
committee not later than thirty days ~~following the effective~~ 6418
~~date of the enactment of this section~~ after March 21, 2017. 6419

Thereafter, the terms of the office for appointed members shall 6420
be the same as the term of each general assembly. Members may be 6421
reappointed, provided the member continues to meet all other 6422
eligibility requirements. Vacancies shall be filled in the 6423
manner provided for original appointments. Any member appointed 6424
to fill a vacancy before the expiration of the term for which 6425
the predecessor was appointed shall hold office as a member for 6426
the remainder of that term. Appointed members of the committee 6427
serve at the pleasure of the member's appointing authority and 6428
may be removed only by the appointing authority. 6429

(C) The tax expenditure review committee shall hold its 6430
first meeting within ninety days after ~~the effective date of the~~ 6431
~~enactment of this section~~ March 21, 2017. At the first meeting, 6432
the members shall elect a chairperson, who shall be one of the 6433
members described in division (B) (1) or (2) of this section. 6434
Thereafter, the committee shall meet at least once during the 6435
first year of each fiscal biennium to review existing tax 6436
expenditures pursuant to division (D) of this section, provided 6437
the committee shall hold, for any such expenditure, at least one 6438
meeting at which a person may present to the committee evidence 6439
or testimony related to that expenditure. Any person may submit 6440
to the chairperson a request that the committee meet to accept 6441
evidence or testimony on a tax expenditure. The committee is a 6442
public body for the purposes of section 121.22 of the Revised 6443
Code. 6444

The chairperson of the committee shall serve until the 6445
thirty-first day of December of each even-numbered year. 6446

Thereafter, members shall elect a new chairperson. If the
preceding chairperson was a member described in division (B) (1)
of this section, the new chairperson shall be a member described
in division (B) (2) of this section. If the preceding chairperson
was a member described in division (B) (2) of this section, the
new chairperson shall be a member described in division (B) (1)
of this section.

A vacancy on the committee does not impair the right of
the other members to exercise all the functions of the
committee. The presence of a majority of the voting members of
the committee constitutes a quorum for the conduct of business
of the committee. The concurrence of at least a majority of the
voting members of the committee is necessary for any action to
be taken by the committee.

Upon the committee's request, the department of taxation,
development services agency, office of budget and management, or
other state agency shall provide any information in its
possession that the committee requires to perform its duties.

The staff of the legislative service commission shall
assist the committee as directed by the committee.

(D) The committee shall establish a schedule for review
for each tax expenditure so that each expenditure is reviewed at
least once every eight years. The schedule may provide for the
review of each tax expenditure in the order the expenditures
were enacted or modified, beginning with the least recently
enacted or modified tax expenditure. Alternatively, the review
schedule may group tax expenditures by the individuals or
industries benefiting from the expenditures, the objectives of
each expenditure, or the policy rationale of each expenditure.
In its review, the committee shall make recommendations as to

whether each tax expenditure should be continued without 6477
modification, modified, scheduled for further review at a future 6478
date to consider repealing the expenditure, or repealed 6479
outright. For each expenditure reviewed, the committee may 6480
recommend accountability standards for the future review of the 6481
expenditure. The committee may consider, when reviewing a tax 6482
expenditure, any of the relevant factors described in division 6483
(E) of this section. 6484

(E) In conducting reviews pursuant to division (D) of this 6485
section, the committee may consider the following factors: 6486

(1) The number and classes of persons, organizations, 6487
businesses, or types of industries that would receive the direct 6488
benefit or consequences of the tax expenditure; 6489

(2) The fiscal impact of the tax expenditure on state and 6490
local taxing authorities, including any past fiscal effects and 6491
expected future fiscal impacts of the tax expenditure in the 6492
following eight-year period; 6493

(3) Public policy objectives that might support the tax 6494
expenditure. In researching such objectives, the committee may 6495
consider the expenditure's legislative history, the tax 6496
expenditure's sponsor's intent in proposing the tax expenditure, 6497
or the extent to which the tax expenditure encourages or would 6498
encourage business growth or relocation into the state, promotes 6499
or would promote growth or retention of high-wage jobs in the 6500
state, or aids or would aid community stabilization. 6501

(4) Whether the tax expenditure successfully accomplishes 6502
any of the objectives identified in division (E) (3) of this 6503
section; 6504

(5) Whether the objectives identified in division (E) (3) 6505

of this section would or could have been accomplished 6506
successfully in the absence of the tax expenditure or with less 6507
cost to the state or local governments; 6508

(6) Whether the objectives identified in division (E) (3) 6509
of this section could have been accomplished successfully 6510
through a program that requires legislative appropriations for 6511
funding; 6512

(7) The extent to which the tax expenditure may provide 6513
unintended benefits to an individual, organization, or industry 6514
other than those the general assembly or sponsor intended or 6515
creates an unfair competitive advantage for its recipient with 6516
respect to other businesses in the state; 6517

(8) The extent to which terminating the tax expenditure 6518
may have negative effects on taxpayers that currently benefit 6519
from the tax expenditure; 6520

(9) The extent to which terminating the tax expenditure 6521
may have negative or positive effects on the state's employment 6522
and economy; 6523

(10) The feasibility of modifying the tax expenditure to 6524
provide for adjustment or recapture of the proceeds of the tax 6525
expenditure if the objectives of the tax expenditure are not 6526
fulfilled by the recipient of the tax expenditure. 6527

(F) The committee shall prepare a report of its 6528
determinations under division (D) of this section and, not later 6529
than the first day of July of each even-numbered year, submit a 6530
copy of the report to the governor, the speaker of the house of 6531
representatives, the president of the senate, the minority 6532
leader of the house of representatives, and the minority leader 6533
of the senate. The first report shall be submitted either in ~~the~~ 6534

~~year of the effective date of this section or in the first even-~~ 6535
~~numbered year thereafter 2017 or 2018.~~ If the committee 6536
maintains a web site, the committee shall cause a copy of the 6537
report to be posted on the web site in a form enabling access to 6538
the report by the public within thirty days after the report is 6539
submitted under this division. If the committee does not 6540
maintain a web site, the committee shall request that the 6541
president of the senate and the speaker of the house of 6542
representatives cause the report to be posted on the web site of 6543
the general assembly. 6544

(G) Any bill introduced in the house of representatives or 6545
the senate that proposes to enact or modify one or more tax 6546
expenditures should include a statement explaining the 6547
objectives of the tax expenditure or its modification and the 6548
sponsor's intent in proposing the tax expenditure or its 6549
modification. 6550

Sec. 5705.03. (A) The taxing authority of each subdivision 6551
may levy taxes annually, subject to the limitations of sections 6552
5705.01 to 5705.47 of the Revised Code, on the real and personal 6553
property within the subdivision for the purpose of paying the 6554
current operating expenses of the subdivision and acquiring or 6555
constructing permanent improvements. The taxing authority of 6556
each subdivision and taxing unit shall, subject to the 6557
limitations of such sections, levy such taxes annually as are 6558
necessary to pay the interest and sinking fund on and retire at 6559
maturity the bonds, notes, and certificates of indebtedness of 6560
such subdivision and taxing unit, including levies in 6561
anticipation of which the subdivision or taxing unit has 6562
incurred indebtedness. 6563

(B) (1) When a taxing authority determines that it is 6564

necessary to levy a tax outside the ten-mill limitation for any 6565
purpose authorized by the Revised Code, the taxing authority 6566
shall certify to the county auditor a resolution or ordinance 6567
requesting that the county auditor certify to the taxing 6568
authority the total current tax valuation of the subdivision, 6569
and the number of mills required to generate a specified amount 6570
of revenue, or the dollar amount of revenue that would be 6571
generated by a specified number of mills. The resolution or 6572
ordinance shall state all of the following: 6573

(a) The purpose of the tax; 6574

(b) Whether the tax is an additional levy, a renewal or a 6575
replacement of an existing tax, or a renewal or replacement of 6576
an existing tax with an increase or a decrease; 6577

(c) The section of the Revised Code authorizing submission 6578
of the question of the tax; 6579

(d) The term of years of the tax or if the tax is for a 6580
continuing period of time; 6581

(e) That the tax is to be levied upon the entire territory 6582
of the subdivision or, if authorized by the Revised Code, a 6583
description of the portion of the territory of the subdivision 6584
in which the tax is to be levied; 6585

(f) The date of the election at which the question of the 6586
tax shall appear on the ballot; 6587

(g) That the ballot measure shall be submitted to the 6588
entire territory of the subdivision or, if authorized by the 6589
Revised Code, a description of the portion of the territory of 6590
the subdivision to which the ballot measure shall be submitted; 6591

(h) The tax year in which the tax will first be levied and 6592

the calendar year in which the tax will first be collected; 6593

(i) Each such county in which the subdivision has 6594
territory. 6595

If a subdivision is located in more than one county, the 6596
county auditor shall obtain from the county auditor of each 6597
other county in which the subdivision is located the current tax 6598
valuation for the portion of the subdivision in that county. The 6599
county auditor shall issue the certification to the taxing 6600
authority within ten days after receiving the taxing authority's 6601
resolution or ordinance requesting it. 6602

~~(2) When considering the tangible personal property 6603
component of the tax valuation of the subdivision, the county 6604
auditor shall take into account the assessment percentages 6605
prescribed in section 5711.22 of the Revised Code. The tax 6606
commissioner may issue rules, orders, or instructions directing 6607
how the assessment percentages must be utilized. 6608~~

~~(3)~~ Upon receiving the certification from the county 6609
auditor, the taxing authority may adopt a resolution or 6610
ordinance stating the rate of the tax levy, expressed in mills 6611
for each one dollar in tax valuation as estimated by the county 6612
auditor, and that the taxing authority will proceed with the 6613
submission of the question of the tax to electors. The taxing 6614
authority shall certify this resolution or ordinance, a copy of 6615
the county auditor's certification, and the resolution or 6616
ordinance the taxing authority adopted under division (B)(1) of 6617
this section to the proper county board of elections in the 6618
manner and within the time prescribed by the section of the 6619
Revised Code governing submission of the question. The county 6620
board of elections shall not submit the question of the tax to 6621
electors unless a copy of the county auditor's certification 6622

accompanies the resolutions or ordinances the taxing authority 6623
certifies to the board. Before requesting a taxing authority to 6624
submit a tax levy, any agency or authority authorized to make 6625
that request shall first request the certification from the 6626
county auditor provided under this section. 6627

~~(4)~~ (3) This division is supplemental to, and not in 6628
derogation of, any similar requirement governing the 6629
certification by the county auditor of the tax valuation of a 6630
subdivision or necessary tax rates for the purposes of the 6631
submission of the question of a tax in excess of the ten-mill 6632
limitation, including sections 133.18 and 5705.195 of the 6633
Revised Code. 6634

(C) All taxes levied on property shall be extended on the 6635
tax list and duplicate by the county auditor of the county in 6636
which the property is located, and shall be collected by the 6637
county treasurer of such county in the same manner and under the 6638
same laws and rules as are prescribed for the assessment and 6639
collection of county taxes. The proceeds of any tax levied by or 6640
for any subdivision when received by its fiscal officer shall be 6641
deposited in its treasury to the credit of the appropriate fund. 6642

Sec. 5705.13. (A) A taxing authority of a subdivision, by 6643
resolution or ordinance, may establish reserve balance accounts 6644
to accumulate currently available resources for the following 6645
purposes: 6646

(1) To stabilize subdivision budgets against cyclical 6647
changes in revenues and expenditures; 6648

(2) Except as otherwise provided by this section, to 6649
provide for the payment of claims and deductibles under an 6650
individual or joint self-insurance program for the subdivision, 6651

if the subdivision is permitted by law to establish such a 6652
program; 6653

(3) To provide for the payment of claims, assessments, and 6654
deductibles under a self-insurance program, individual 6655
retrospective ratings plan, group rating plan, group 6656
retrospective rating plan, medical only program, deductible 6657
plan, or large deductible plan for workers' compensation. 6658

The ordinance or resolution establishing a reserve balance 6659
account shall state the purpose for which the account is 6660
established, the fund in which the account is to be established, 6661
and the total amount of money to be reserved in the account. 6662

Not more than one reserve balance account may be 6663
established for each of the purposes permitted under divisions 6664
(A) (2) and (3) of this section. Money to the credit of a reserve 6665
balance account may be expended only for the purpose for which 6666
the account was established. 6667

A reserve balance account established for the purpose 6668
described in division (A) (1) of this section may be established 6669
in the general fund or in one or more special funds for 6670
operating purposes of the subdivision. The amount of money to be 6671
reserved in such an account in any fiscal year shall not exceed 6672
five per cent of the revenue credited in the preceding fiscal 6673
year to the fund in which the account is established, or, in the 6674
case of a reserve balance account of a county or of a township, 6675
the greater of that amount or one-sixth of the expenditures 6676
during the preceding fiscal year from the fund in which the 6677
account is established. Subject to division ~~(G)~~ (F) of section 6678
5705.29 of the Revised Code, any reserve balance in an account 6679
established under division (A) (1) of this section shall not be 6680
considered part of the unencumbered balance or revenue of the 6681

subdivision under division (A) of section 5705.35 or division 6682
(A) (1) of section 5705.36 of the Revised Code. 6683

At any time, a taxing authority of a subdivision, by 6684
resolution or ordinance, may reduce or eliminate the reserve 6685
balance in a reserve balance account established for the purpose 6686
described in division (A) (1) of this section. 6687

A reserve balance account established for the purpose 6688
described in division (A) (2) or (3) of this section shall be 6689
established in the general fund of the subdivision or by the 6690
establishment of a separate internal service fund established to 6691
account for the operation of an individual or joint self- 6692
insurance program described in division (A) (2) of this section 6693
or a workers' compensation program or plan described in division 6694
(A) (3) of this section, and shall be based on sound actuarial 6695
principles. The total amount of money in a reserve balance 6696
account for self-insurance may be expressed in dollars or as the 6697
amount determined to represent an adequate reserve according to 6698
sound actuarial principles. 6699

A taxing authority of a subdivision, by resolution or 6700
ordinance, may rescind a reserve balance account established 6701
under this division. If a reserve balance account is rescinded, 6702
money that has accumulated in the account shall be transferred 6703
to the fund or funds from which the money originally was 6704
transferred. 6705

(B) A taxing authority of a subdivision, by resolution or 6706
ordinance, may establish a special revenue fund for the purpose 6707
of accumulating resources for the payment of accumulated sick 6708
leave and vacation leave, and for payments in lieu of taking 6709
compensatory time off, upon the termination of employment or the 6710
retirement of officers and employees of the subdivision. The 6711

special revenue fund may also accumulate resources for payment 6712
of salaries during any fiscal year when the number of pay 6713
periods exceeds the usual and customary number of pay periods. 6714
Notwithstanding sections 5705.14, 5705.15, and 5705.16 of the 6715
Revised Code, the taxing authority, by resolution or ordinance, 6716
may transfer money to the special revenue fund from any other 6717
fund of the subdivision from which such payments may lawfully be 6718
made. The taxing authority, by resolution or ordinance, may 6719
rescind a special revenue fund established under this division. 6720
If a special revenue fund is rescinded, money that has 6721
accumulated in the fund shall be transferred to the fund or 6722
funds from which the money originally was transferred. 6723

(C) A taxing authority of a subdivision, by resolution or 6724
ordinance, may establish a capital projects fund for the purpose 6725
of accumulating resources for the acquisition, construction, or 6726
improvement of fixed assets of the subdivision. For the purposes 6727
of this section, "fixed assets" includes motor vehicles. More 6728
than one capital projects fund may be established and may exist 6729
at any time. The ordinance or resolution shall identify the 6730
source of the money to be used to acquire, construct, or improve 6731
the fixed assets identified in the resolution or ordinance, the 6732
amount of money to be accumulated for that purpose, the period 6733
of time over which that amount is to be accumulated, and the 6734
fixed assets that the taxing authority intends to acquire, 6735
construct, or improve with the money to be accumulated in the 6736
fund. 6737

A taxing authority of a subdivision shall not accumulate 6738
money in a capital projects fund for more than ten years after 6739
the resolution or ordinance establishing the fund is adopted. If 6740
the subdivision has not entered into a contract for the 6741
acquisition, construction, or improvement of fixed assets for 6742

which money was accumulated in such a fund before the end of 6743
that ten-year period, the fiscal officer of the subdivision 6744
shall transfer all money in the fund to the fund or funds from 6745
which that money originally was transferred or the fund that 6746
originally was intended to receive the money. 6747

A taxing authority of a subdivision, by resolution or 6748
ordinance, may rescind a capital projects fund. If a capital 6749
projects fund is rescinded, money that has accumulated in the 6750
fund shall be transferred to the fund or funds from which the 6751
money originally was transferred. 6752

Notwithstanding sections 5705.14, 5705.15, and 5705.16 of 6753
the Revised Code, the taxing authority of a subdivision, by 6754
resolution or ordinance, may transfer money to the capital 6755
projects fund from any other fund of the subdivision that may 6756
lawfully be used for the purpose of acquiring, constructing, or 6757
improving the fixed assets identified in the resolution or 6758
ordinance. 6759

Sec. 5705.19. This section does not apply to school 6760
districts, county school financing districts, or lake facilities 6761
authorities. 6762

The taxing authority of any subdivision at any time and in 6763
any year, by vote of two-thirds of all the members of the taxing 6764
authority, may declare by resolution and certify the resolution 6765
to the board of elections not less than ninety days before the 6766
election upon which it will be voted that the amount of taxes 6767
that may be raised within the ten-mill limitation will be 6768
insufficient to provide for the necessary requirements of the 6769
subdivision and that it is necessary to levy a tax in excess of 6770
that limitation for any of the following purposes: 6771

(A) For current expenses of the subdivision, except that 6772
the total levy for current expenses of a detention facility 6773
district or district organized under section 2151.65 of the 6774
Revised Code shall not exceed two mills and that the total levy 6775
for current expenses of a combined district organized under 6776
sections 2151.65 and 2152.41 of the Revised Code shall not 6777
exceed four mills; 6778

(B) For the payment of debt charges on certain described 6779
bonds, notes, or certificates of indebtedness of the subdivision 6780
issued subsequent to January 1, 1925; 6781

(C) For the debt charges on all bonds, notes, and 6782
certificates of indebtedness issued and authorized to be issued 6783
prior to January 1, 1925; 6784

(D) For a public library of, or supported by, the 6785
subdivision under whatever law organized or authorized to be 6786
supported; 6787

(E) For a municipal university, not to exceed two mills 6788
over the limitation of one mill prescribed in section 3349.13 of 6789
the Revised Code; 6790

(F) For the construction or acquisition of any specific 6791
permanent improvement or class of improvements that the taxing 6792
authority of the subdivision may include in a single bond issue; 6793

(G) For the general construction, reconstruction, 6794
resurfacing, and repair of streets, roads, and bridges in 6795
municipal corporations, counties, or townships; 6796

(H) For parks and recreational purposes; 6797

(I) For providing and maintaining fire apparatus, 6798
mechanical resuscitators, underwater rescue and recovery 6799

equipment, or other fire equipment and appliances, buildings and 6800
sites therefor, or sources of water supply and materials 6801
therefor, for the establishment and maintenance of lines of 6802
fire-alarm communications, for the payment of firefighting 6803
companies or permanent, part-time, or volunteer firefighting, 6804
emergency medical service, administrative, or communications 6805
personnel to operate the same, including the payment of any 6806
employer contributions required for such personnel under section 6807
145.48 or 742.34 of the Revised Code, for the purchase of 6808
ambulance equipment, for the provision of ambulance, paramedic, 6809
or other emergency medical services operated by a fire 6810
department or firefighting company, or for the payment of other 6811
related costs; 6812

(J) For providing and maintaining motor vehicles, 6813
communications, other equipment, buildings, and sites for such 6814
buildings used directly in the operation of a police department, 6815
for the payment of salaries of permanent or part-time police, 6816
communications, or administrative personnel to operate the same, 6817
including the payment of any employer contributions required for 6818
such personnel under section 145.48 or 742.33 of the Revised 6819
Code, for the payment of the costs incurred by townships as a 6820
result of contracts made with other political subdivisions in 6821
order to obtain police protection, for the provision of 6822
ambulance or emergency medical services operated by a police 6823
department, or for the payment of other related costs; 6824

(K) For the maintenance and operation of a county home or 6825
detention facility; 6826

(L) For community developmental disabilities programs and 6827
services pursuant to Chapter 5126. of the Revised Code, except 6828
that such levies shall be subject to the procedures and 6829

requirements of section 5705.222 of the Revised Code; 6830

(M) For regional planning; 6831

(N) For a county's share of the cost of maintaining and 6832
operating schools, district detention facilities, forestry 6833
camps, or other facilities, or any combination thereof, 6834
established under section 2151.65 or 2152.41 of the Revised Code 6835
or both of those sections; 6836

(O) For providing for flood defense, providing and 6837
maintaining a flood wall or pumps, and other purposes to prevent 6838
floods; 6839

(P) For maintaining and operating sewage disposal plants 6840
and facilities; 6841

(Q) For the purpose of purchasing, acquiring, 6842
constructing, enlarging, improving, equipping, repairing, 6843
maintaining, or operating, or any combination of the foregoing, 6844
a county transit system pursuant to sections 306.01 to 306.13 of 6845
the Revised Code, or of making any payment to a board of county 6846
commissioners operating a transit system or a county transit 6847
board pursuant to section 306.06 of the Revised Code; 6848

(R) For the subdivision's share of the cost of acquiring 6849
or constructing any schools, forestry camps, detention 6850
facilities, or other facilities, or any combination thereof, 6851
under section 2151.65 or 2152.41 of the Revised Code or both of 6852
those sections; 6853

(S) For the prevention, control, and abatement of air 6854
pollution; 6855

(T) For maintaining and operating cemeteries; 6856

(U) For providing ambulance service, emergency medical 6857

service, or both;	6858
(V) For providing for the collection and disposal of	6859
garbage or refuse, including yard waste;	6860
(W) For the payment of the police officer employers'	6861
contribution or the firefighter employers' contribution required	6862
under sections 742.33 and 742.34 of the Revised Code;	6863
(X) For the construction and maintenance of a drainage	6864
improvement pursuant to section 6131.52 of the Revised Code;	6865
(Y) For providing or maintaining senior citizens services	6866
or facilities as authorized by section 307.694, 307.85, 505.70,	6867
or 505.706 or division (EE) of section 717.01 of the Revised	6868
Code;	6869
(Z) For the provision and maintenance of zoological park	6870
services and facilities as authorized under section 307.76 of	6871
the Revised Code;	6872
(AA) For the maintenance and operation of a free public	6873
museum of art, science, or history;	6874
(BB) For the establishment and operation of a 9-1-1	6875
system, as defined in section 128.01 of the Revised Code;	6876
(CC) For the purpose of acquiring, rehabilitating, or	6877
developing rail property or rail service. As used in this	6878
division, "rail property" and "rail service" have the same	6879
meanings as in section 4981.01 of the Revised Code. This	6880
division applies only to a county, township, or municipal	6881
corporation.	6882
(DD) For the purpose of acquiring property for,	6883
constructing, operating, and maintaining community centers as	6884
provided for in section 755.16 of the Revised Code;	6885

(EE) For the creation and operation of an office or joint 6886
office of economic development, for any economic development 6887
purpose of the office, and to otherwise provide for the 6888
establishment and operation of a program of economic development 6889
pursuant to sections 307.07 and 307.64 of the Revised Code, or 6890
to the extent that the expenses of a county land reutilization 6891
corporation organized under Chapter 1724. of the Revised Code 6892
are found by the board of county commissioners to constitute the 6893
promotion of economic development, for the payment of such 6894
operations and expenses; 6895

(FF) For the purpose of acquiring, establishing, 6896
constructing, improving, equipping, maintaining, or operating, 6897
or any combination of the foregoing, a township airport, landing 6898
field, or other air navigation facility pursuant to section 6899
505.15 of the Revised Code; 6900

(GG) For the payment of costs incurred by a township as a 6901
result of a contract made with a county pursuant to section 6902
505.263 of the Revised Code in order to pay all or any part of 6903
the cost of constructing, maintaining, repairing, or operating a 6904
water supply improvement; 6905

(HH) For a board of township trustees to acquire, other 6906
than by appropriation, an ownership interest in land, water, or 6907
wetlands, or to restore or maintain land, water, or wetlands in 6908
which the board has an ownership interest, not for purposes of 6909
recreation, but for the purposes of protecting and preserving 6910
the natural, scenic, open, or wooded condition of the land, 6911
water, or wetlands against modification or encroachment 6912
resulting from occupation, development, or other use, which may 6913
be styled as protecting or preserving "greenspace" in the 6914
resolution, notice of election, or ballot form. Except as 6915

otherwise provided in this division, land is not acquired for 6916
purposes of recreation, even if the land is used for 6917
recreational purposes, so long as no building, structure, or 6918
fixture used for recreational purposes is permanently attached 6919
or affixed to the land. Except as otherwise provided in this 6920
division, land that previously has been acquired in a township 6921
for these greenspace purposes may subsequently be used for 6922
recreational purposes if the board of township trustees adopts a 6923
resolution approving that use and no building, structure, or 6924
fixture used for recreational purposes is permanently attached 6925
or affixed to the land. The authorization to use greenspace land 6926
for recreational use does not apply to land located in a 6927
township that had a population, at the time it passed its first 6928
greenspace levy, of more than thirty-eight thousand within a 6929
county that had a population, at that time, of at least eight 6930
hundred sixty thousand. 6931

(II) For the support by a county of a crime victim 6932
assistance program that is provided and maintained by a county 6933
agency or a private, nonprofit corporation or association under 6934
section 307.62 of the Revised Code; 6935

(JJ) For any or all of the purposes set forth in divisions 6936
(I) and (J) of this section. This division applies only to a 6937
municipal corporation or a township. 6938

(KK) For a countywide public safety communications system 6939
under section 307.63 of the Revised Code. This division applies 6940
only to counties. 6941

(LL) For the support by a county of criminal justice 6942
services under section 307.45 of the Revised Code; 6943

(MM) For the purpose of maintaining and operating a jail 6944

or other detention facility as defined in section 2921.01 of the 6945
Revised Code; 6946

(NN) For purchasing, maintaining, or improving, or any 6947
combination of the foregoing, real estate on which to hold, and 6948
the operating expenses of, agricultural fairs operated by a 6949
county agricultural society or independent agricultural society 6950
under Chapter 1711. of the Revised Code. This division applies 6951
only to a county. 6952

(OO) For constructing, rehabilitating, repairing, or 6953
maintaining sidewalks, walkways, trails, bicycle pathways, or 6954
similar improvements, or acquiring ownership interests in land 6955
necessary for the foregoing improvements; 6956

(PP) For both of the purposes set forth in divisions (G) 6957
and (OO) of this section. 6958

(QQ) For both of the purposes set forth in divisions (H) 6959
and (HH) of this section. This division applies only to a 6960
township. 6961

(RR) For the legislative authority of a municipal 6962
corporation, board of county commissioners of a county, or board 6963
of township trustees of a township to acquire agricultural 6964
easements, as defined in section 5301.67 of the Revised Code, 6965
and to supervise and enforce the easements. 6966

(SS) For both of the purposes set forth in divisions (BB) 6967
and (KK) of this section. This division applies only to a 6968
county. 6969

(TT) For the maintenance and operation of a facility that 6970
is organized in whole or in part to promote the sciences and 6971
natural history under section 307.761 of the Revised Code. 6972

(UU) For the creation and operation of a county land 6973
reutilization corporation and for any programs or activities of 6974
the corporation found by the board of directors of the 6975
corporation to be consistent with the purposes for which the 6976
corporation is organized; 6977

(VV) For construction and maintenance of improvements and 6978
expenses of soil and water conservation district programs under 6979
Chapter 940. of the Revised Code; 6980

(WW) For the OSU extension fund created under section 6981
3335.35 of the Revised Code for the purposes prescribed under 6982
section 3335.36 of the Revised Code for the benefit of the 6983
citizens of a county. This division applies only to a county. 6984

(XX) For a municipal corporation that withdraws or 6985
proposes by resolution to withdraw from a regional transit 6986
authority under section 306.55 of the Revised Code to provide 6987
transportation services for the movement of persons within, 6988
from, or to the municipal corporation; 6989

(YY) For any combination of the purposes specified in 6990
divisions (NN), (VV), and (WW) of this section. This division 6991
applies only to a county. 6992

(ZZ) For any combination of the following purposes: the 6993
acquisition, construction, improvement, or maintenance of 6994
buildings, equipment, and supplies for police, firefighting, or 6995
emergency medical services; the construction, reconstruction, 6996
resurfacing, or repair of streets, roads, and bridges; or for 6997
general infrastructure projects. This division applies only to a 6998
township or municipal corporation. 6999

(AAA) For any combination of the purposes specified in 7000
divisions (G), (K), (N), (O), (P), (X), (BB), and (MM) of this 7001

section, for the acquisition, construction or maintenance of 7002
county facilities, or for the acquisition of or improvements to 7003
land. This division applies only to a county. 7004

The resolution shall be confined to the purpose or 7005
purposes described in one division of this section, to which the 7006
revenue derived therefrom shall be applied. The existence in any 7007
other division of this section of authority to levy a tax for 7008
any part or all of the same purpose or purposes does not 7009
preclude the use of such revenues for any part of the purpose or 7010
purposes of the division under which the resolution is adopted. 7011

The resolution shall specify the amount of the increase in 7012
rate that it is necessary to levy, the purpose of that increase 7013
in rate, and the number of years during which the increase in 7014
rate shall be in effect, which may or may not include a levy 7015
upon the duplicate of the current year. The number of years may 7016
be any number not exceeding five, except as follows: 7017

(1) When the additional rate is for the payment of debt 7018
charges, the increased rate shall be for the life of the 7019
indebtedness. 7020

(2) When the additional rate is for any of the following, 7021
the increased rate shall be for a continuing period of time: 7022

(a) For the current expenses for a detention facility 7023
district, a district organized under section 2151.65 of the 7024
Revised Code, or a combined district organized under sections 7025
2151.65 and 2152.41 of the Revised Code; 7026

(b) For providing a county's share of the cost of 7027
maintaining and operating schools, district detention 7028
facilities, forestry camps, or other facilities, or any 7029
combination thereof, established under section 2151.65 or 7030

2152.41 of the Revised Code or under both of those sections. 7031

(3) When the additional rate is for either of the 7032
following, the increased rate may be for a continuing period of 7033
time: 7034

(a) For the purposes set forth in division (I), (J), (U), 7035
or (KK) of this section; 7036

(b) For the maintenance and operation of a joint 7037
recreation district. 7038

(4) When the increase is for the purpose or purposes set 7039
forth in division (D), (G), (H), (T), (Z), (CC), or (PP) of this 7040
section, the tax levy may be for any specified number of years 7041
or for a continuing period of time, as set forth in the 7042
resolution. 7043

(5) When the increase is for the purpose set forth in 7044
division (ZZ) or (AAA) of this section, the tax levy may be for 7045
any number of years not exceeding ten. 7046

A levy for one of the purposes set forth in division (G), 7047
(I), (J), or (U) of this section may be reduced pursuant to 7048
section 5705.261 or 5705.31 of the Revised Code. A levy for one 7049
of the purposes set forth in division (G), (I), (J), or (U) of 7050
this section may also be terminated or permanently reduced by 7051
the taxing authority if it adopts a resolution stating that the 7052
continuance of the levy is unnecessary and the levy shall be 7053
terminated or that the millage is excessive and the levy shall 7054
be decreased by a designated amount. 7055

A resolution of a detention facility district, a district 7056
organized under section 2151.65 of the Revised Code, or a 7057
combined district organized under both sections 2151.65 and 7058
2152.41 of the Revised Code may include both current expenses 7059

and other purposes, provided that the resolution shall apportion 7060
the annual rate of levy between the current expenses and the 7061
other purpose or purposes. The apportionment need not be the 7062
same for each year of the levy, but the respective portions of 7063
the rate actually levied each year for the current expenses and 7064
the other purpose or purposes shall be limited by the 7065
apportionment. 7066

Whenever a board of county commissioners, acting either as 7067
the taxing authority of its county or as the taxing authority of 7068
a sewer district or subdistrict created under Chapter 6117. of 7069
the Revised Code, by resolution declares it necessary to levy a 7070
tax in excess of the ten-mill limitation for the purpose of 7071
constructing, improving, or extending sewage disposal plants or 7072
sewage systems, the tax may be in effect for any number of years 7073
not exceeding twenty, and the proceeds of the tax, 7074
notwithstanding the general provisions of this section, may be 7075
used to pay debt charges on any obligations issued and 7076
outstanding on behalf of the subdivision for the purposes 7077
enumerated in this paragraph, provided that any such obligations 7078
have been specifically described in the resolution. 7079

A resolution adopted by the legislative authority of a 7080
municipal corporation that is for the purpose in division (XX) 7081
of this section may be combined with the purpose provided in 7082
section 306.55 of the Revised Code, by vote of two-thirds of all 7083
members of the legislative authority. The legislative authority 7084
may certify the resolution to the board of elections as a 7085
combined question. The question appearing on the ballot shall be 7086
as provided in section 5705.252 of the Revised Code. 7087

A levy for the purpose set forth in division (BB) of this 7088
section may be imposed in all or a portion of the territory of a 7089

subdivision. If the 9-1-1 system to be established and operated 7090
with levy funds excludes territory located within the 7091
subdivision, the resolution adopted under this section, or a 7092
resolution proposing to renew such a levy that was imposed in 7093
all of the territory of the subdivision, may describe the area 7094
served or to be served by the system and specify that the 7095
proposed tax would be imposed only in the areas receiving or to 7096
receive the service. Upon passage of such a resolution, the 7097
board of elections shall submit the question of the tax levy 7098
only to those electors residing in the area or areas in which 7099
the tax would be imposed. If the 9-1-1 system would serve the 7100
entire subdivision, the resolution shall not exclude territory 7101
from the tax levy. 7102

The resolution shall go into immediate effect upon its 7103
passage, and no publication of the resolution is necessary other 7104
than that provided for in the notice of election. 7105

When the electors of a subdivision or, in the case of a 7106
qualifying library levy for the support of a library association 7107
or private corporation, the electors of the association library 7108
district or, in the case of a 9-1-1 system levy serving only a 7109
portion of the territory of a subdivision, the electors of the 7110
portion of the subdivision in which the levy would be imposed 7111
have approved a tax levy under this section, the taxing 7112
authority of the subdivision may anticipate a fraction of the 7113
proceeds of the levy and issue anticipation notes in accordance 7114
with section 5705.191 or 5705.193 of the Revised Code. 7115

Sec. 5705.195. Within five days after the resolution is 7116
certified to the county auditor as provided by section 5705.194 7117
of the Revised Code, the auditor shall calculate and certify to 7118
the taxing authority the annual levy, expressed in dollars and 7119

cents for each one hundred dollars of valuation as well as in 7120
mills for each one dollar of valuation, throughout the life of 7121
the levy which will be required to produce the annual amount set 7122
forth in the resolution assuming that the amount of the tax list 7123
of such subdivision remains throughout the life of the levy the 7124
same as the amount of the tax list for the current year, and if 7125
this is not determined, the estimated amount submitted by the 7126
auditor to the county budget commission. ~~When considering the~~ 7127
~~tangible personal property component of the tax valuation of the~~ 7128
~~subdivision, the county auditor shall take into account the~~ 7129
~~assessment percentages prescribed in section 5711.22 of the~~ 7130
~~Revised Code. The tax commissioner may issue rules, orders, or~~ 7131
~~instructions directing how the assessment percentages must be~~ 7132
~~utilized.~~ 7133

Upon receiving the certification from the county auditor, 7134
if the taxing authority desires to proceed with the submission 7135
of the question it shall, not less than ninety days before the 7136
day of such election, certify its resolution, together with the 7137
amount of the average tax levy, expressed in dollars and cents 7138
for each one hundred dollars of valuation as well as in mills 7139
for each one dollar of valuation, estimated by the auditor, and 7140
the number of years the levy is to run to the board of elections 7141
of the county which shall prepare the ballots and make other 7142
necessary arrangements for the submission of the question to the 7143
voters of the subdivision. 7144

Sec. 5705.213. (A) (1) The board of education of any school 7145
district, at any time and by a vote of two-thirds of all of its 7146
members, may declare by resolution that the amount of taxes that 7147
may be raised within the ten-mill limitation will be 7148
insufficient to provide an adequate amount for the present and 7149
future requirements of the school district and that it is 7150

necessary to levy a tax in excess of that limitation for current 7151
expenses. The resolution also shall state that the question of 7152
the additional tax shall be submitted to the electors of the 7153
school district at a special election. The resolution shall 7154
specify, for each year the levy is in effect, the amount of 7155
money that the levy is proposed to raise, which may, for years 7156
after the first year the levy is made, be expressed in terms of 7157
a dollar or percentage increase over the prior year's amount. 7158
The resolution also shall specify that the purpose of the levy 7159
is for current expenses, the number of years during which the 7160
tax shall be in effect which may be for any number of years not 7161
exceeding ten, and the year in which the tax first is proposed 7162
to be levied. The resolution shall specify the date of holding 7163
the special election, which shall not be earlier than ninety- 7164
five days after the adoption and certification of the resolution 7165
to the county auditor and not earlier than ninety days after 7166
certification to the board of elections. The date of the 7167
election shall be consistent with the requirements of section 7168
3501.01 of the Revised Code. 7169

(2) The board of education, by a vote of two-thirds of all 7170
of its members, may adopt a resolution proposing to renew a tax 7171
levied under division (A) (1) of this section. Such a resolution 7172
shall provide for levying a tax and specify all of the 7173
following: 7174

(a) That the tax shall be called and designated on the 7175
ballot as a renewal levy; 7176

(b) The amount of the renewal tax, which shall be no more 7177
than the amount of tax levied during the last year the tax being 7178
renewed is authorized to be in effect; 7179

(c) The number of years, not to exceed ten, that the 7180

renewal tax will be levied, or that it will be levied for a 7181
continuing period of time; 7182

(d) That the purpose of the renewal levy is for current 7183
expenses; 7184

(e) Subject to the certification and notification 7185
requirements of section 5705.251 of the Revised Code, that the 7186
question of the renewal levy shall be submitted to the electors 7187
of the school district at the general election held during the 7188
last year the tax being renewed may be extended on the real and 7189
public utility property tax list and duplicate or at a special 7190
election held during the ensuing year. 7191

(3) A resolution adopted under division (A) (1) or (2) of 7192
this section shall go into immediate effect upon its adoption 7193
and no publication of the resolution is necessary other than 7194
that provided for in the notice of election. Immediately after 7195
its adoption, a copy of the resolution shall be certified to the 7196
county auditor of the proper county, who shall, within five 7197
days, calculate and certify to the board of education the 7198
estimated levy, for the first year, and for each subsequent year 7199
for which the tax is proposed to be in effect. The estimates 7200
shall be made both in mills for each dollar of valuation, and in 7201
dollars and cents for each one hundred dollars of valuation. In 7202
making the estimates, the auditor shall assume that the amount 7203
of the tax list remains throughout the life of the levy, the 7204
same as the tax list for the current year. If the tax list for 7205
the current year is not determined, the auditor shall base the 7206
auditor's estimates on the estimated amount of the tax list for 7207
the current year as submitted to the county budget commission. 7208

If the board desires to proceed with the submission of the 7209
question, it shall certify its resolution, with the estimated 7210

tax levy expressed in mills and dollars and cents per hundred 7211
dollars of valuation for each year that the tax is proposed to 7212
be in effect, to the board of elections of the proper county in 7213
the manner provided by division (A) of section 5705.251 of the 7214
Revised Code. Section 5705.251 of the Revised Code shall govern 7215
the arrangements for the submission of the question and other 7216
matters concerning the election to which that section refers. 7217
The election shall be held on the date specified in the 7218
resolution. If a majority of the electors voting on the question 7219
so submitted in an election vote in favor of the tax, and if the 7220
tax is authorized to be levied for the current year, the board 7221
of education immediately may make the additional levy necessary 7222
to raise the amount specified in the resolution or a lesser 7223
amount for the purpose stated in the resolution. 7224

(4) The submission of questions to the electors under this 7225
section is subject to the limitation on the number of election 7226
dates established by section 5705.214 of the Revised Code. 7227

(B) Notwithstanding ~~sections~~ section 133.30 and ~~133.301~~ of 7228
the Revised Code, after the approval of a tax to be levied in 7229
the current or the succeeding year and prior to the time when 7230
the first tax collection from that levy can be made, the board 7231
of education may anticipate a fraction of the proceeds of the 7232
levy and issue anticipation notes in an amount not to exceed 7233
fifty per cent of the total estimated proceeds of the levy to be 7234
collected during the first year of the levy. The notes shall be 7235
sold as provided in Chapter 133. of the Revised Code. If 7236
anticipation notes are issued, they shall mature serially and in 7237
substantially equal amounts during each year over a period not 7238
to exceed five years; and the amount necessary to pay the 7239
interest and principal as the anticipation notes mature shall be 7240
deemed appropriated for those purposes from the levy, and 7241

appropriations from the levy by the board of education shall be 7242
limited each fiscal year to the balance available in excess of 7243
that amount. 7244

If the auditor of state has certified a deficit pursuant 7245
to section 3313.483 of the Revised Code, the notes authorized 7246
under this section may be sold in accordance with Chapter 133. 7247
of the Revised Code, except that the board may sell the notes 7248
after providing a reasonable opportunity for competitive 7249
bidding. 7250

Sec. 5705.252. (A) If the legislative authority of a 7251
municipal corporation adopts a resolution for the purposes 7252
provided in section 306.55 of the Revised Code and division (XX) 7253
of section 5705.19 of the Revised Code and certifies the 7254
resolution to the board of elections as a combined question, the 7255
question appearing on the ballot shall read: 7256

"Shall the territory within the _____ (name of municipal 7257
corporation) be withdrawn from _____ (name of regional transit 7258
authority) and shall an additional tax be levied for the benefit 7259
of _____ (name of municipal corporation) _____ for the purpose 7260
of providing transportation services for the movement of persons 7261
within, from, or to the _____ (name of municipal corporation) 7262
at a rate not exceeding _____ mills for each one dollar of 7263
valuation, which amounts to _____ (rate expressed in dollars 7264
and cents) for each one hundred dollars of valuation, for _____ 7265
(number of years the levy is to run)?" 7266

(B) If the board of trustees of a township adopts a 7267
resolution for the purposes provided in sections 306.55 and 7268
5705.72 of the Revised Code and certifies the resolution to the 7269
board of elections as a combined question, the question 7270
appearing on the ballot in the unincorporated area of the 7271

township shall read:

"Shall the territory within the unincorporated area of _____ (name of township) be withdrawn from _____ (name of regional transit authority) and shall an additional tax be levied for the benefit of the unincorporated area of _____ (name of township) for the purpose of providing transportation services for the movement of persons within, from, or to the unincorporated area of _____ (name of township) at a rate not exceeding _____ mills for each one dollar of valuation, which amounts to _____ (rate expressed in dollars and cents) for each one hundred dollars of valuation, for _____ (number of years the levy is to run)?"

Sec. 5705.29. This section does not apply to a subdivision or taxing unit for which the county budget commission has waived the requirement to adopt a tax budget pursuant to section 5705.281 of the Revised Code. The tax budget shall present the following information in such detail as is prescribed by the auditor of state:

(A) (1) A statement of the necessary current operating expenses for the ensuing fiscal year for each department and division of the subdivision, classified as to personal services and other expenses, and the fund from which such expenditures are to be made. Except in the case of a school district, this estimate may include a contingent expense not designated for any particular purpose, and not to exceed three per cent of the total amount of appropriations for current expenses. In the case of a school district, this estimate may include a contingent expense not designated for any particular purpose and not to exceed thirteen per cent of the total amount of appropriations for current expenses.

(2) A statement of the expenditures for the ensuing fiscal 7302
year necessary for permanent improvements, exclusive of any 7303
expense to be paid from bond issues, classified as to the 7304
improvements contemplated by the subdivision and the fund from 7305
which such expenditures are to be made; 7306

(3) The amounts required for the payment of final 7307
judgments; 7308

(4) A statement of expenditures for the ensuing fiscal 7309
year necessary for any purpose for which a special levy is 7310
authorized, and the fund from which such expenditures are to be 7311
made; 7312

(5) Comparative statements, so far as possible, in 7313
parallel columns of corresponding items of expenditures for the 7314
current fiscal year and the two preceding fiscal years. 7315

(B) (1) An estimate of receipts from other sources than the 7316
general property tax during the ensuing fiscal year, which shall 7317
include an estimate of unencumbered balances at the end of the 7318
current fiscal year, and the funds to which such estimated 7319
receipts are credited; 7320

(2) The amount each fund requires from the general 7321
property tax, which shall be the difference between the 7322
contemplated expenditure from the fund and the estimated 7323
receipts, as provided in this section. The section of the 7324
Revised Code under which the tax is authorized shall be set 7325
forth. 7326

(3) Comparative statements, so far as possible, in 7327
parallel columns of taxes and other revenues for the current 7328
fiscal year and the two preceding fiscal years. 7329

(C) (1) The amount required for debt charges; 7330

(2) The estimated receipts from sources other than the tax 7331
levy for payment of such debt charges, including the proceeds of 7332
refunding bonds to be issued to refund bonds maturing in the 7333
next succeeding fiscal year; 7334

(3) The net amount for which a tax levy shall be made, 7335
classified as to bonds authorized and issued prior to January 1, 7336
1922, and those authorized and issued subsequent to such date, 7337
and as to what portion of the levy will be within and what in 7338
excess of the ten-mill limitation. 7339

(D) An estimate of amounts from taxes authorized to be 7340
levied in excess of the ten-mill limitation on the tax rate, and 7341
the fund to which such amounts will be credited, together with 7342
the sections of the Revised Code under which each such tax is 7343
exempted from all limitations on the tax rate. 7344

(E) (1) A board of education may include in its budget for 7345
the fiscal year in which a levy proposed under section 5705.194, 7346
5705.199, 5705.21, 5705.213, or 5705.219, a property tax levy 7347
proposed under section 5748.09, or the original levy under 7348
section 5705.212 of the Revised Code is first extended on the 7349
tax list and duplicate an estimate of expenditures to be known 7350
as a voluntary contingency reserve balance, which shall not be 7351
greater than twenty-five per cent of the total amount of the 7352
levy estimated to be available for appropriation in such year. 7353

(2) A board of education may include in its budget for the 7354
fiscal year following the year in which a levy proposed under 7355
section 5705.194, 5705.199, 5705.21, 5705.213, or 5705.219, a 7356
property tax levy proposed under section 5748.09, or the 7357
original levy under section 5705.212 of the Revised Code is 7358
first extended on the tax list and duplicate an estimate of 7359
expenditures to be known as a voluntary contingency reserve 7360

balance, which shall not be greater than twenty per cent of the 7361
amount of the levy estimated to be available for appropriation 7362
in such year. 7363

(3) Except as provided in division (E) (4) of this section, 7364
the full amount of any reserve balance the board includes in its 7365
budget shall be retained by the county auditor and county 7366
treasurer out of the first semiannual settlement of taxes until 7367
the beginning of the next succeeding fiscal year, and thereupon, 7368
with the depository interest apportioned thereto, it shall be 7369
turned over to the board of education, to be used for the 7370
purposes of such fiscal year. 7371

(4) A board of education, by a two-thirds vote of all 7372
members of the board, may appropriate any amount withheld as a 7373
voluntary contingency reserve balance during the fiscal year for 7374
any lawful purpose, provided that prior to such appropriation 7375
the board of education has authorized the expenditure of all 7376
amounts appropriated for contingencies under section 5705.40 of 7377
the Revised Code. Upon request by the board of education, the 7378
county auditor shall draw a warrant on the district's account in 7379
the county treasury payable to the district in the amount 7380
requested. 7381

~~(F) (1) A board of education may include a spending reserve 7382~~
~~in its budget for fiscal years ending on or before June 30, 7383~~
~~2002. The spending reserve shall consist of an estimate of 7384~~
~~expenditures not to exceed the district's spending reserve 7385~~
~~balance. A district's spending reserve balance is the amount by 7386~~
~~which the designated percentage of the district's estimated 7387~~
~~personal property taxes to be settled during the calendar year 7388~~
~~in which the fiscal year ends exceeds the estimated amount of 7389~~
~~personal property taxes to be so settled and received by the 7390~~

~~district during that fiscal year. Moneys from a spending reserve~~ 7391
~~shall be appropriated in accordance with section 133.301 of the~~ 7392
~~Revised Code.~~ 7393

~~(2) For the purposes of computing a school district's~~ 7394
~~spending reserve balance for a fiscal year, the designated~~ 7395
~~percentage shall be as follows:~~ 7396

~~(C)~~ Except as otherwise provided in this division, the 7397
county budget commission shall not reduce the taxing authority 7398
of a subdivision as a result of the creation of a reserve 7399
balance account. Except as otherwise provided in this division, 7400
the county budget commission shall not consider the amount in a 7401
reserve balance account of a township, county, or municipal 7402
corporation as an unencumbered balance or as revenue for the 7403
purposes of division (E) (3) or (4) of section 5747.51 of the 7404
Revised Code. The county budget commission may require 7405
documentation of the reasonableness of the reserve balance held 7406
in any reserve balance account. The commission shall consider 7407
any amount in a reserve balance account that it determines to be 7408
unreasonable as unencumbered and as revenue for the purposes of 7409
section 5747.51 of the Revised Code and may take such amounts 7410
into consideration when determining whether to reduce the taxing 7411
authority of a subdivision. 7412

Sec. 5705.315. With respect to annexations granted on or 7413
~~after the effective date of this section March 27, 2002,~~ and 7414
during any tax year or years within which any territory annexed 7415
to a municipal corporation is part of a township, the minimum 7416
levy for the municipal corporation and township under section 7417
5705.31 of the Revised Code shall not be diminished, except that 7418
in the annexed territory and only during those tax year or 7419
years, and in order to preserve the minimum levies of 7420

overlapping subdivisions under section 5705.31 of the Revised 7421
Code so that the full amount of taxes within the ten-mill 7422
limitation may be levied to the extent possible, the minimum 7423
levy of the municipal corporation or township shall be the 7424
lowest of the following amounts: 7425

(A) An amount that when added to the minimum levies of the 7426
other overlapping subdivisions equals ten mills; 7427

(B) An amount equal to the minimum levy of the municipal 7428
corporation or township, provided the total minimum levy does 7429
not exceed ten mills. 7430

The municipal corporation and the township may enter into 7431
an agreement to determine the municipal corporation's and the 7432
township's minimum levy under this section. If it cannot be 7433
determined what minimum levy is available to each and no 7434
agreement has been entered into by the municipal corporation and 7435
township, the municipal corporation and township shall each 7436
receive one-half of the millage available for use within the 7437
portion of the territory annexed to the municipal corporation 7438
that remains part of the township. 7439

Sec. 5705.34. When the budget commission has completed its 7440
work with respect to a tax budget or other information required 7441
to be provided under section 5705.281 of the Revised Code, it 7442
shall certify its action to the taxing authority, together with 7443
an estimate by the county auditor of the rate of each tax 7444
necessary to be levied by the taxing authority within its 7445
subdivision, taxing unit, or, in the case of a qualifying 7446
library levy, within the library district or association library 7447
district, and what part thereof is in excess of, and what part 7448
within, the ten-mill tax limitation. The certification shall 7449
also indicate the date on which each tax levied by the taxing 7450

authority will expire. 7451

If a taxing authority levies a tax for a fixed sum of 7452
money or to pay debt charges for the tax year for which the tax 7453
budget is prepared, and a payment on account of that tax is 7454
payable to the taxing authority for the tax year under section 7455
5709.92 or 5709.93~~7~~ of the Revised Code, the county auditor, 7456
when estimating the rate at which the tax shall be levied in the 7457
current year, shall estimate the rate necessary to raise the 7458
required sum less the estimated amount of any such payments made 7459
for the tax year to a taxing unit for fixed-sum levies under 7460
those sections. The estimated rate shall be the rate of the levy 7461
that the budget commission certifies with its action under this 7462
section. 7463

Each taxing authority, by ordinance or resolution, shall 7464
authorize the necessary tax levies and certify them to the 7465
county auditor before the first day of October in each year, or 7466
at such later date as is approved by the tax commissioner, 7467
except that the certification by the legislative authority of 7468
the city of Cincinnati or by a board of education shall be made 7469
by the first day of April or at such later date as is approved 7470
by the commissioner, and except that a township board of park 7471
commissioners that is appointed by the board of township 7472
trustees and oversees a township park district that contains 7473
only unincorporated territory shall authorize only those taxes 7474
approved by, and only at the rate approved by, the board of 7475
township trustees as required by division (C) of section 511.27 7476
of the Revised Code. If the levying of a tax to be placed on the 7477
duplicate of the current year is approved by electors under 7478
sections 5705.01 to 5705.47 of the Revised Code; if the rate of 7479
a school district tax is increased due to the repeal of a school 7480
district income tax and property tax rate reduction at an 7481

election held pursuant to section 5748.04 of the Revised Code; 7482
or if refunding bonds to refund all or a part of the principal 7483
of bonds payable from a tax levy for the ensuing fiscal year are 7484
issued or sold and in the process of delivery, the budget 7485
commission shall reconsider and revise its action on the budget 7486
of the subdivision or school library district for whose benefit 7487
the tax is to be levied after the returns of such election are 7488
fully canvassed, or after the issuance or sale of such refunding 7489
bonds is certified to it. 7490

Sec. 5705.35. (A) The certification of the budget 7491
commission to the taxing authority of each subdivision or taxing 7492
unit, as set forth in section 5705.34 of the Revised Code, shall 7493
show the various funds of such subdivisions other than funds to 7494
be created by transfer and shall be filed by the county budget 7495
commission with such taxing authority on or before the first day 7496
of March in the case of school districts and the city of 7497
Cincinnati and on or before the first day of September in each 7498
year in the case of all other taxing authorities. There shall be 7499
set forth on the credit side of each fund the estimated 7500
unencumbered balances and receipts, and if a tax is to be levied 7501
for such fund, the estimated revenue to be derived therefrom, 7502
the rate of the levy, and what portion thereof is within, and 7503
what in excess of, the ten-mill tax limitation, and on the debit 7504
side, the total appropriations that may be made therefrom. 7505
Subject to division ~~(G)~~ (F) of section 5705.29 of the Revised 7506
Code, any reserve balance in an account established under 7507
section 5705.13 of the Revised Code for the purpose described in 7508
division (A)(1) of that section, and the principal of a 7509
nonexpendable trust fund established under section 5705.131 of 7510
the Revised Code and any additions to principal arising from 7511
sources other than the reinvestment of investment earnings 7512

arising from that fund, are not unencumbered balances for the 7513
purposes of this section. The balance in a reserve balance 7514
account established under section 5705.132 of the Revised Code 7515
is not an unencumbered balance for the purposes of this 7516
division. 7517

There shall be attached to the certification a summary, 7518
which shall be known as the "official certificate of estimated 7519
resources," that shall state the total estimated resources of 7520
each fund of the subdivision that are available for 7521
appropriation in the fiscal year, other than funds to be created 7522
by transfer, and a statement of the amount of the total tax 7523
duplicate of the school district to be used in the collection of 7524
taxes for the following calendar year. Before the end of the 7525
fiscal year, the taxing authority of each subdivision and other 7526
taxing unit shall revise its tax budget, if one was adopted, so 7527
that the total contemplated expenditures from any fund during 7528
the ensuing fiscal year will not exceed the total appropriations 7529
that may be made from such fund, as determined by the budget 7530
commission in its certification; and such revised budget shall 7531
be the basis of the annual appropriation measure. 7532

~~(B) (1) Except as otherwise provided in division (B) (2) of~~ 7533
~~this section, revenues~~ Revenue from real property taxes 7534
scheduled to be settled on or before the tenth day of August and 7535
the fifteenth day of February of a fiscal year under divisions 7536
(A) and (C) of section 321.24 of the Revised Code, ~~and revenue~~ 7537
~~from taxes levied on personal property used in business~~ 7538
~~scheduled to be settled on or before the thirty-first day of~~ 7539
~~October and the thirtieth day of June of a fiscal year under~~ 7540
~~divisions (B) and (D) of section 321.24 of the Revised Code~~ 7541
shall not be available for appropriation by a board of education 7542
prior to the fiscal year in which such latest scheduled 7543

settlement date occurs, except that moneys advanced to the 7544
treasurer of a board of education under division (A) (2) (b) of 7545
section 321.34 of the Revised Code shall be available for 7546
appropriation in the fiscal year in which they are paid to the 7547
treasurer under such section. If the date for any settlement of 7548
taxes is extended under division (E) of section 321.24 of the 7549
Revised Code, the latest date set forth in divisions (A) to (D) 7550
of that section shall be used to determine in which fiscal year 7551
the revenues are first available for appropriation. 7552

~~(2) Revenues available for appropriation by a school 7553
district during a fiscal year may include amounts borrowed in 7554
that fiscal year under section 133.301 of the Revised Code in 7555
anticipation of the collection of taxes that are to be included 7556
in the settlements made under divisions (C) and (D) of section 7557
321.24 of the Revised Code in the ensuing fiscal year. 7558~~

Sec. 5705.36. (A) (1) On or about the first day of each 7559
fiscal year, the fiscal officer of each subdivision and other 7560
taxing unit shall certify to the county auditor the total amount 7561
from all sources available for expenditures from each fund set 7562
up in the tax budget or, if adoption of a tax budget was waived 7563
under section 5705.281 of the Revised Code, from each fund 7564
created by or on behalf of the taxing authority. The amount 7565
certified shall include any unencumbered balances that existed 7566
at the end of the preceding year, excluding any of the 7567
following: 7568

(a) Subject to division ~~(G)~~ (F) of section 5705.29 of the 7569
Revised Code, any reserve balance in an account established 7570
under section 5705.13 of the Revised Code for the purpose 7571
described in division (A) (1) of that section; 7572

(b) The principal of a nonexpendable trust fund 7573

established under section 5705.131 of the Revised Code and any 7574
additions to principal arising from sources other than the 7575
reinvestment of investment earnings arising from that fund; 7576

(c) The balance in a reserve balance account established 7577
under section 5705.132 of the Revised Code. 7578

A school district's certification shall separately show 7579
the amount of any notes and unpaid and outstanding expenses on 7580
the preceding thirtieth day of June that are to be paid from 7581
property taxes that are to be settled during the current fiscal 7582
year under divisions (C) and (D) of section 321.24 of the 7583
Revised Code, ~~and the amount of any spending reserve available~~ 7584
~~for appropriation during the current fiscal year under section~~ 7585
~~133.301 of the Revised Code.~~ The budget commission, taking into 7586
consideration the balances and revenues to be derived from 7587
taxation and other sources, shall revise its estimate of the 7588
amounts that will be credited to each fund from such sources, 7589
and shall certify to the taxing authority of each subdivision an 7590
amended official certificate of estimated resources. 7591

(2) Subject to divisions (A) (3) and (4) of this section, 7592
upon a determination by the fiscal officer of a subdivision that 7593
the revenue to be collected by the subdivision will be greater 7594
or less than the amount included in an official certificate, the 7595
fiscal officer may certify the amount of the deficiency or 7596
excess to the commission, and if the commission determines that 7597
the fiscal officer's certification is reasonable, the commission 7598
shall certify an amended official certificate reflecting the 7599
deficiency or excess. 7600

(3) Upon a determination by the fiscal officer of a 7601
subdivision that the revenue to be collected by the subdivision 7602
will be greater than the amount included in an official 7603

certificate and the legislative authority intends to appropriate 7604
and expend the excess revenue, the fiscal officer shall certify 7605
the amount of the excess to the commission, and if the 7606
commission determines that the fiscal officer's certification is 7607
reasonable, the commission shall certify an amended official 7608
certificate reflecting the excess. 7609

(4) Upon a determination by the fiscal officer of a 7610
subdivision that the revenue to be collected by the subdivision 7611
will be less than the amount included in an official certificate 7612
and that the amount of the deficiency will reduce available 7613
resources below the level of current appropriations, the fiscal 7614
officer shall certify the amount of the deficiency to the 7615
commission, and the commission shall certify an amended 7616
certificate reflecting the deficiency. 7617

(5) The total appropriations made during the fiscal year 7618
from any fund shall not exceed the amount set forth as available 7619
for expenditure from such fund in the official certificate of 7620
estimated resources, or any amendment thereof, certified prior 7621
to the making of the appropriation or supplemental 7622
appropriation. 7623

(B) At the time of settlement of taxes against which notes 7624
have been issued under ~~section 133.301~~ or division (D) of 7625
section 133.10 of the Revised Code and at the time a tax 7626
duplicate is delivered pursuant to section 319.28 or 319.29 of 7627
the Revised Code, the county auditor shall determine whether the 7628
total amount to be distributed to each school district from such 7629
settlement or duplicate, when combined with the amounts to be 7630
distributed from any subsequent settlement, will increase or 7631
decrease the amount available for appropriation during the 7632
current fiscal year from any fund. The county auditor shall 7633

certify this finding to the budget commission, which shall 7634
certify an amended official certificate reflecting the finding 7635
or certify to the school district that no amended certificate 7636
needs to be issued. 7637

Sec. 5705.49. Wherever in the Revised Code the taxing 7638
~~authorities authority~~ of any subdivision, ~~as defined in section~~ 7639
~~5705.01 of the Revised Code, are~~ is authorized to levy taxes on 7640
the taxable property within a subdivision, or, in the case of a 7641
qualifying library levy, within a library district or 7642
association library district, such authority shall extend only 7643
to the levy of taxes on the taxable real and public utility 7644
property listed on general tax lists and duplicates provided for 7645
by section 319.28 of the Revised Code. Where the amount of 7646
indebtedness of any subdivision is limited by law with reference 7647
to the tax valuation or aggregate value of the property on the 7648
tax list and duplicate of such subdivision, such limitation 7649
shall be measured by the property listed on such general tax 7650
lists and duplicates in such subdivision. 7651

Sec. 5709.201. (A) Except as provided in divisions (C) (4) 7652
(a) and (c) of section 5709.22 and division (F) of section 7653
5709.25 of the Revised Code, a certificate issued under section 7654
5709.21, 5709.31, 5709.46, or 6111.31 of the Revised Code that 7655
was valid and in effect on ~~the effective date of this section~~ 7656
June 26, 2003, shall continue in effect subject to the law as it 7657
existed before that ~~effective~~ date. Division (C) (4) (b) of 7658
section 5709.22 of the Revised Code does not apply to any 7659
certificate issued by the tax commissioner before July 1, 2003. 7660

(B) Any applications pending on ~~the effective date of this~~ 7661
~~section~~ June 26, 2003, for which a certificate had not been 7662
issued on or before that ~~effective~~ date under section 6111.31 of 7663

the Revised Code shall be transferred to the tax commissioner 7664
for further administering. Sections 5709.20 to 5709.27 of the 7665
Revised Code apply to such pending applications, excluding the 7666
requirement of section 5709.212 of the Revised Code that 7667
applicants must pay the fee. 7668

(C) For applications pending on ~~the effective date of this~~ 7669
~~section June 26, 2003,~~ division (D) of section 5709.25 of the 7670
Revised Code allowing the commissioner to assess any additional 7671
tax notwithstanding any other time limitations imposed by law on 7672
the denied portion of the applicant's claim applies only to tax 7673
periods that would otherwise be open to assessment on that 7674
~~effective date.~~ 7675

Sec. 5709.43. (A) A municipal corporation that grants a 7676
tax exemption under section 5709.40 of the Revised Code shall 7677
establish a municipal public improvement tax increment 7678
equivalent fund into which shall be deposited service payments 7679
in lieu of taxes distributed to the municipal corporation under 7680
section 5709.42 of the Revised Code. If the legislative 7681
authority of the municipal corporation has adopted an ordinance 7682
under division (C) of section 5709.40 of the Revised Code, the 7683
municipal corporation shall establish at least one account in 7684
that fund with respect to ordinances adopted under division (B) 7685
of that section, and one account with respect to each incentive 7686
district created in an ordinance adopted under division (C) of 7687
that section. If an ordinance adopted under division (C) of 7688
section 5709.40 of the Revised Code also authorizes the use of 7689
service payments for housing renovations within the district, 7690
the municipal corporation shall establish separate accounts for 7691
the service payments designated for public infrastructure 7692
improvements and for the service payments authorized for the 7693
purpose of housing renovations. Money in an account of the 7694

municipal public improvement tax increment equivalent fund shall 7695
be used to finance the public infrastructure improvements 7696
designated in, or the housing renovations authorized by, the 7697
ordinance with respect to which the account is established; in 7698
the case of an account established with respect to an ordinance 7699
adopted under division (C) of that section, money in the account 7700
shall be used to finance the public infrastructure improvements 7701
designated, or the housing renovations authorized, for each 7702
incentive district created in the ordinance. Money in an account 7703
shall not be used to finance or support housing renovations that 7704
take place after the incentive district has expired. The 7705
municipal corporation also may deposit into any of those 7706
accounts municipal income tax revenue that has been designated 7707
by ordinance to finance the public infrastructure improvements 7708
and housing renovations. 7709

(B) A municipal corporation may establish an urban 7710
redevelopment tax increment equivalent fund, by resolution or 7711
ordinance of its legislative authority, into which shall be 7712
deposited service payments in lieu of taxes distributed to the 7713
municipal corporation by the county treasurer as provided in 7714
section 5709.42 of the Revised Code for improvements exempt from 7715
taxation pursuant to an ordinance adopted under section 5709.41 7716
of the Revised Code. Moneys deposited in the urban redevelopment 7717
tax increment equivalent fund shall be used for such purposes as 7718
are authorized in the resolution or ordinance establishing the 7719
fund. The municipal corporation also may deposit into the urban 7720
redevelopment tax increment equivalent fund municipal income tax 7721
revenue that has been dedicated to fund any of the purposes for 7722
which the fund is established. 7723

(C) (1) (a) A municipal corporation may distribute money in 7724
the municipal public improvement tax increment equivalent fund 7725

or the urban redevelopment tax increment equivalent fund to any 7726
school district in which the exempt property is located, in an 7727
amount not to exceed the amount of real property taxes that such 7728
school district would have received from the improvement if it 7729
were not exempt from taxation, or use money in either or both 7730
funds to finance specific public improvements benefiting the 7731
school district. The resolution or ordinance establishing the 7732
fund shall set forth the percentage of such maximum amount that 7733
will be distributed to any affected school district or used to 7734
finance specific public improvements benefiting the school 7735
district. 7736

(b) A municipal corporation also may distribute money in 7737
the municipal public improvement tax increment equivalent fund 7738
or the urban redevelopment tax increment equivalent fund as 7739
follows: 7740

(i) To a board of county commissioners, in the amount that 7741
is owed to the board pursuant to division (E) of section 5709.40 7742
of the Revised Code; 7743

(ii) To a county in accordance with section 5709.913 of 7744
the Revised Code. 7745

(2) Money from an account in a municipal public 7746
improvement tax increment equivalent fund or from an urban 7747
redevelopment tax increment equivalent fund may be distributed 7748
under division (C)(1)(b) of this section, regardless of the date 7749
a resolution or an ordinance was adopted under section 5709.40 7750
or 5709.41 of the Revised Code that prompted the establishment 7751
of the account or the establishment of the urban redevelopment 7752
tax increment equivalent fund, even if the resolution or 7753
ordinance was adopted prior to ~~the effective date of this~~ 7754
~~amendment~~ March 30, 2006. 7755

(D) Any incidental surplus remaining in the municipal 7756
public improvement tax increment equivalent fund or an account 7757
of that fund, or in the urban redevelopment tax increment 7758
equivalent fund, upon dissolution of the account or fund shall 7759
be transferred to the general fund of the municipal corporation. 7760

Sec. 5709.48. (A) As used in this section: 7761

(1) "Regional transportation improvement project" has the 7762
same meaning as in section 5595.01 of the Revised Code. 7763

(2) "Improvements" means the increase in the assessed 7764
value of any real property that would first appear on the tax 7765
list and duplicate of real and public utility property after the 7766
effective date of the resolution adopted under this section were 7767
it not for the exemption granted by that resolution. 7768

(B) For the purposes described in division (A) of section 7769
5595.06 of the Revised Code, the governing board of a regional 7770
transportation improvement project that was undertaken pursuant 7771
to section 5595.02 of the Revised Code before ~~the effective date~~ 7772
~~of the amendment of this section by S.B. 8 of the 132nd general~~ 7773
~~assembly~~ March 23, 2018, may, by resolution, create a 7774
transportation financing district and declare improvements to 7775
parcels within the district to be a public purpose and exempt 7776
from taxation. 7777

(C) A transportation financing district may include 7778
territory in more than one county as long as each such county is 7779
a participant in the regional transportation improvement project 7780
funded by the district. A district shall not include parcels 7781
used primarily for residential purposes. A district shall not 7782
include any parcel that is currently exempt from taxation under 7783
this section or section 5709.40, 5709.41, 5709.45, 5709.73, or 7784

5709.77 of the Revised Code. The governing board may designate 7785
parcels within the boundaries of a district that are not to be 7786
included in the district. The governing board may designate 7787
noncontiguous parcels located outside the boundaries of the 7788
district that are to be included in the district. 7789

The governing board may adopt more than one resolution 7790
under division (B) of this section. A single such resolution may 7791
create more than one transportation financing district. 7792

(D) A resolution creating a transportation financing 7793
district shall specify all of the following: 7794

(1) A description of the territory included in the 7795
district; 7796

(2) The county treasurer's permanent parcel number 7797
associated with each parcel included in the district; 7798

(3) The percentage of improvements to be exempted from 7799
taxation and the duration of the exemption, which shall not 7800
exceed the remaining number of years the cooperative agreement 7801
for the regional transportation improvement district, described 7802
under section 5595.03 of the Revised Code, is in effect; 7803

(4) A plan for the district that describes the principal 7804
purposes and goals to be served by the district and explains how 7805
the use of service payments provided for by section 5709.49 of 7806
the Revised Code will economically benefit owners of property 7807
within the district. 7808

(E) (1) Except as otherwise provided in divisions (E) (2) 7809
and (3) of this section, the governing board, before adopting a 7810
resolution under division (B) of this section, shall notify and 7811
obtain the approval of each subdivision and taxing unit that 7812
levies a property tax within the territory of the proposed 7813

transportation financing district. A subdivision or taxing 7814
unit's approval or disapproval of the proposed district shall be 7815
in the form of an ordinance or resolution. The governing board 7816
may negotiate an agreement with a subdivision or taxing unit 7817
providing for compensation equal in value to a percentage of the 7818
amount of taxes exempted or some other mutually agreeable 7819
compensation. 7820

(2) A subdivision or taxing unit may adopt an ordinance or 7821
resolution waiving its right to approve or receive notice of 7822
transportation financing districts proposed under this section. 7823
If a subdivision or taxing unit has adopted such an ordinance or 7824
resolution, the terms of that ordinance or resolution supersede 7825
the requirements of division (E)(1) of this section. The 7826
governing board may negotiate an agreement with a subdivision or 7827
taxing unit providing for some mutually agreeable compensation 7828
in exchange for the subdivision or taxing unit adopting such an 7829
ordinance or resolution. If a subdivision or taxing unit has 7830
adopted such an ordinance or resolution, it shall certify a copy 7831
to the governing board. If the subdivision or taxing unit 7832
rescinds such an ordinance or resolution, it shall certify 7833
notice of the rescission to the governing board. 7834

(3) The governing board need not obtain the approval of a 7835
subdivision or taxing unit if the governing board agrees to 7836
compensate that subdivision or unit for the full amount of taxes 7837
exempted under the resolution creating the district. 7838

(F) After complying with division (E) of this section, the 7839
governing board shall notify and obtain the approval of every 7840
real property owner whose property is included in the proposed 7841
transportation financing district. 7842

(G) (1) Upon adopting a resolution creating a 7843

transportation financing district, the governing board shall 7844
send a copy of the resolution and documentation sufficient to 7845
prove that the requirements of divisions (E) and (F) of this 7846
section have been met to the director of development services. 7847
The director shall evaluate the resolution and documentation to 7848
determine if the governing board has fully complied with the 7849
requirements of this section. If the director approves the 7850
resolution, the director shall send notice of approval to the 7851
governing board. If the director does not approve the 7852
resolution, the director shall send a notice of denial to the 7853
governing board that includes the reason or reasons for the 7854
denial. If the director does not make a determination within 7855
ninety days after receiving a resolution under this section, the 7856
director is deemed to have approved the resolution. No 7857
resolution creating a transportation financing district is 7858
effective without actual or constructive approval by the 7859
director under this section. 7860

(2) An exemption from taxation granted under this section 7861
commences with the tax year specified in the resolution so long 7862
as the year specified in the resolution commences after the 7863
effective date of the resolution. If the resolution specifies a 7864
year commencing before the effective date of the resolution or 7865
specifies no year whatsoever, the exemption commences with the 7866
tax year in which an exempted improvement first appears on the 7867
tax list and that commences after the effective date of the 7868
resolution. 7869

(3) Except as otherwise provided in this division, the 7870
exemption ends on the date specified in the resolution as the 7871
date the improvement ceases to be a public purpose or the 7872
regional transportation improvement project funded by the 7873
service payments dissolves under section 5595.13 of the Revised 7874

Code, whichever occurs first. Exemptions shall be claimed and 7875
allowed in the same manner as in the case of other real property 7876
exemptions. If an exemption status changes during a year, the 7877
procedure for the apportionment of the taxes for that year is 7878
the same as in the case of other changes in tax exemption status 7879
during the year. 7880

(H) The resolution creating a transportation financing 7881
district may be amended at any time by majority vote of the 7882
governing board and with the approval of the director of 7883
development services obtained in the same manner as approval of 7884
the original resolution. 7885

Sec. 5709.53. (A) A solar, wind, or hydrothermal energy 7886
system on which construction or installation is completed during 7887
the period from ~~the effective date of this section~~ August 14, 7888
1979, through December 31, 1985, that meets the guidelines 7889
established under division (B) of section 1551.20 of the Revised 7890
Code is exempt from real property taxation. 7891

(B) Any fixture or other real property included in an 7892
energy facility with an aggregate nameplate capacity of two 7893
hundred fifty kilowatts or less is exempt from taxation if 7894
construction or installation is completed on or after January 1, 7895
2010. 7896

As used in division (B) of this section, "energy facility" 7897
and "nameplate capacity" have the same meanings as in section 7898
5727.01 of the Revised Code. 7899

Sec. 5709.61. As used in sections 5709.61 to 5709.69 of 7900
the Revised Code: 7901

(A) "Enterprise zone" or "zone" means any of the 7902
following: 7903

(1) An area with a single continuous boundary designated 7904
in the manner set forth in section 5709.62 or 5709.63 of the 7905
Revised Code and certified by the director of development as 7906
having a population of at least four thousand according to the 7907
best and most recent data available to the director and having 7908
at least two of the following characteristics: 7909

(a) It is located in a municipal corporation defined by 7910
the United States office of management and budget as a principal 7911
city of a metropolitan statistical area; 7912

(b) It is located in a county designated as being in the 7913
"Appalachian region" under the "Appalachian Regional Development 7914
Act of 1965," 79 Stat. 5, 40 App. U.S.C.A. 403, as amended; 7915

(c) Its average rate of unemployment, during the most 7916
recent twelve-month period for which data are available, is 7917
equal to at least one hundred twenty-five per cent of the 7918
average rate of unemployment for the state of Ohio for the same 7919
period; 7920

(d) There is a prevalence of commercial or industrial 7921
structures in the area that are vacant or demolished, or are 7922
vacant and the taxes charged thereon are delinquent, and 7923
certification of the area as an enterprise zone would likely 7924
result in the reduction of the rate of vacant or demolished 7925
structures or the rate of tax delinquency in the area; 7926

(e) The population of all census tracts in the area, 7927
according to the federal census of 2000, decreased by at least 7928
ten per cent between the years 1980 and 2000; 7929

(f) At least fifty-one per cent of the residents of the 7930
area have incomes of less than eighty per cent of the median 7931
income of residents of the municipal corporation or municipal 7932

corporations in which the area is located, as determined in the 7933
same manner specified under section 119(b) of the "Housing and 7934
Community Development Act of 1974," 88 Stat. 633, 42 U.S.C. 7935
5318, as amended; 7936

(g) The area contains structures previously used for 7937
industrial purposes, but currently not so used due to age, 7938
obsolescence, deterioration, relocation of the former occupant's 7939
operations, or cessation of operations resulting from 7940
unfavorable economic conditions either generally or in a 7941
specific economic sector; 7942

(h) It is located within one or more adjacent city, local, 7943
or exempted village school districts, the income-weighted tax 7944
capacity of each of which is less than seventy per cent of the 7945
average of the income-weighted tax capacity of all city, local, 7946
or exempted village school districts in the state according to 7947
the most recent data available to the director from the 7948
department of taxation. 7949

The director of development shall adopt rules in 7950
accordance with Chapter 119. of the Revised Code establishing 7951
conditions constituting the characteristics described in 7952
divisions (A) (1) (d), (g), and (h) of this section. 7953

If an area could not be certified as an enterprise zone 7954
unless it satisfied division (A) (1) (g) of this section, the 7955
legislative authority may enter into agreements in that zone 7956
under section 5709.62, 5709.63, or 5709.632 of the Revised Code 7957
only if such agreements result in the development of the 7958
facilities described in that division, the parcel of land on 7959
which such facilities are situated, or adjacent parcels. The 7960
director of development annually shall review all agreements in 7961
such zones to determine whether the agreements have resulted in 7962

such development; if the director determines that the agreements 7963
have not resulted in such development, the director immediately 7964
shall revoke certification of the zone and notify the 7965
legislative authority of such revocation. Any agreements entered 7966
into prior to revocation under this paragraph shall continue in 7967
effect for the period provided in the agreement. 7968

(2) An area with a single continuous boundary designated 7969
in the manner set forth in section 5709.63 of the Revised Code 7970
and certified by the director of development as having all of 7971
the following characteristics: 7972

(a) Being located within a county that contains a 7973
population of three hundred thousand or less; 7974

(b) Having a population of at least one thousand according 7975
to the best and most recent data available to the director; 7976

(c) Having at least two of the characteristics described 7977
in divisions (A)(1)(b) to (h) of this section. 7978

(3) An area with a single continuous boundary designated 7979
in the manner set forth under division (A)(1) of section 7980
5709.632 of the Revised Code and certified by the director of 7981
development as having a population of at least four thousand, or 7982
under division (A)(2) of that section and certified as having a 7983
population of at least one thousand, according to the best and 7984
most recent data available to the director. 7985

(B) "Enterprise" means any form of business organization 7986
including, but not limited to, any partnership, sole 7987
proprietorship, or corporation, including an S corporation as 7988
defined in section 1361 of the Internal Revenue Code and any 7989
corporation that is majority ~~work-owned~~ worker-owned either 7990
directly through the ownership of stock or indirectly through 7991

participation in an employee stock ownership plan. 7992

(C) "Facility" means an enterprise's place of business in 7993
a zone, including land, buildings, machinery, equipment, and 7994
other materials, except inventory, used in business. "Facility" 7995
includes land, buildings, machinery, production and station 7996
equipment, other equipment, and other materials, except 7997
inventory, used in business to generate electricity, provided 7998
that, for purposes of sections 5709.61 to 5709.69 of the Revised 7999
Code, the value of the property at such a facility shall be 8000
reduced by the value, if any, that is not apportioned under 8001
section 5727.15 of the Revised Code to the taxing district in 8002
which the facility is physically located. In the case of such a 8003
facility that is physically located in two adjacent taxing 8004
districts, the property located in each taxing district 8005
constitutes a separate facility. 8006

"Facility" does not include any portion of an enterprise's 8007
place of business used primarily for making retail sales unless 8008
the place of business is located in an impacted city as defined 8009
in section 1728.01 of the Revised Code or the board of education 8010
of the city, local, or exempted village school district within 8011
the territory of which the place of business is located adopts a 8012
resolution waiving the exclusion of retail facilities under 8013
section 5709.634 of the Revised Code. 8014

(D) "Vacant facility" means a facility that has been 8015
vacant for at least ninety days immediately preceding the date 8016
on which an agreement is entered into under section 5709.62 or 8017
5709.63 of the Revised Code. 8018

(E) "Expand" means to make expenditures to add land, 8019
buildings, machinery, equipment, or other materials, except 8020
inventory, to a facility that equal at least ten per cent of the 8021

market value of the facility prior to such expenditures, as 8022
determined for the purposes of local property taxation. 8023

(F) "Renovate" means to make expenditures to alter or 8024
repair a facility that equal at least fifty per cent of the 8025
market value of the facility prior to such expenditures, as 8026
determined for the purposes of local property taxation. 8027

(G) "Occupy" means to make expenditures to alter or repair 8028
a vacant facility equal to at least twenty per cent of the 8029
market value of the facility prior to such expenditures, as 8030
determined for the purposes of local property taxation. 8031

(H) "Project site" means all or any part of a facility 8032
that is newly constructed, expanded, renovated, or occupied by 8033
an enterprise. 8034

(I) "Project" means any undertaking by an enterprise to 8035
establish a facility or to improve a project site by expansion, 8036
renovation, or occupancy. 8037

(J) "Position" means the position of one full-time 8038
employee performing a particular set of tasks and duties. 8039

(K) "Full-time employee" means an individual who is 8040
employed for consideration by an enterprise for at least thirty- 8041
five hours a week, or who renders any other standard of service 8042
generally accepted by custom or specified by contract as full- 8043
time employment. 8044

(L) "New employee" means a full-time employee first 8045
employed by an enterprise at a facility that is a project site 8046
after the enterprise enters an agreement under section 5709.62 8047
or 5709.63 of the Revised Code. "New employee" does not include 8048
an employee if, immediately prior to being employed by the 8049
enterprise, the employee was employed by an enterprise that is a 8050

related member or predecessor enterprise of that enterprise. 8051

(M) "Unemployed person" means any person who is totally 8052
unemployed in this state, as that term is defined in division 8053
(M) of section 4141.01 of the Revised Code, for at least ten 8054
consecutive weeks immediately preceding that person's employment 8055
at a facility that is a project site, or who is so unemployed 8056
for at least twenty-six of the fifty-two weeks immediately 8057
preceding that person's employment at such a facility. 8058

(N) "JTPA eligible employee" means any individual who is 8059
eligible for employment or training under the "Job Training 8060
Partnership Act," 96 Stat. 1324 (1982), 29 U.S.C. 1501, as 8061
amended. 8062

(O) "First used in business" means that the property 8063
referred to has not been used in business in this state by the 8064
enterprise that owns it, or by an enterprise that is a related 8065
member or predecessor enterprise of such an enterprise, other 8066
than as inventory, prior to being used in business at a facility 8067
as the result of a project. 8068

(P) "Training program" means any noncredit training 8069
program or course of study that is offered by any state college 8070
or university; university branch district; community college; 8071
technical college; nonprofit college or university certified 8072
under section 1713.02 of the Revised Code; school district; 8073
joint vocational school district; school registered and 8074
authorized to offer programs under section 3332.05 of the 8075
Revised Code; an entity administering any federal, state, or 8076
local adult education and training program; or any enterprise; 8077
and that meets all of the following requirements: 8078

(1) It is approved by the director of development; 8079

(2) It is established or operated to satisfy the need of a 8080
particular industry or enterprise for skilled or semi-skilled 8081
employees; 8082

(3) An individual is required to complete the course or 8083
program before filling a position at a project site. 8084

(Q) "Development" means to engage in the process of 8085
clearing and grading land, making, installing, or constructing 8086
water distribution systems, sewers, sewage collection systems, 8087
steam, gas, and electric lines, roads, curbs, gutters, 8088
sidewalks, storm drainage facilities, and construction of other 8089
facilities or buildings equal to at least fifty per cent of the 8090
market value of the facility prior to the expenditures, as 8091
determined for the purposes of local property taxation. 8092

(R) "Large manufacturing facility" means a single Ohio 8093
facility that employed an average of at least one thousand 8094
individuals during the five calendar years preceding an 8095
agreement authorized under division (C) (3) of section 5709.62 or 8096
division (B) (2) of section 5709.63 of the Revised Code. For 8097
purposes of this division, both of the following apply: 8098

(1) A single Ohio manufacturing facility employed an 8099
average of at least one thousand individuals during the five 8100
calendar years preceding entering into such an agreement if one- 8101
fifth of the sum of the number of employees employed on the 8102
highest employment day during each of the five calendar years 8103
equals or exceeds one thousand. 8104

(2) The highest employment day is the day or days during a 8105
calendar year on which the number of employees employed at a 8106
single Ohio manufacturing facility was greater than on any other 8107
day during the calendar year. 8108

(S) "Business cycle" means the cycle of business activity 8109
usually regarded as passing through alternating stages of 8110
prosperity and depression. 8111

(T) "Making retail sales" means the effecting of point-of- 8112
final-purchase transactions at a facility open to the consuming 8113
public, wherein one party is obligated to pay the price and the 8114
other party is obligated to provide a service or to transfer 8115
title to or possession of the item sold. 8116

(U) "Environmentally contaminated" means that hazardous 8117
substances exist at a facility under conditions that have caused 8118
or would cause the facility to be identified as contaminated by 8119
the state or federal environmental protection agency. These may 8120
include facilities located at sites identified in the master 8121
sites list or similar database maintained by the state 8122
environmental protection agency if the sites have been 8123
investigated by the agency and found to be contaminated. 8124

(V) "Remediate" means to make expenditures to clean up an 8125
environmentally contaminated facility so that it is no longer 8126
environmentally contaminated that equal at least ten per cent of 8127
the real property market value of the facility prior to such 8128
expenditures as determined for the purposes of property 8129
taxation. 8130

(W) "Related member" has the same meaning as defined in 8131
section 5733.042 of the Revised Code without regard to division 8132
(B) of that section, except that it is used with respect to an 8133
enterprise rather than a taxpayer. 8134

(X) "Predecessor enterprise" means an enterprise from 8135
which the assets or equity of another enterprise has been 8136
transferred, which transfer resulted in the full or partial 8137

nonrecognition of gain or loss, or resulted in a carryover 8138
basis, both as determined by rule adopted by the tax 8139
commissioner. 8140

(Y) "Successor enterprise" means an enterprise to which 8141
the assets or equity of another enterprise has been transferred, 8142
which transfer resulted in the full or partial nonrecognition of 8143
gain or loss, or resulted in a carryover basis, both as 8144
determined by rule adopted by the tax commissioner. 8145

Sec. 5709.80. (A) The board of county commissioners of a 8146
county that receives service payments in lieu of taxes under 8147
section 5709.79 of the Revised Code shall establish a 8148
redevelopment tax equivalent fund into which those payments 8149
shall be deposited. Separate accounts shall be established in 8150
the fund for each resolution adopted by the board of county 8151
commissioners under section 5709.78 of the Revised Code. If the 8152
board of county commissioners has adopted a resolution under 8153
division (B) of that section, the county shall establish an 8154
account for each incentive district created in that resolution. 8155
If a resolution adopted under division (B) of section 5709.78 of 8156
the Revised Code also authorizes the use of service payments for 8157
housing renovations within the incentive district, the county 8158
shall establish separate accounts for the service payments 8159
designated for public infrastructure improvements and for the 8160
service payments authorized for the purpose of housing 8161
renovations. 8162

(B) Moneys deposited into each account of the fund shall 8163
be used by the county to pay the cost of constructing or 8164
repairing the public infrastructure improvements designated in, 8165
or the housing renovations authorized by, the resolution, or for 8166
each incentive district for which the account is established, to 8167

pay the interest on and principal of bonds or notes issued under 8168
division (B) of section 307.082 or division (A) of section 8169
5709.81 of the Revised Code, or for the purposes pledged under 8170
division (B) of section 5709.81 of the Revised Code. Money in an 8171
account shall not be used to finance or support housing 8172
renovations that take place after the incentive district has 8173
expired. 8174

(C) (1) (a) The board of county commissioners may distribute 8175
money in an account to any school district in which the exempt 8176
property is located in an amount not to exceed the amount of 8177
real property taxes that such school district would have 8178
received from the improvement if it were not exempt from 8179
taxation. The resolution under which an account is established 8180
shall set forth the percentage of such maximum amount that will 8181
be distributed to any affected school district. 8182

(b) A board of county commissioners also may distribute 8183
money in such an account as follows: 8184

(i) To a board of township trustees or legislative 8185
authority of a municipal corporation, as applicable, in the 8186
amount that is owed to the board of township trustees or 8187
legislative authority pursuant to division (D) of section 8188
5709.78 of the Revised Code; 8189

(ii) To a township in accordance with section 5709.914 of 8190
the Revised Code. 8191

(2) Money from an account in the redevelopment tax 8192
equivalent fund may be distributed under division (C) (1) (b) of 8193
this section, regardless of the date a resolution was adopted 8194
under section 5709.78 of the Revised Code that prompted the 8195
establishment of the account, even if the resolution was adopted 8196

~~prior to the effective date of this amendment March 30, 2006.~~

(D) An account dissolves upon fulfillment of the purposes for which money in the account may be used. An incidental surplus remaining in an account upon its dissolution shall be transferred to the general fund of the county.

Sec. 5709.85. (A) The legislative authority of a county, township, or municipal corporation that grants an exemption from taxation under Chapter 725. or 1728. or under section 3735.67, 5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code shall create a tax incentive review council. The council shall consist of the following members:

(1) In the case of a municipal corporation eligible to designate a zone under section 5709.62 or 5709.632 of the Revised Code, the chief executive officer or that officer's designee; a member of the legislative authority of the municipal corporation, appointed by the president of the legislative authority or, if the chief executive officer of the municipal corporation is the president, appointed by the president pro tempore of the legislative authority; the county auditor or the county auditor's designee; the chief financial officer of the municipal corporation or that officer's designee; an individual appointed by the board of education of each city, local, exempted village, and joint vocational school district to which the instrument granting the exemption applies; and two members of the public appointed by the chief executive officer of the municipal corporation with the concurrence of the legislative authority. At least four members of the council shall be residents of the municipal corporation, and at least one of the two public members appointed by the chief executive officer

shall be a minority. As used in division (A) (1) of this section, 8227
a "minority" is an individual who is African-American, Hispanic, 8228
or Native American. 8229

(2) In the case of a county or a municipal corporation 8230
that is not eligible to designate a zone under section 5709.62 8231
or 5709.632 of the Revised Code, three members appointed by the 8232
board of county commissioners; two members from each municipal 8233
corporation to which the instrument granting the tax exemption 8234
applies, appointed by the chief executive officer with the 8235
concurrence of the legislative authority of the respective 8236
municipal corporations; two members of each township to which 8237
the instrument granting the tax exemption applies, appointed by 8238
the board of township trustees of the respective townships; the 8239
county auditor or the county auditor's designee; and an 8240
individual appointed by the board of education of each city, 8241
local, exempted village, and joint vocational school district to 8242
which the instrument granting the tax exemption applies. At 8243
least two members of the council shall be residents of the 8244
municipal corporations or townships to which the instrument 8245
granting the tax exemption applies. 8246

(3) In the case of a township in which improvements are 8247
declared a public purpose under section 5709.73 of the Revised 8248
Code, the board of township trustees; the county auditor or the 8249
county auditor's designee; and an individual appointed by the 8250
board of education of each city, local, exempted village, and 8251
joint vocational school district to which the instrument 8252
granting the exemption applies. 8253

(B) The county auditor or the county auditor's designee 8254
shall serve as the chairperson of the council. The council shall 8255
meet at the call of the chairperson. At the first meeting of the 8256

council, the council shall select a vice-chairperson. Attendance 8257
by a majority of the members of the council constitutes a quorum 8258
to conduct the business of the council. 8259

(C) (1) Annually, the tax incentive review council shall 8260
review all agreements granting exemptions from property taxation 8261
under Chapter 725. or 1728. or under section 3735.671, 5709.28, 8262
5709.62, 5709.63, or 5709.632 of the Revised Code, and any 8263
performance or audit reports required to be submitted pursuant 8264
to those agreements. The review shall include agreements 8265
granting such exemptions that were entered into prior to July 8266
22, 1994, that continue to be in force and applicable to the 8267
current year's property taxes. 8268

With respect to each agreement, other than an agreement 8269
entered into under section 5709.28 of the Revised Code, the 8270
council shall determine whether the owner of the exempted 8271
property has complied with the agreement, and may take into 8272
consideration any fluctuations in the business cycle unique to 8273
the owner's business. 8274

With respect to an agreement entered into under section 8275
5709.28 of the Revised Code, the council shall consist of the 8276
members described in division (A) (2) of this section and shall 8277
determine whether the agreement complies with the requirements 8278
of section 5709.28 of the Revised Code and whether a withdrawal, 8279
removal, or conversion of land from an agricultural security 8280
area established under Chapter 931. of the Revised Code has 8281
occurred in a manner that makes the exempted property no longer 8282
eligible for the exemption. 8283

On the basis of the determinations, on or before the first 8284
day of September of each year, the council shall submit to the 8285
legislative authority written recommendations for continuation, 8286

modification, or cancellation of each agreement. 8287

(2) Annually, the tax incentive review council shall 8288
review all exemptions from property taxation resulting from the 8289
declaration of public purpose improvements pursuant to section 8290
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 8291
Code. The review shall include such exemptions that were granted 8292
prior to July 22, 1994, that continue to be in force and 8293
applicable to the current year's property taxes. With respect to 8294
each improvement for which an exemption is granted, the council 8295
shall determine the increase in the true value of parcels of 8296
real property on which improvements have been undertaken as a 8297
result of the exemption; the value of improvements exempted from 8298
taxation as a result of the exemption; and the number of new 8299
employees or employees retained on the site of the improvement 8300
as a result of the exemption. 8301

Upon the request of a tax incentive review council, the 8302
county auditor, the housing officer appointed pursuant to 8303
section 3735.66 of the Revised Code, the owner of a new or 8304
remodeled structure or improvement, and the legislative 8305
authority of the county, township, or municipal corporation 8306
granting the exemption shall supply the council with any 8307
information reasonably necessary for the council to make the 8308
determinations required under division (C) of this section, 8309
including returns or reports filed pursuant to sections 5711.02, 8310
5711.13, and 5727.08 of the Revised Code. 8311

(D) Annually, the tax incentive review council shall 8312
review the compliance of each recipient of a tax exemption under 8313
Chapter 725. or 1728. or section 3735.67, 5709.40, 5709.41, 8314
5709.45, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the 8315
Revised Code with the nondiscriminatory hiring policies 8316

developed by the county, township, or municipal corporation 8317
under section 5709.832 of the Revised Code. Upon the request of 8318
the council, the recipient shall provide the council any 8319
information necessary to perform its review. On the basis of its 8320
review, the council may submit to the legislative authority 8321
written recommendations for enhancing compliance with the 8322
nondiscriminatory hiring policies. 8323

(E) A legislative authority that receives from a tax 8324
incentive review council written recommendations under division 8325
(C) (1) or (D) of this section shall, within sixty days after 8326
receipt, hold a meeting and vote to accept, reject, or modify 8327
all or any portion of the recommendations. 8328

(F) A tax incentive review council may request from the 8329
recipient of a tax exemption under Chapter 725. or 1728. or 8330
section 3735.67, 5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 8331
5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code any 8332
information reasonably necessary for the council to perform its 8333
review under this section. The request shall be in writing and 8334
shall be sent to the recipient by certified mail. Within ten 8335
days after receipt of the request, the recipient shall provide 8336
to the council the information requested. 8337

Sec. 5709.93. (A) As used in this section: 8338

(1) "Taxes charged and payable" means taxes charged and 8339
payable after the reduction required by section 319.301 of the 8340
Revised Code but before the reductions required by sections 8341
319.302 and 323.152 of the Revised Code. 8342

(2) "Threshold per cent" means two per cent for fiscal 8343
year 2016; and, for fiscal year 2017 and thereafter, the sum of 8344
the prior year's threshold per cent plus two percentage points. 8345

(3) "Public library" means a county, municipal, school 8346
district, or township public library that receives the proceeds 8347
of a tax levied under section 5705.23 of the Revised Code. 8348

(4) "Local taxing unit" means a subdivision or taxing 8349
unit, as defined in section 5705.01 of the Revised Code, a park 8350
district created under Chapter 1545. of the Revised Code, or a 8351
township park district established under section 511.23 of the 8352
Revised Code, but excludes school districts and joint vocational 8353
school districts. 8354

(5) "Municipal current expense allocation" means the sum 8355
of the payments received by a municipal corporation in calendar 8356
year 2014 for current expense levy losses under division (A)(1) 8357
(e)(ii) of section 5727.86 and division (A)(1)(c)(ii) of section 8358
5751.22 of the Revised Code as they existed at that time. 8359

(6) "Current expense allocation" means the sum of the 8360
payments received by a local taxing unit or public library in 8361
calendar year 2014 for current expense levy losses under 8362
division (A)(1) of section 5727.86 and divisions (A)(1) and (2) 8363
of section 5751.22 of the Revised Code as they existed at that 8364
time, less any reduction required under division (B)(2) of this 8365
section. 8366

(7) "TPP inside millage debt levy loss" means payments 8367
made to local taxing units in calendar year 2014 under division 8368
(A)(3) of section 5751.22 of the Revised Code as that section 8369
existed at that time. 8370

(8) "S.B. 3 inside millage debt levy loss" means payments 8371
made to local taxing units in calendar year 2014 under section 8372
(A)(4) of section 5727.86 of the Revised Code as that section 8373
existed at that time. 8374

(9) "Qualifying levy" means a levy for which payment was 8375
made in calendar year 2014 under division (A) (1) of section 8376
5727.86 and divisions (A) (1) and (2) of section 5751.22 of the 8377
Revised Code as they existed at that time. 8378

(10) "Total resources," in the case of county mental 8379
health and disability related functions, means the sum of the 8380
amounts in divisions (A) (10) (a) and (b) of this section less any 8381
reduction required under division (B) (1) of this section. 8382

(a) The sum of the payments received by the county for 8383
mental health and developmental disability related functions in 8384
calendar year 2014 under division (A) (1) of section 5727.86 and 8385
division (A) (1) of section 5751.22 of the Revised Code as they 8386
existed at that time; 8387

(b) With respect to taxes levied by the county for mental 8388
health and developmental disability related purposes, the taxes 8389
charged and payable for such purposes against all property on 8390
the tax list of real and public utility property for tax year 8391
2014. 8392

(11) "Total resources," in the case of county senior 8393
services related functions, means the sum of the amounts in 8394
divisions (A) (11) (a) and (b) of this section less any reduction 8395
required under division (B) (1) of this section. 8396

(a) The sum of the payments received by the county for 8397
senior services related functions in calendar year 2014 under 8398
division (A) (1) of section 5727.86 and division (A) (1) of 8399
section 5751.22 of the Revised Code as they existed at that 8400
time; 8401

(b) With respect to taxes levied by the county for senior 8402
services related purposes, the taxes charged and payable for 8403

such purposes against all property on the tax list of real and 8404
public utility property for tax year 2014. 8405

(12) "Total resources," in the case of county children's 8406
services related functions, means the sum of the amounts in 8407
divisions (A) (12) (a) and (b) of this section less any reduction 8408
required under division (B) (1) of this section. 8409

(a) The sum of the payments received by the county for 8410
children's services related functions in calendar year 2014 8411
under division (A) (1) of section 5727.86 and division (A) (1) of 8412
section 5751.22 of the Revised Code as they existed at that 8413
time; 8414

(b) With respect to taxes levied by the county for 8415
children's services related purposes, the taxes charged and 8416
payable for such purposes against all property on the tax list 8417
of real and public utility property for tax year 2014. 8418

(13) "Total resources," in the case of county public 8419
health related functions, means the sum of the amounts in 8420
divisions (A) (13) (a) and (b) of this section less any reduction 8421
required under division (B) (1) of this section. 8422

(a) The sum of the payments received by the county for 8423
public health related functions in calendar year 2014 under 8424
division (A) (1) of section 5727.86 and division (A) (1) of 8425
section 5751.22 of the Revised Code as they existed at that 8426
time; 8427

(b) With respect to taxes levied by the county for public 8428
health related purposes, the taxes charged and payable for such 8429
purposes against all property on the tax list of real and public 8430
utility property for tax year 2014. 8431

(14) "Total resources," in the case of all county 8432

functions not included in divisions (A) (10) to (13) of this 8433
section, means the sum of the amounts in divisions (A) (14) (a) to 8434
(e) of this section less any reduction required under division 8435
(B) (1) or (2) of this section. 8436

(a) The sum of the payments received by the county for all 8437
other purposes in calendar year 2014 under division (A) (1) of 8438
section 5727.86 and division (A) (1) of section 5751.22 of the 8439
Revised Code as they existed at that time; 8440

(b) The county's percentage share of county undivided 8441
local government fund allocations as certified to the tax 8442
commissioner for calendar year 2015 by the county auditor under 8443
division (J) of section 5747.51 of the Revised Code or division 8444
(F) of section 5747.53 of the Revised Code multiplied by the 8445
total amount actually distributed in calendar year 2014 from the 8446
county undivided local government fund; 8447

(c) With respect to taxes levied by the county for all 8448
other purposes, the taxes charged and payable for such purposes 8449
against all property on the tax list of real and public utility 8450
property for tax year 2014, excluding taxes charged and payable 8451
for the purpose of paying debt charges; 8452

(d) The sum of the amounts distributed to the county in 8453
calendar year 2014 for the taxes levied pursuant to sections 8454
5739.021 and 5741.021 of the Revised Code; 8455

(e) The sum of amounts distributed to the county from the 8456
gross casino revenue county fund from July 2014 through April 8457
2015. 8458

(15) "Total resources," in the case of a municipal 8459
corporation, means the sum of the amounts in divisions (A) (15) 8460
(a) to (h) of this section less any reduction required under 8461

division (B) (1) or (2) of this section. 8462

(a) The sum of the payments received by the municipal 8463
corporation in calendar year 2014 for current expense levy 8464
losses under division (A) (1) of section 5727.86 and division (A) 8465
(1) of section 5751.22 of the Revised Code as they existed at 8466
that time; 8467

(b) The municipal corporation's percentage share of county 8468
undivided local government fund allocations as certified to the 8469
tax commissioner for calendar year 2015 by the county auditor 8470
under division (J) of section 5747.51 of the Revised Code or 8471
division (F) of section 5747.53 of the Revised Code multiplied 8472
by the total amount actually distributed in calendar year 2014 8473
from the county undivided local government fund; 8474

(c) The sum of the amounts distributed to the municipal 8475
corporation in calendar year 2014 pursuant to section 5747.50 of 8476
the Revised Code; 8477

(d) With respect to taxes levied by the municipal 8478
corporation, the taxes charged and payable against all property 8479
on the tax list of real and public utility property for 8480
municipal current expenses for tax year 2014; 8481

(e) The amount of admissions tax collected by the 8482
municipal corporation in calendar year 2013, or if such 8483
information has not yet been reported to the tax commissioner, 8484
in the most recent year before 2013 for which the municipal 8485
corporation has reported data to the commissioner; 8486

(f) The amount of income taxes collected by the municipal 8487
corporation in calendar year 2013 as certified to the tax 8488
commissioner under section 5747.50 of the Revised Code in 2013, 8489
or if such information has not yet been reported to the 8490

commissioner, in the most recent year before 2014 for which the 8491
municipal corporation has reported such data to the 8492
commissioner; 8493

(g) The sum of the amounts distributed to the municipal 8494
corporation from the gross casino revenue host city fund from 8495
July 2014 through April 2015; 8496

(h) The sum of the amounts distributed to the municipal 8497
corporation from the gross casino revenue county fund from July 8498
2014 through April 2015. 8499

(16) "Total resources," in the case of a township, means 8500
the sum of the amounts in divisions (A) (16) (a) to (c) of this 8501
section less any reduction required under division (B) (1) or (2) 8502
of this section. 8503

(a) The sum of the payments received by the township in 8504
calendar year 2014 pursuant to division (A) (1) of section 8505
5727.86 of the Revised Code and division (A) (1) of section 8506
5751.22 of the Revised Code as they existed at that time, 8507
excluding payments received for debt purposes; 8508

(b) The township's percentage share of county undivided 8509
local government fund allocations as certified to the tax 8510
commissioner for calendar year 2015 by the county auditor under 8511
division (J) of section 5747.51 of the Revised Code or division 8512
(F) of section 5747.53 of the Revised Code multiplied by the 8513
total amount actually distributed in calendar year 2014 from the 8514
county undivided local government fund; 8515

(c) With respect to taxes levied by the township, the 8516
taxes charged and payable against all property on the tax list 8517
of real and public utility property for tax year 2014 excluding 8518
taxes charged and payable for the purpose of paying debt charges 8519

or from levies imposed under section 5705.23 of the Revised Code. 8520
8521

(17) "Total resources," in the case of a local taxing unit 8522
that is not a county, municipal corporation, township, or public 8523
library means the sum of the amounts in divisions (A) (17) (a) to 8524
(e) of this section less any reduction required under division 8525
(B) (1) of this section. 8526

(a) The sum of the payments received by the local taxing 8527
unit in calendar year 2014 pursuant to division (A) (1) of 8528
section 5727.86 of the Revised Code and division (A) (1) of 8529
section 5751.22 of the Revised Code as they existed at that 8530
time; 8531

(b) The local taxing unit's percentage share of county 8532
undivided local government fund allocations as certified to the 8533
tax commissioner for calendar year 2015 by the county auditor 8534
under division (J) of section 5747.51 of the Revised Code or 8535
division (F) of section 5747.53 of the Revised Code multiplied 8536
by the total amount actually distributed in calendar year 2014 8537
from the county undivided local government fund; 8538

(c) With respect to taxes levied by the local taxing unit, 8539
the taxes charged and payable against all property on the tax 8540
list of real and public utility property for tax year 2014 8541
excluding taxes charged and payable for the purpose of paying 8542
debt charges or from a levy imposed under section 5705.23 of the 8543
Revised Code; 8544

(d) The amount received from the tax commissioner during 8545
calendar year 2014 for sales or use taxes authorized under 8546
sections 5739.023 and 5741.022 of the Revised Code; 8547

(e) For institutions of higher education receiving tax 8548

revenue from a local levy, as identified in section 3358.02 of 8549
the Revised Code, the final state share of instruction 8550
allocation for fiscal year 2014 as calculated by the chancellor 8551
of higher education and reported to the state controlling board. 8552

(18) "Total resources," in the case of a county, municipal 8553
corporation, school district, or township public library that 8554
receives the proceeds of a tax levied under section 5705.23 of 8555
the Revised Code, means the sum of the amounts in divisions (A) 8556
(18) (a) to (d) of this section less any reduction required under 8557
division (B) (1) of this section. 8558

(a) The sum of the payments received by the county, 8559
municipal corporation, school district, or township public 8560
library in calendar year 2014 pursuant to sections 5727.86 and 8561
5751.22 of the Revised Code, as they existed at that time, for 8562
fixed-rate levy losses attributable to a tax levied under 8563
section 5705.23 of the Revised Code for the benefit of the 8564
public library; 8565

(b) The public library's percentage share of county 8566
undivided local government fund allocations as certified to the 8567
tax commissioner for calendar year 2015 by the county auditor 8568
under division (J) of section 5747.51 of the Revised Code or 8569
division (F) of section 5747.53 of the Revised Code multiplied 8570
by the total amount actually distributed in calendar year 2014 8571
from the county undivided local government fund; 8572

(c) With respect to a tax levied pursuant to section 8573
5705.23 of the Revised Code for the benefit of the public 8574
library, the amount of such tax that is charged and payable 8575
against all property on the tax list of real and public utility 8576
property for tax year 2014 excluding any tax that is charged and 8577
payable for the purpose of paying debt charges; 8578

(d) The sum of the amounts distributed to the library 8579
district from the county public library fund in calendar year 8580
2014, as reported to the tax commissioner by the county auditor. 8581

(19) "Municipal current expense property tax levies" means 8582
all property tax levies of a municipality, except those with the 8583
following levy names: library; airport resurfacing; bond or any 8584
levy name including the word "bond"; capital improvement or any 8585
levy name including the word "capital"; debt or any levy name 8586
including the word "debt"; equipment or any levy name including 8587
the word "equipment," unless the levy is for combined operating 8588
and equipment; employee termination fund; fire pension or any 8589
levy containing the word "pension," including police pensions; 8590
fireman's fund or any practically similar name; sinking fund; 8591
road improvements or any levy containing the word "road"; fire 8592
truck or apparatus; flood or any levy containing the word 8593
"flood"; conservancy district; county health; note retirement; 8594
sewage, or any levy containing the words "sewage" or "sewer"; 8595
park improvement; parkland acquisition; storm drain; street or 8596
any levy name containing the word "street"; lighting, or any 8597
levy name containing the word "lighting"; and water. 8598

(20) "Operating fixed-rate levy loss" means, in the case 8599
of local taxing units other than municipal corporations, fixed- 8600
rate levy losses of levies imposed for purposes other than 8601
paying debt charges or, in the case of municipal corporations, 8602
fixed-rate levy losses of municipal current expense property tax 8603
levies. 8604

~~(22)~~ (21) (a) "Qualifying municipal corporation" means a 8605
municipal corporation in the territory of which a qualifying end 8606
user is located. 8607

(b) "Qualifying end user" means an end user of at least 8608

seven million qualifying kilowatt hours of electricity annually. 8609

(c) "Qualifying kilowatt hours" means kilowatt hours of 8610
electricity generated by a renewable energy resource, as defined 8611
in section 5727.01 of the Revised Code, using wind energy and 8612
the distribution of which is subject to the tax levied under 8613
section 5727.81 of the Revised Code for any measurement period 8614
beginning after June 30, 2015. 8615

~~(23)~~ (22) Any term used in this section has the same 8616
meaning as in section 5727.84 or 5751.20 of the Revised Code 8617
unless otherwise defined by this section. 8618

(B) (1) "Total resources" used to compute payments to be 8619
made under division (C) of this section shall be reduced to the 8620
extent that payments distributed in calendar year 2014 were 8621
attributable to levies no longer charged and payable. 8622

(2) "Current expense allocation" used to compute payments 8623
to be made under division (C) of this section shall be reduced 8624
to the extent that payments distributed in calendar year 2014 8625
were attributable to levies no longer charged and payable. 8626

(C) (1) Except as provided in ~~divisions~~ division (D) of 8627
this section, the tax commissioner shall compute payments for 8628
operating fixed-rate levy losses of local taxing units and 8629
public libraries for fiscal year 2016 and each year thereafter 8630
as prescribed in divisions (C) (1) (a) and (b) ~~and~~ of this 8631
section: 8632

(a) For public libraries and local taxing units other than 8633
municipal corporations: 8634

(i) If the ratio of current expense allocation to total 8635
resources is equal to or less than the threshold per cent, zero; 8636

(ii) If the ratio of current expense allocation to total 8637
resources is greater than the threshold per cent, the current 8638
expense allocation minus the product of total resources 8639
multiplied by the threshold per cent. 8640

(b) For municipal corporations: 8641

(i) If the ratio of the municipal current expense 8642
allocation to total resources is equal to or less than the 8643
threshold per cent, zero; 8644

(ii) If the ratio of the municipal current expense 8645
allocation to total resources is greater than the threshold per 8646
cent, the municipal current expense allocation minus the product 8647
of total resources multiplied by the threshold per cent. 8648

~~(3)~~ (2) For any local taxing unit or public library with 8649
operating fixed-rate levy losses greater than zero, the 8650
operating fixed-rate levy loss shall be allocated among all 8651
qualifying operating fixed-rate levies in proportion to each 8652
such levy's share of the payments received in tax year 2014. In 8653
fiscal year 2016 and thereafter, if a levy to which operating 8654
fixed-rate levy loss is allocated is no longer charged and 8655
payable, the payment to the local taxing unit or public library 8656
shall be reduced by the amount allocated to the levy that is no 8657
longer charged and payable. 8658

(D) (1) Except as provided in division (D) (2) of this 8659
section, the tax commissioner shall make payments to local 8660
taxing units equal to the sum of TPP inside millage debt levy 8661
loss and S.B. 3 inside millage debt levy loss. No payment shall 8662
be made if the levy for which the levy loss is computed is not 8663
charged and payable for debt purposes in fiscal year 2016 or any 8664
year thereafter. 8665

(2) No payment shall be made for TPP inside millage debt 8666
levy loss in calendar year 2018 or thereafter. No payment shall 8667
be made for S.B.3 inside millage debt levy loss in calendar year 8668
2017 or thereafter. 8669

(E) For a qualifying municipal corporation, the tax 8670
commissioner shall compute payments for fiscal year 2016 and 8671
each ensuing fiscal year in an amount equal to the amount of tax 8672
imposed under section 5727.81 of the Revised Code and paid on 8673
the basis of qualifying kilowatt hours of electricity 8674
distributed through the meter of a qualifying end user located 8675
in the municipal corporation for measurement periods ending in 8676
the preceding calendar year. The payment shall be computed 8677
regardless of whether the qualifying municipal corporation 8678
qualifies for a payment under any other division of this section 8679
for the fiscal year in which the payment is computed under this 8680
division. For the purposes of this division, the commissioner 8681
may require an electric distribution company distributing 8682
qualifying kilowatt hours or, if the end user is a self- 8683
assessing purchaser, the end user, to report to the commissioner 8684
the number of qualifying kilowatt hours distributed through the 8685
meter of the qualifying end user. 8686

(F) (1) The payments required to be made under divisions 8687
(C) and (D) of this section shall be paid from the local 8688
government tangible property tax replacement fund to the county 8689
undivided income tax fund in the proper county treasury. 8690
Beginning in August 2015, one-half of the amount determined 8691
under each of those divisions shall be paid on or before the 8692
last day of August each year, and one-half shall be paid on or 8693
before the last day of February each year. Within thirty days 8694
after receipt of such payments, the county treasurer shall 8695
distribute amounts determined under this section to the proper 8696

local taxing unit or public library as if they had been levied 8697
and collected as taxes, and the local taxing unit or public 8698
library shall allocate the amounts so received among its funds 8699
in the same proportions as if those amounts had been levied and 8700
collected as taxes. 8701

(2) On or before the last day of August and of February of 8702
each fiscal year that follows a calendar year in which taxes are 8703
paid on the basis of qualifying kilowatt hours of electricity 8704
distributed through the meter of a qualifying end user located 8705
in a qualifying municipal corporation, one-half of the payment 8706
computed under division (E) of this section shall be paid from 8707
the local government tangible personal property tax replacement 8708
fund directly to the qualifying municipal corporation. The 8709
municipal corporation shall credit the payments to a special 8710
fund created for the purpose of providing grants or other 8711
financial assistance to the qualifying end user or to compensate 8712
the municipal corporation for municipal income tax or other tax 8713
credits or reductions as the legislative authority may grant to 8714
the qualifying end user. Such grants or other financial 8715
assistance may be provided for by ordinance or resolution of the 8716
legislative authority of the qualifying municipal corporation 8717
and may continue for as long as is provided by the ordinance or 8718
resolution. 8719

(G) If all or a part of the territories of two or more 8720
local taxing units are merged, or unincorporated territory of a 8721
township is annexed by a municipal corporation, the tax 8722
commissioner shall adjust the payments made under this section 8723
to each of the local taxing units in proportion to the square 8724
mileage of the merged or annexed territory as a percentage of 8725
the total square mileage of the jurisdiction from which the 8726
territory originated, or as otherwise provided by a written 8727

agreement between the legislative authorities of the local 8728
taxing units certified to the commissioner not later than the 8729
first day of June of the calendar year in which the payment is 8730
to be made. 8731

Sec. 5713.03. The county auditor, from the best sources of 8732
information available, shall determine, as nearly as 8733
practicable, the true value of the fee simple estate, as if 8734
unencumbered but subject to any effects from the exercise of 8735
police powers or from other governmental actions, of each 8736
separate tract, lot, or parcel of real property and of 8737
buildings, structures, and improvements located thereon and the 8738
current agricultural use value of land valued for tax purposes 8739
in accordance with section 5713.31 of the Revised Code, in every 8740
district, according to the rules prescribed by this chapter and 8741
section 5715.01 of the Revised Code, and in accordance with the 8742
uniform rules and methods of valuing and assessing real property 8743
as adopted, prescribed, and promulgated by the tax commissioner. 8744
The auditor shall determine the taxable value of all real 8745
property by reducing its true or current agricultural use value 8746
by the percentage ordered by the commissioner. In determining 8747
the true value of any tract, lot, or parcel of real estate under 8748
this section, if such tract, lot, or parcel has been the subject 8749
of an arm's length sale between a willing seller and a willing 8750
buyer within a reasonable length of time, either before or after 8751
the tax lien date, the auditor may consider the sale price of 8752
such tract, lot, or parcel to be the true value for taxation 8753
purposes. However, the sale price in an arm's length transaction 8754
between a willing seller and a willing buyer shall not be 8755
considered the true value of the property sold if subsequent to 8756
the sale: 8757

(A) The tract, lot, or parcel of real estate loses value 8758

due to some casualty; 8759

(B) An improvement is added to the property. ~~Nothing~~ 8760

Nothing in this section or section 5713.01 of the Revised 8761
Code and no rule adopted under section 5715.01 of the Revised 8762
Code shall require the county auditor to change the true value 8763
in money of any property in any year except a year in which the 8764
tax commissioner is required to determine under section 5715.24 8765
of the Revised Code whether the property has been assessed as 8766
required by law. 8767

The county auditor shall adopt and use a real property 8768
record approved by the commissioner for each tract, lot, or 8769
parcel of real property, setting forth the true and taxable 8770
value of land and, in the case of land valued in accordance with 8771
section 5713.31 of the Revised Code, its current agricultural 8772
use value, the number of acres of arable land, permanent pasture 8773
land, woodland, and wasteland in each tract, lot, or parcel. The 8774
auditor shall record pertinent information and the true and 8775
taxable value of each building, structure, or improvement to 8776
land, which value shall be included as a separate part of the 8777
total value of each tract, lot, or parcel of real property. 8778

Sec. 5713.30. As used in sections 5713.31 to 5713.37 and 8779
5715.01 of the Revised Code: 8780

(A) "Land devoted exclusively to agricultural use" means: 8781

(1) Tracts, lots, or parcels of land totaling not less 8782
than ten acres to which, during the three calendar years prior 8783
to the year in which application is filed under section 5713.31 8784
of the Revised Code, and through the last day of May of such 8785
year, one or more of the following apply: 8786

(a) The tracts, lots, or parcels of land were devoted 8787

exclusively to commercial animal or poultry husbandry, 8788
aquaculture, algaculture meaning the farming of algae, 8789
apiculture, the cultivation of hemp by a person issued a hemp 8790
cultivation license under section 928.02 of the Revised Code, 8791
the production for a commercial purpose of timber, field crops, 8792
tobacco, fruits, vegetables, nursery stock, ornamental trees, 8793
sod, or flowers, or the growth of timber for a noncommercial 8794
purpose, if the land on which the timber is grown is contiguous 8795
to or part of a parcel of land under common ownership that is 8796
otherwise devoted exclusively to agricultural use. 8797

(b) The tracts, lots, or parcels of land were devoted 8798
exclusively to biodiesel production, biomass energy production, 8799
electric or heat energy production, or biologically derived 8800
methane gas production if the land on which the production 8801
facility is located is contiguous to or part of a parcel of land 8802
under common ownership that is otherwise devoted exclusively to 8803
agricultural use, provided that at least fifty per cent of the 8804
feedstock used in the production was derived from parcels of 8805
land under common ownership or leasehold. 8806

(c) The tracts, lots, or parcels of land were devoted to 8807
and qualified for payments or other compensation under a land 8808
retirement or conservation program under an agreement with an 8809
agency of the federal government. 8810

(2) Tracts, lots, or parcels of land totaling less than 8811
ten acres that, during the three calendar years prior to the 8812
year in which application is filed under section 5713.31 of the 8813
Revised Code and through the last day of May of such year, were 8814
devoted exclusively to commercial animal or poultry husbandry, 8815
aquaculture, algaculture meaning the farming of algae, 8816
apiculture, the cultivation of hemp by a person issued a hemp 8817

cultivation license under section 928.02 of the Revised Code, 8818
the production for a commercial purpose of field crops, tobacco, 8819
fruits, vegetables, timber, nursery stock, ornamental trees, 8820
sod, or flowers where such activities produced an average yearly 8821
gross income of at least twenty-five hundred dollars during such 8822
three-year period or where there is evidence of an anticipated 8823
gross income of such amount from such activities during the tax 8824
year in which application is made, or were devoted to and 8825
qualified for payments or other compensation under a land 8826
retirement or conservation program under an agreement with an 8827
agency of the federal government; 8828

~~(3) A tract, lot, or parcel of land taxed under sections 8829~~
~~5713.22 to 5713.26 of the Revised Code is not land devoted 8830~~
~~exclusively to agricultural use. 8831~~

~~(4)~~ Tracts, lots, or parcels of land, or portions thereof 8832
that, during the previous three consecutive calendar years have 8833
been designated as land devoted exclusively to agricultural use, 8834
but such land has been lying idle or fallow for up to one year 8835
and no action has occurred to such land that is either 8836
inconsistent with the return of it to agricultural production or 8837
converts the land devoted exclusively to agricultural use as 8838
defined in this section. Such land shall remain designated as 8839
land devoted exclusively to agricultural use provided that 8840
beyond one year, but less than three years, the landowner proves 8841
good cause as determined by the board of revision. 8842

~~(5)~~ (4) Tracts, lots, or parcels of land, or portions 8843
thereof that, during the previous three consecutive calendar 8844
years have been designated as land devoted exclusively to 8845
agricultural use, but such land has been lying idle or fallow 8846
because of dredged material being stored or deposited on such 8847

land pursuant to a contract between the land's owner and the 8848
department of natural resources or the United States army corps 8849
of engineers and no action has occurred to the land that is 8850
either inconsistent with the return of it to agricultural 8851
production or converts the land devoted exclusively to 8852
agricultural use. Such land shall remain designated as land 8853
devoted exclusively to agricultural use until the last year in 8854
which dredged material is stored or deposited on the land 8855
pursuant to such a contract, but not to exceed five years. 8856

"Land devoted exclusively to agricultural use" includes 8857
tracts, lots, or parcels of land or portions thereof that are 8858
used for conservation practices, provided that the tracts, lots, 8859
or parcels of land or portions thereof comprise twenty-five per 8860
cent or less of the total of the tracts, lots, or parcels of 8861
land that satisfy the criteria established in division (A) (1), 8862
(2), ~~(4)~~ (3), or ~~(5)~~ (4) of this section together with the 8863
tracts, lots, or parcels of land or portions thereof that are 8864
used for conservation practices. 8865

Notwithstanding any other provision of law to the 8866
contrary, the existence of agritourism on a tract, lot, or 8867
parcel of land that otherwise meets the definition of "land 8868
devoted exclusively to agricultural use" as defined in this 8869
division does not disqualify that tract, lot, or parcel from 8870
valuation under sections 5713.30 to 5713.37 and 5715.01 of the 8871
Revised Code. 8872

A tract, lot, or parcel of land taxed under sections 8873
5713.22 to 5713.26 of the Revised Code is not land devoted 8874
exclusively to agricultural use. 8875

A tract, lot, parcel, or portion thereof on which medical 8876
marijuana, as defined by section 3796.01 of the Revised Code, is 8877

cultivated or processed is not land devoted exclusively to 8878
agricultural use. 8879

(B) "Conversion of land devoted exclusively to 8880
agricultural use" means any of the following: 8881

(1) The failure of the owner of land devoted exclusively 8882
to agricultural use during the next preceding calendar year to 8883
file a renewal application under section 5713.31 of the Revised 8884
Code without good cause as determined by the board of revision; 8885

(2) The failure of the new owner of such land to file an 8886
initial application under that section without good cause as 8887
determined by the board of revision; 8888

(3) The failure of such land or portion thereof to qualify 8889
as land devoted exclusively to agricultural use for the current 8890
calendar year as requested by an application filed under such 8891
section; 8892

(4) The failure of the owner of the land described in 8893
division ~~(A) (4)~~ (A) (3) or ~~(5)~~ (4) of this section to act on such 8894
land in a manner that is consistent with the return of the land 8895
to agricultural production after three years. 8896

The construction or installation of an energy facility, as 8897
defined in section 5727.01 of the Revised Code, on a portion of 8898
a tract, lot, or parcel of land devoted exclusively to 8899
agricultural use shall not cause the remaining portion of the 8900
tract, lot, or parcel to be regarded as a conversion of land 8901
devoted exclusively to agricultural use if the remaining portion 8902
of the tract, lot, or parcel continues to be devoted exclusively 8903
to agricultural use. 8904

(C) "Tax savings" means the difference between the dollar 8905
amount of real property taxes levied in any year on land valued 8906

and assessed in accordance with its current agricultural use 8907
value and the dollar amount of real property taxes that would 8908
have been levied upon such land if it had been valued and 8909
assessed for such year in accordance with Section 2 of Article 8910
XII, Ohio Constitution. 8911

(D) "Owner" includes, but is not limited to, any person 8912
owning a fee simple, fee tail, or life estate or a buyer on a 8913
land installment contract. 8914

(E) "Conservation practices" are practices used to abate 8915
soil erosion as required in the management of the farming 8916
operation, and include, but are not limited to, the 8917
installation, construction, development, planting, or use of 8918
grass waterways, terraces, diversions, filter strips, field 8919
borders, windbreaks, riparian buffers, wetlands, ponds, and 8920
cover crops for that purpose. 8921

(F) "Wetlands" has the same meaning as in section 6111.02 8922
of the Revised Code. 8923

(G) "Biodiesel" means a mono-alkyl ester combustible 8924
liquid fuel that is derived from vegetable oils or animal fats 8925
or any combination of those reagents and that meets the American 8926
society for testing and materials specification D6751-03a for 8927
biodiesel fuel (B100) blend stock distillate fuels. 8928

(H) "Biologically derived methane gas" means gas from the 8929
anaerobic digestion of organic materials, including animal waste 8930
and agricultural crops and residues. 8931

(I) "Biomass energy" means energy that is produced from 8932
organic material derived from plants or animals and available on 8933
a renewable basis, including, but not limited to, agricultural 8934
crops, tree crops, crop by-products, and residues. 8935

(J) "Electric or heat energy" means electric or heat 8936
energy generated from manure, cornstalks, soybean waste, or 8937
other agricultural feedstocks. 8938

(K) "Dredged material" means material that is excavated or 8939
dredged from waters of this state. "Dredged material" does not 8940
include material resulting from normal farming, silviculture, 8941
and ranching activities, such as plowing, cultivating, seeding, 8942
and harvesting, for production of food, fiber, and forest 8943
products. 8944

(L) "Agritourism" has the same meaning as in section 8945
901.80 of the Revised Code. 8946

Sec. 5713.351. If the county auditor has determined under 8947
section 5713.35 of the Revised Code that a conversion of land 8948
has occurred with respect to any tract, lot, or parcel on the 8949
agricultural land tax list because of a failure to file an 8950
initial or renewal application, and if the auditor, upon 8951
application of the owner and payment by the owner of a twenty- 8952
five-dollar fee, finds that the land would be land devoted 8953
exclusively to agricultural use for the current year if the 8954
board of revision finds the failure arose for good cause, the 8955
owner may file a complaint against that determination with the 8956
board as provided in section 5715.19 of the Revised Code on the 8957
grounds that the tract, lot, or parcel is land devoted 8958
exclusively to agricultural use because there was good cause for 8959
the owner's failure to file an initial or renewal application. 8960
If the board finds that there was such good cause, the 8961
application under this section shall be considered an 8962
application that was properly filed under section 5713.31 of the 8963
Revised Code. 8964

Sec. 5715.13. (A) Except as provided in division (B) of 8965

this section, the county board of revision shall not decrease 8966
any valuation unless a party affected thereby or who is 8967
authorized to file a complaint under section 5715.19 of the 8968
Revised Code makes and files with the board a written 8969
application therefor, verified by oath and signature, showing 8970
the facts upon which it is claimed such decrease should be made. 8971

(B) The county board of revision may authorize a policy 8972
for the filing of an electronic complaint under section 5715.19 8973
of the Revised Code and the filing of an electronic application 8974
therefor under this section, subject to the approval of the tax 8975
commissioner. An electronic complaint need not be sworn to, but 8976
shall contain an electronic verification and shall be subscribed 8977
to by the person filing the complaint: "I declare under 8978
penalties of perjury that this complaint has been examined by me 8979
and to the best of my knowledge and belief is true, correct, and 8980
complete." 8981

Sec. 5715.36. (A) Any expense incurred by the tax 8982
commissioner as to the annual assessment of real property in any 8983
taxing district shall be paid out of the treasury of the county 8984
in which such district is located upon presentation of the order 8985
of the commissioner certifying the amount thereof to the county 8986
auditor, who shall thereupon issue a warrant therefor upon the 8987
general fund of the county and direct the warrant to the county 8988
treasurer, who shall pay the same. All money paid out of the 8989
county treasury under authority of this division and section 8990
5703.30 of the Revised Code shall be charged against the proper 8991
district, and amounts paid by the county shall be retained by 8992
the auditor from funds due such district at the time of making 8993
the semiannual distribution of taxes. 8994

(B) Any expense incurred by the board of tax appeals as to 8995

the hearing of any appeal from a county budget commission with 8996
respect to the allocation of the local government fund or the 8997
county public library fund shall be paid out of the treasury of 8998
the county involved upon presentation of the order of the board 8999
certifying the amount thereof to the county auditor, who shall 9000
thereupon issue a warrant therefor upon the general fund of the 9001
county and direct the warrant to the county treasurer, who shall 9002
pay the same. At the time the local government fund or the 9003
county public library fund is distributed, all money which had 9004
been paid out of the county treasury for such expenses shall be 9005
deducted by the county auditor from the fund involved in the 9006
appeal. The amount so deducted by the county auditor shall be 9007
forthwith returned to the general fund of the county. 9008

(C) An amount equal to the sum of the expenses incurred by 9009
the board of tax appeals as to any of the following shall be 9010
paid out of the general fund of the county in which such 9011
property is located upon presentation of the order of the board 9012
certifying the amount thereof to the county auditor, who shall 9013
thereupon issue a warrant therefor upon the general fund of the 9014
county and direct the warrant to the county treasurer, who shall 9015
pay the same: 9016

(1) The hearing of any appeal from a county board of 9017
revision under section 5717.01 of the Revised Code; 9018

(2) An appeal from any finding, computation, 9019
determination, or order of the tax commissioner made with 9020
respect to the assessment or exemption of real property under 9021
~~division (B) of section 5715.61 and section 5717.02 of the~~ 9022
Revised Code. At the time of each settlement of taxes under 9023
divisions (A) and (C) of section 321.24 of the Revised Code, 9024
there shall be deducted from the taxes included in such 9025

settlement and paid into the county general fund in the same 9026
manner as the fees allowed the county treasurer on amounts 9027
included in such settlement, the amounts paid out under this 9028
division since the preceding settlement. Each deduction shall be 9029
apportioned among the taxing districts within which the property 9030
that was the subject of the appeal is located in proportion to 9031
their relative shares of their respective taxes included in the 9032
settlement. 9033

Sec. 5721.06. (A) (1) The form of the notice required to be 9034
attached to the published delinquent tax list by division (B) (3) 9035
of section 5721.03 of the Revised Code shall be in substance as 9036
follows: 9037

"DELINQUENT LAND TAX NOTICE 9038

The lands, lots, and parts of lots returned delinquent by 9039
the county treasurer of _____ county, with the 9040
taxes, assessments, interest, and penalties, charged against 9041
them agreeably to law, are contained and described in the 9042
following list: (Here insert the list with the names of the 9043
owners of such respective tracts of land or town lots as 9044
designated on the delinquent tax list. If, prior to seven days 9045
before the publication of the list, a delinquent tax contract 9046
has been entered into under section 323.31 of the Revised Code, 9047
the owner's name may be stricken from the list or designated by 9048
an asterisk shown in the margin next to the owner's name.) 9049

Notice is hereby given that the whole of such several 9050
lands, lots, or parts of lots will be certified for foreclosure 9051
by the county auditor pursuant to law unless the whole of the 9052
delinquent taxes, assessments, interest, and penalties are paid 9053
within one year or unless a tax certificate with respect to the 9054
parcel is sold under section 5721.32 or 5721.33 of the Revised 9055

Code. The names of persons who have entered into a written 9056
delinquent tax contract with the county treasurer to discharge 9057
the delinquency are designated by an asterisk or have been 9058
stricken from the list." 9059

(2) If the county treasurer has certified to the county 9060
auditor that the treasurer intends to offer for sale or assign a 9061
tax certificate with respect to one or more parcels of 9062
delinquent land under section 5721.32 or 5721.33 of the Revised 9063
Code, the form of the notice shall include the following 9064
statement, appended after the second paragraph of the notice 9065
prescribed by division (A) (1) of this section: 9066

"Notice also is hereby given that a tax certificate may be 9067
offered for sale or assigned under section 5721.32 or 5721.33 of 9068
the Revised Code with respect to those parcels shown on this 9069
list. If a tax certificate on a parcel is purchased, the 9070
purchaser of the tax certificate acquires the state's or its 9071
taxing district's first lien against the property, and an 9072
additional interest charge of up to eighteen per cent per annum 9073
shall be assessed against the parcel. In addition, failure by 9074
the owner of the parcel to redeem the tax certificate may result 9075
in foreclosure proceedings against the parcel. No tax 9076
certificate shall be offered for sale if the owner of the parcel 9077
has either discharged the lien by paying to the county treasurer 9078
in cash the amount of delinquent taxes, assessments, penalties, 9079
interest, and charges charged against the property, or has 9080
entered into a valid delinquent tax contract pursuant to section 9081
323.31 of the Revised Code to pay those amounts in 9082
installments." 9083

(B) The form of the notice required to be attached to the 9084
published delinquent vacant land tax list by division (B) (3) of 9085

section 5721.03 of the Revised Code shall be in substance as 9086
follows: 9087

"DELINQUENT VACANT LAND TAX NOTICE 9088

The delinquent vacant lands, returned delinquent by the 9089
county treasurer of _____ county, with the taxes, 9090
assessments, interest, and penalties charged against them 9091
according to law, and remaining delinquent for one year, are 9092
contained and described in the following list: (here insert the 9093
list with the names of the owners of the respective tracts of 9094
land as designated on the delinquent vacant land tax list. If, 9095
prior to seven days before the publication of the list, a 9096
delinquent tax contract has been entered into under section 9097
323.31 of the Revised Code, the owner's name may be stricken 9098
from the list or designated by an asterisk shown in the margin 9099
next to the owner's name.) 9100

Notice is hereby given that these delinquent vacant lands 9101
will be certified for foreclosure or foreclosure and forfeiture 9102
by the county auditor pursuant to law unless the whole of the 9103
delinquent taxes, assessments, interest, and penalties are paid 9104
within twenty-eight days after the final publication of this 9105
notice. The names of persons who have entered into a written 9106
delinquent tax contract with the county treasurer to discharge 9107
the delinquency are designated by an asterisk or have been 9108
stricken from the list." 9109

Sec. 5721.191. (A) Subject to division (B) of this 9110
section, the form for the advertisement of a sale conducted 9111
pursuant to section 5721.19 of the Revised Code shall be as 9112
follows: 9113

"Notice of sale under judgment of foreclosure of liens 9114

for delinquent land taxes 9115

In the _____ court of _____, Ohio 9116

case no. 9117

in the matter of foreclosure of liens for 9118

delinquent land taxes 9119

county treasurer of _____, Ohio 9120

Plaintiff, 9121

vs. 9122

parcels of land encumbered with delinquent 9123

tax liens, 9124

Defendants. 9125

9126

Whereas, judgment has been rendered against certain 9127

parcels of real property for taxes, assessments, charges, 9128

penalties, interest, and costs as follows: 9129

(Here set out, for each parcel, the respective permanent 9130

parcel number, full street address, description of the parcel, 9131

name and address of the last known owners of the parcel as shown 9132

on the general tax list, and total amount of the judgment) and; 9133

Whereas, such judgment orders such real property to be 9134

sold or otherwise disposed of according to law by the 9135

undersigned to satisfy the total amount of such judgment; 9136

Now, therefore, public notice is hereby given that I, 9137

_____ (officer) of _____, 9138

Ohio, will either dispose of such property according to law or 9139

sell such real property at public auction, for cash, to the 9140
highest bidder of an amount that equals at least (insert here, 9141
as in the court's order, the fair market value of the parcel as 9142
determined by the county auditor, or the total amount of the 9143
judgment, including all taxes, assessments, charges, penalties, 9144
and interest payable subsequent to the delivery to the 9145
prosecuting attorney of the delinquent land tax certificate or 9146
master list of delinquent tracts and prior to the transfer of 9147
the deed of the property to the purchaser following confirmation 9148
of sale), between the hours of _____ a.m. and _____ p.m., 9149
at (address and location) in _____, Ohio, on 9150
_____, the _____ day of _____, ____ If any 9151
parcel does not receive a sufficient bid or is not otherwise 9152
disposed of according to law, it may be offered for sale, under 9153
the same terms and conditions of the first sale and at the same 9154
time of day and at the same place, on _____, the 9155
_____ day of _____, ___, for an amount that 9156
equals at least (insert here, as in the court's order, the fair 9157
market value of the parcel as determined by the county auditor, 9158
or the total amount of the judgment, including all taxes 9159
assessments, charges, penalties, and interest payable subsequent 9160
to the delivery to the prosecuting attorney of the delinquent 9161
land tax certificate or master list of delinquent tracts and 9162
prior to the transfer of the deed of the property to the 9163
purchaser following confirmation of sale)."

(B) If the title search required by division (B) of 9165
section 5721.18 of the Revised Code that relates to a parcel 9166
subject to an in rem action under that division, or if the title 9167
search that relates to a parcel subject to an in personam action 9168
under division (A) of section 5721.18 of the Revised Code, 9169
indicates that a federal tax lien exists relative to the parcel, 9170

then the form of the advertisement of sale as described in 9171
division (A) of this section additionally shall include the 9172
following statement in boldface type: 9173

"PUBLIC NOTICE IS HEREBY GIVEN THAT (INSERT HERE THE 9174
DESCRIPTION OF EACH RELEVANT PARCEL) TO BE SOLD AT PUBLIC 9175
AUCTION IS SUBJECT TO A FEDERAL TAX LIEN THAT MAY NOT BE 9176
EXTINGUISHED BY THE SALE. 9177

(officer)" 9178
9179

(C) If the proceedings for foreclosure were instituted 9180
under division (C) of section 5721.18 of the Revised Code, then 9181
the form of the advertisement of sale as described in division 9182
(A) of this section additionally shall include the following 9183
statement in boldface type: 9184

"Public notice is hereby given that (insert here the 9185
description of each relevant parcel) to be sold at public 9186
auction will be sold subject to all liens and encumbrances with 9187
respect to the parcel, other than the liens for land taxes, 9188
assessments, charges, penalties, and interest for which the lien 9189
was foreclosed and in satisfaction of which the property is 9190
sold. 9191

(officer)" 9192
9193

Sec. 5721.39. (A) In its judgment of foreclosure rendered 9194
in actions filed pursuant to section 5721.37 of the Revised 9195
Code, the court or board of revision shall enter a finding that 9196
includes all of the following with respect to the certificate 9197
parcel: 9198

(1) The amount of the sum of the certificate redemption 9199
prices for all the tax certificates sold against the parcel; 9200

(2) Interest on the certificate purchase prices of all 9201
certificates at the rate of eighteen per cent per year for the 9202
period beginning on the day on which the payment was submitted 9203
by the certificate holder under division (B) of section 5721.37 9204
of the Revised Code; 9205

(3) The amount paid under division (B) (2) of section 9206
5721.37 of the Revised Code, plus interest at the rate of 9207
eighteen per cent per year for the period beginning on the day 9208
the certificate holder filed a request for foreclosure or a 9209
notice of intent to foreclose under division (A) of that 9210
section; 9211

(4) Any delinquent taxes on the parcel that are not 9212
covered by a payment under division (B) (2) of section 5721.37 of 9213
the Revised Code; 9214

(5) Fees and costs incurred in the foreclosure proceeding 9215
instituted against the parcel, including, without limitation, 9216
the fees and costs of the prosecuting attorney represented by 9217
the fee paid under division (B) (3) of section 5721.37 of the 9218
Revised Code, plus interest as provided in division (D) (2) (d) of 9219
this section, or the fees and costs of the private attorney 9220
representing the certificate holder, and charges paid or 9221
incurred in procuring title searches and abstracting services 9222
relative to the subject premises. 9223

(B) The court or board of revision may order the 9224
certificate parcel to be sold or otherwise transferred according 9225
to law, without appraisal and as set forth in the prayer of the 9226
complaint, for not less than the amount of its finding, or, in 9227

the event that the true value of the certificate parcel as 9228
determined by the county auditor is less than the certificate 9229
redemption price, the court or board or revision may, as prayed 9230
for in the complaint, issue a decree transferring fee simple 9231
title free and clear of all subordinate liens to the certificate 9232
holder or as otherwise provided in sections 323.65 to 323.79 of 9233
the Revised Code. A decree of the court or board of revision 9234
transferring fee simple title to the certificate holder is 9235
forever a bar to all rights of redemption with respect to the 9236
certificate parcel. 9237

(C) (1) The certificate holder may file a motion with the 9238
court for an order authorizing a specified private selling 9239
officer, as defined in section 2329.01 of the Revised Code, to 9240
sell the parcel at a public auction. If the court authorizes a 9241
private selling officer to sell the parcel, then upon the filing 9242
of a praecipe for order of sale with the clerk of the court, the 9243
clerk of the court shall immediately issue an order of sale to 9244
the private selling officer authorized by the court. 9245

(2) The officer to whom the order of sale is directed may 9246
conduct the public auction of the parcel at a physical location 9247
in the county in which the parcel is located or online. If the 9248
public auction occurs online, the auction shall be open for 9249
bidding for seven days. If the parcel is not sold during this 9250
initial seven-day period, a second online auction shall be held 9251
not earlier than three days or later than thirty days after the 9252
end of the first auction. The second online auction shall be 9253
open for bidding for seven days. 9254

(3) A private selling officer who conducts an auction of 9255
the parcel under this section may do any of the following: 9256

(a) Market the parcels for sale and hire a title insurance 9257

agent licensed under Chapter 3953. of the Revised Code or title 9258
insurance company authorized to do business under that chapter 9259
to assist the private selling officer in performing 9260
administrative services; 9261

(b) Execute to the purchaser, or to the purchaser's legal 9262
representatives, a deed of conveyance of the parcel sold in 9263
conformity with the form set forth in section 5302.31 of the 9264
Revised Code; 9265

(c) Record on behalf of the purchaser the deed conveying 9266
title to the parcel sold, notwithstanding that the deed may not 9267
actually have been delivered to the purchaser prior to its 9268
recording. 9269

(4) By placing a bid at a sale conducted pursuant to this 9270
section, a purchaser appoints the private selling officer who 9271
conducts the sale as agent of the purchaser for the sole purpose 9272
of accepting delivery of the deed. 9273

(5) The private selling officer who conducts the sale 9274
shall hire a title insurance agent licensed under Chapter 3953. 9275
of the Revised Code or title insurance company authorized to do 9276
business under that chapter to perform title, escrow, and 9277
closing services related to the sale of the parcel. 9278

(6) Except as otherwise provided in sections 323.65 to 9279
323.79 of the Revised Code, and the alternative redemption 9280
period thereunder, each certificate parcel shall be advertised 9281
and sold by the officer to whom the order of sale is directed in 9282
the manner provided by law for the sale of real property on 9283
execution. The advertisement for sale of certificate parcels 9284
shall be published once a week for three consecutive weeks and 9285
shall include the date on which a second sale will be conducted 9286

if no bid is accepted at the first sale. Any number of parcels 9287
may be included in one advertisement. 9288

Except as otherwise provided in sections 323.65 to 323.79 9289
of the Revised Code, whenever the officer charged to conduct the 9290
sale offers a certificate parcel for sale at a physical location 9291
and not online and no bids are made equal to at least the amount 9292
of the finding of the court or board of revision, the officer 9293
shall adjourn the sale of the parcel to the second date that was 9294
specified in the advertisement of sale. The second sale shall be 9295
held at the same place and commence at the same time as set 9296
forth in the advertisement of sale. The officer shall offer any 9297
parcel not sold at the first sale. Upon the conclusion of any 9298
sale, or if any parcel remains unsold after being offered at two 9299
sales, the officer conducting the sale shall report the results 9300
to the court or board of revision. 9301

(D) Upon the confirmation of a sale, the proceeds of the 9302
sale shall be applied as follows: 9303

(1) The fees and costs incurred in the proceeding filed 9304
against the parcel pursuant to section 5721.37 of the Revised 9305
Code shall be paid first, including attorney's fees of the 9306
certificate holder's attorney payable under division (F) of that 9307
section, private selling officer's fees and marketing costs, 9308
title agent's or title company's fees, or the county 9309
prosecutor's costs covered by the fee paid by the certificate 9310
holder under division (B) (3) of that section. 9311

(2) Following the payment required by division (D) (1) of 9312
this section, the certificate holder that filed the notice of 9313
intent to foreclose or request for foreclosure with the county 9314
treasurer shall be paid the sum of the following amounts: 9315

(a) The sum of the amount found due for the certificate 9316
redemption prices of all the tax certificates that are sold 9317
against the parcel; 9318

(b) Any premium paid by the certificate holder at the time 9319
of purchase; 9320

(c) Interest on the amounts paid by the certificate holder 9321
under division (B) (1) of section 5721.37 of the Revised Code at 9322
the rate of eighteen per cent per year beginning on the day on 9323
which the payment was submitted by the certificate holder to the 9324
county treasurer and ending on the day immediately preceding the 9325
day on which the proceeds of the foreclosure sale are paid to 9326
the certificate holder; 9327

(d) Interest on the amounts paid by the certificate holder 9328
under divisions (B) (2) and (3) of section 5721.37 of the Revised 9329
Code at the rate of eighteen per cent per year beginning on the 9330
day on which the payment was submitted by the certificate holder 9331
under divisions (B) (2) and (3) of that section and ending on the 9332
day immediately preceding the day on which the proceeds of the 9333
foreclosure sale are paid to the certificate holder pursuant to 9334
this section, except that such interest shall not accrue for 9335
more than ~~three-six years if the certificate was sold under~~ 9336
~~section 5721.32 of the Revised Code, or under section 5721.42 of~~ 9337
~~the Revised Code by the holder of a certificate issued under~~ 9338
~~section 5721.32 of the Revised Code, or more than six years if~~ 9339
~~the certificate was sold under section 5721.33 of the Revised~~ 9340
~~Code, or under section 5721.42 of the Revised Code by the holder~~ 9341
~~of a certificate issued under section 5721.33 of the Revised~~ 9342
~~Code,~~ after the day the amounts were paid by the certificate 9343
holder under divisions (B) (2) and (3) of section 5721.37 of the 9344
Revised Code; 9345

(e) The amounts paid by the certificate holder under 9346
divisions (B) (1), (2), and (3) of section 5721.37 of the Revised 9347
Code. 9348

(3) Following the payment required by division (D) (2) of 9349
this section, any amount due for taxes, installments of 9350
assessments, charges, penalties, and interest not covered by the 9351
tax certificate holder's payment under division (B) (2) of 9352
section 5721.37 of the Revised Code shall be paid, including all 9353
taxes, installments of assessments, charges, penalties, and 9354
interest payable subsequent to the entry of the finding and 9355
prior to the transfer of the deed of the parcel to the purchaser 9356
following confirmation of sale. If the proceeds available for 9357
distribution pursuant to this division are insufficient to pay 9358
the entire amount of those taxes, installments of assessments, 9359
charges, penalties, and interest, the proceeds shall be paid to 9360
each claimant in proportion to the amount of those taxes, 9361
installments of assessments, charges, penalties, and interest 9362
that each is due, and those taxes, installments of assessments, 9363
charges, penalties, and interest are deemed satisfied and shall 9364
be removed from the tax list and duplicate. 9365

(4) Any residue of money from proceeds of the sale shall 9366
be disposed of as prescribed by section 5721.20 of the Revised 9367
Code. 9368

(E) Unless the parcel previously was redeemed pursuant to 9369
section 5721.25 or 5721.38 of the Revised Code, upon the filing 9370
of the entry of confirmation of sale, or an order to transfer 9371
the parcel under sections 323.65 to 323.79 of the Revised Code, 9372
the title to the parcel is incontestable in the purchaser and is 9373
free and clear of all liens and encumbrances, except a federal 9374
tax lien, notice of which lien is properly filed in accordance 9375

with section 317.09 of the Revised Code prior to the date that a 9376
foreclosure proceeding is instituted pursuant to section 5721.37 9377
of the Revised Code, and which lien was foreclosed in accordance 9378
with 28 U.S.C.A. 2410(c), and except for the easements and 9379
covenants of record running with the land or lots that were 9380
created prior to the time the taxes or installments of 9381
assessments, for the nonpayment of which a tax certificate was 9382
issued and the parcel sold at foreclosure, became due and 9383
payable. 9384

The title shall not be invalid because of any 9385
irregularity, informality, or omission of any proceedings under 9386
this chapter or in any processes of taxation, if such 9387
irregularity, informality, or omission does not abrogate the 9388
provision for notice to holders of title, lien, or mortgage to, 9389
or other interests in, such foreclosed parcels, as prescribed in 9390
this chapter. 9391

Sec. 5725.98. (A) To provide a uniform procedure for 9392
calculating the amount of tax imposed by section 5725.18 of the 9393
Revised Code that is due under this chapter, a taxpayer shall 9394
claim any credits and offsets against tax liability to which it 9395
is entitled in the following order: 9396

~~(1)~~—The credit for an insurance company or insurance 9397
company group under section 5729.031 of the Revised Code; 9398

~~(2)~~—The credit for eligible employee training costs under 9399
section 5725.31 of the Revised Code; 9400

~~(3)~~—The credit for purchasers of qualified low-income 9401
community investments under section 5725.33 of the Revised Code; 9402

~~(4)~~—The nonrefundable job retention credit under division 9403
(B) of section 122.171 of the Revised Code; 9404

~~(5)~~—The nonrefundable credit for investments in rural 9405
business growth funds under section 122.152 of the Revised Code; 9406

~~(6)~~—The offset of assessments by the Ohio life and health 9407
insurance guaranty association permitted by section 3956.20 of 9408
the Revised Code; 9409

~~(7)~~—The refundable credit for rehabilitating a historic 9410
building under section 5725.34 of the Revised Code~~;~~; 9411

~~(8)~~—The refundable credit for Ohio job retention under 9412
former division (B) (2) or (3) of section 122.171 of the Revised 9413
Code as those divisions existed before September 29, 2015, the 9414
effective date of the amendment of this section by H.B. 64 of 9415
the 131st general assembly; 9416

~~(9)~~—The refundable credit for Ohio job creation under 9417
section 5725.32 of the Revised Code; 9418

~~(10)~~—The refundable credit under section 5725.19 of the 9419
Revised Code for losses on loans made under the Ohio venture 9420
capital program under sections 150.01 to 150.10 of the Revised 9421
Code. 9422

(B) For any credit except the refundable credits 9423
enumerated in this section, the amount of the credit for a 9424
taxable year shall not exceed the tax due after allowing for any 9425
other credit that precedes it in the order required under this 9426
section. Any excess amount of a particular credit may be carried 9427
forward if authorized under the section creating that credit. 9428
Nothing in this chapter shall be construed to allow a taxpayer 9429
to claim, directly or indirectly, a credit more than once for a 9430
taxable year. 9431

Sec. 5726.50. (A) A taxpayer may claim a refundable tax 9432
credit against the tax imposed under this chapter for each 9433

person included in the annual report of the taxpayer that is 9434
granted a credit by the tax credit authority under section 9435
122.17 or former division (B) (2) or (3) of section 122.171 of 9436
the Revised Code as those divisions existed before ~~the effective~~ 9437
~~date of the amendment of this section by H.B. 64 of the 131st~~ 9438
~~general assembly September 29, 2015.~~ Such a credit shall not be 9439
claimed for any tax year following the calendar year in which a 9440
relocation of employment positions occurs in violation of an 9441
agreement entered into under section 122.17 or 122.171 of the 9442
Revised Code. For the purpose of making tax payments under this 9443
chapter, taxes equal to the amount of the refundable credit 9444
shall be considered to be paid on the first day of the tax year. 9445

(B) A taxpayer may claim a nonrefundable tax credit 9446
against the tax imposed under this chapter for each person 9447
included in the annual report of the taxpayer that is granted a 9448
nonrefundable credit by the tax credit authority under division 9449
(B) of section 122.171 of the Revised Code. A taxpayer may claim 9450
against the tax imposed by this chapter any unused portion of 9451
the credits authorized under division (B) of section 5733.0610 9452
of the Revised Code. 9453

(C) The credits authorized in divisions (A) and (B) of 9454
this section shall be claimed in the order required under 9455
section 5726.98 of the Revised Code. If the amount of a credit 9456
authorized in division (A) of this section exceeds the tax 9457
otherwise due under section 5726.02 of the Revised Code after 9458
deducting all other credits preceding the credit in the order 9459
prescribed in section 5726.98 of the Revised Code, the excess 9460
shall be refunded to the taxpayer. 9461

Sec. 5726.98. (A) To provide a uniform procedure for 9462
calculating the amount of tax due under section 5726.02 of the 9463

Revised Code, a taxpayer shall claim any credits to which the 9464
taxpayer is entitled under this chapter in the following order: 9465

~~(1)~~—The nonrefundable job retention credit under division 9466
(B) of section 5726.50 of the Revised Code; 9467

~~(2)~~—The nonrefundable credit for purchases of qualified 9468
low-income community investments under section 5726.54 of the 9469
Revised Code; 9470

~~(3)~~—The nonrefundable credit for qualified research 9471
expenses under section 5726.56 of the Revised Code; 9472

~~(4)~~—The nonrefundable credit for qualifying dealer in 9473
intangibles taxes under section 5726.57 of the Revised Code; 9474

~~(5)~~—The refundable credit for rehabilitating an historic 9475
building under section 5726.52 of the Revised Code; 9476

~~(6)~~—The refundable job retention or job creation credit 9477
under division (A) of section 5726.50 of the Revised Code; 9478

~~(7)~~—The refundable credit under section 5726.53 of the 9479
Revised Code for losses on loans made under the Ohio venture 9480
capital program under sections 150.01 to 150.10 of the Revised 9481
Code; 9482

~~(8)~~—The refundable motion picture and Broadway theatrical 9483
production credit under section 5726.55 of the Revised Code. 9484

(B) For any credit except the refundable credits 9485
enumerated in this section, the amount of the credit for a 9486
taxable year shall not exceed the tax due after allowing for any 9487
other credit that precedes it in the order required under this 9488
section. Any excess amount of a particular credit may be carried 9489
forward if authorized under the section creating that credit. 9490
Nothing in this chapter shall be construed to allow a taxpayer 9491

to claim, directly or indirectly, a credit more than once for a 9492
taxable year. 9493

Sec. 5727.02. As used in this chapter, "public utility," 9494
"electric company," "natural gas company," "pipe-line company," 9495
"water-works company," "water transportation company," or 9496
"heating company" does not include any of the following: 9497

(A) (1) Except as provided in division (A) (2) of this 9498
section, any person that is engaged in some other primary 9499
business to which the supplying of electricity, heat, natural 9500
gas, water, water transportation, steam, or air to others is 9501
incidental. 9502

(2) For tax year 2009 and each tax year thereafter, a 9503
person that is engaged in some other primary business to which 9504
the supplying of electricity to others is incidental shall be 9505
treated as an "electric company" and a "public utility" for 9506
purposes of this chapter solely to the extent required by 9507
section 5727.031 of the Revised Code. 9508

(3) For purposes of division (A) of this section and 9509
section 5727.031 of the Revised Code: 9510

(a) "Supplying of electricity" means generating, 9511
transmitting, or distributing electricity. 9512

(b) A person that leases to others energy facilities with 9513
an aggregate nameplate capacity in this state of two hundred 9514
fifty kilowatts or less per lease is not supplying electricity 9515
to others. 9516

(c) A person that owns, or leases from another person, 9517
energy facilities with an aggregate nameplate capacity in this 9518
state of two hundred fifty kilowatts or less is not supplying 9519
electricity to others, regardless of whether the owner or lessee 9520

engages in net metering as defined in section 4928.01 of the Revised Code.

(d) A political subdivision of this state that owns an energy facility is not supplying electricity to others regardless of the nameplate capacity of the facility if the primary purpose of the facility is to supply electricity for the political subdivision's own use. As used in this division, "political subdivision" means a county, township, municipal corporation, or any other body corporate and politic that is responsible for government activities in a geographic area smaller than that of the state.

(B) Any person that supplies electricity, natural gas, water, water transportation, steam, or air to its tenants, whether for a separate charge or otherwise;

(C) Any person whose primary business in this state consists of producing, refining, or marketing petroleum or its products.

(D) Any person whose primary business in this state consists of producing or gathering natural gas rather than supplying or distributing natural gas to consumers.

Sec. 5727.11. (A) Except as otherwise provided in this section, the true value of all taxable property, except property of a railroad company, required by section 5727.06 of the Revised Code to be assessed by the tax commissioner shall be determined by a method of valuation using cost as capitalized on the public utility's books and records less composite annual allowances as prescribed by the commissioner. If the commissioner finds that application of this method will not result in the determination of true value of the public

utility's taxable property, the commissioner may use another 9550
method of valuation. 9551

(B) (1) Except as provided in division (B) (2) of this 9552
section, the true value of current gas stored underground is the 9553
cost of that gas shown on the books and records of the public 9554
utility on the thirty-first day of December of the preceding 9555
year. 9556

(2) For tax year 2001 and thereafter, the true value of 9557
current gas stored underground is the quotient obtained by 9558
dividing (a) the average value of the current gas stored 9559
underground, which shall be determined by adding the value of 9560
the gas on hand at the end of each calendar month in the 9561
calendar year preceding the tax year, or, if applicable, the 9562
last day of business of each month for a partial month, divided 9563
by (b) the total number of months the natural gas company was in 9564
business during the calendar year prior to the beginning of the 9565
tax year. ~~with~~ With the approval of the tax commissioner, a 9566
natural gas company may use a date other than the end of a 9567
calendar month to value its current gas stored underground. 9568

(C) The true value of noncurrent gas stored underground is 9569
thirty-five per cent of the cost of that gas shown on the books 9570
and records of the public utility on the thirty-first day of 9571
December of the preceding year. 9572

(D) (1) Except as provided in division (D) (2) of this 9573
section, the true value of the production equipment of an 9574
electric company and the true value of all taxable property of a 9575
rural electric company is the equipment's or property's cost as 9576
capitalized on the company's books and records less fifty per 9577
cent of that cost as an allowance for depreciation and 9578
obsolescence. 9579

(2) The true value of the production equipment or energy 9580
conversion equipment of an electric company, rural electric 9581
company, or energy company purchased, transferred, or placed 9582
into service after October 5, 1999, is the purchase price of the 9583
equipment as capitalized on the company's books and records less 9584
composite annual allowances as prescribed by the tax 9585
commissioner. 9586

(E) The true value of taxable property, except property of 9587
a railroad company, required by section 5727.06 of the Revised 9588
Code to be assessed by the tax commissioner shall not include 9589
the allowance for funds used during construction or interest 9590
during construction that has been capitalized on the public 9591
utility's books and records as part of the total cost of the 9592
taxable property. This division shall not apply to the taxable 9593
property of an electric company or a rural electric company, 9594
excluding transmission and distribution property, first placed 9595
into service after December 31, 2000, or to the taxable property 9596
a person purchases, which includes transfers, if that property 9597
was used in business by the seller prior to the purchase. 9598

(F) The true value of watercraft owned or operated by a 9599
water transportation company shall be determined by multiplying 9600
the true value of the watercraft as determined under division 9601
(A) of this section by a fraction, the numerator of which is the 9602
number of revenue-earning miles traveled by the watercraft in 9603
the waters of this state and the denominator of which is the 9604
number of revenue-earning miles traveled by the watercraft in 9605
all waters. 9606

(G) The cost of property subject to a sale and leaseback 9607
transaction is the cost of the property as capitalized on the 9608
books and records of the public utility owning the property 9609

immediately prior to the sale and leaseback transaction. 9610

(H) The cost as capitalized on the books and records of a 9611
public utility includes amounts capitalized that represent 9612
regulatory assets, if such amounts previously were included on 9613
the company's books and records as capitalized costs of taxable 9614
personal property. 9615

(I) Any change in the composite annual allowances as 9616
prescribed by the commissioner on a prospective basis shall not 9617
be admissible in any judicial or administrative action or 9618
proceeding as evidence of value with regard to prior years' 9619
taxes. Information about the business, property, or transactions 9620
of any taxpayer obtained by the commissioner for the purpose of 9621
adopting or modifying the composite annual allowances shall not 9622
be subject to discovery or disclosure. 9623

Sec. 5727.23. On or before the first Monday in October, 9624
annually, the tax commissioner shall assess the taxable property 9625
of each public utility and interexchange telecommunications 9626
company, and for tax year 2009 and thereafter of each public 9627
utility property lessor. If the taxpayer failed to file its 9628
annual report required by section 5727.08 of the Revised Code at 9629
least sixty days prior to the first Monday of October, the 9630
commissioner may make the assessment under this section within 9631
sixty days after the taxpayer files the report, but this does 9632
not preclude the commissioner from making an assessment without 9633
receiving the report. 9634

The action of the tax commissioner shall be evidenced by a 9635
preliminary assessment that reflects the taxable value 9636
apportioned to each county and each taxing district in the 9637
county. The commissioner may amend the preliminary assessment as 9638
provided in this section. Each preliminary assessment and 9639

amended preliminary assessment shall be certified to the public 9640
utility, interexchange telecommunications company, or public 9641
utility property lessor, and to⁷ the auditor of each county to 9642
which taxable value has been apportioned. 9643

The county auditor shall place the apportioned taxable 9644
value on the general tax list and duplicate of real and public 9645
utility property, and taxes shall be levied and collected 9646
thereon at the same rates and in the same manner as taxes are 9647
levied and collected on real property in the taxing district in 9648
question. 9649

Unless a petition for reassessment of an assessment has 9650
been properly filed pursuant to section 5727.47 of the Revised 9651
Code, each preliminary assessment and, if amended, each 9652
preliminary assessment as last amended shall become final ninety 9653
days after certification of the preliminary assessment or thirty 9654
days after certification of the amended preliminary assessment, 9655
whichever is later. If a petition for reassessment is properly 9656
filed, the assessment shall become final when the tax 9657
commissioner issues a final determination. 9658

Neither the certification of any preliminary or amended 9659
assessment nor the expiration of the period of time that makes 9660
any assessment final constitutes a final determination, 9661
assessment, reassessment, valuation, finding, computation, or 9662
order of the commissioner that is appealable under section 9663
5717.02 of the Revised Code. 9664

Sec. 5727.32. (A) For the purpose of the tax imposed by 9665
section 5727.30 of the Revised Code, the statement required by 9666
section 5727.31 of the Revised Code shall contain: 9667

(1) The name of the company; 9668

- (2) The nature of the company, whether a person, 9669
association, or corporation, and under the laws of what state or 9670
country organized; 9671
- (3) The location of its principal office; 9672
- (4) The name and post-office address of the president, 9673
secretary, auditor, treasurer, and superintendent or general 9674
manager; 9675
- (5) The name and post-office address of the chief officer 9676
or managing agent of the company in this state; 9677
- (6) The amount of the excise taxes paid or to be paid with 9678
the reports made during the current calendar year as provided by 9679
section 5727.31 of the Revised Code; 9680
- (7) In the case of telegraph companies: 9681
- (a) The gross receipts from all sources, whether messages, 9682
telephone tolls, rentals, or otherwise, for business done within 9683
this state, including all sums earned or charged, whether 9684
actually received or not, for the year ending on the thirtieth 9685
day of June, and the company's proportion of gross receipts for 9686
business done by it within this state in connection with other 9687
companies, firms, corporations, persons, or associations, but 9688
excluding all of the following: 9689
- (i) All of the receipts derived wholly from interstate 9690
business or business done for or with the federal government; 9691
- (ii) The receipts of amounts billed on behalf of other 9692
entities. 9693
- (b) The total gross receipts for such period from business 9694
done within this state. 9695

(8) In the case of all public utilities subject to the tax 9696
imposed by section 5727.30 of the Revised Code, except telegraph 9697
companies: 9698

(a) The gross receipts of the company, actually received, 9699
from all sources for business done within this state for the 9700
year next preceding the first day of May, including the 9701
company's proportion of gross receipts for business done by it 9702
within this state in connection with other companies, firms, 9703
corporations, persons, or associations, but excluding both of 9704
the following: 9705

(i) Receipts from interstate business or business done for 9706
the federal government; 9707

(ii) Receipts from sales to another public utility for 9708
resale, provided such other public utility is subject to the tax 9709
levied by section 5727.24 or 5727.30 of the Revised Code; 9710

(iii) Receipts of a combined company derived from 9711
operating as a natural gas company that is subject to the tax 9712
imposed by section 5727.24 of the Revised Code. 9713

(b) The total gross receipts of the company, for the year 9714
next preceding the first day of May, in this state from business 9715
done within the state. 9716

(B) The reports required by section 5727.31 of the Revised 9717
Code shall contain: 9718

(1) The name and principal mailing address of the company; 9719

(2) The total amount of the gross receipts excise taxes 9720
charged or levied as based upon its last preceding annual 9721
statement filed prior to the first day of January of the year in 9722
which such report is filed; 9723

(3) The amount of the excise taxes due with the report as 9724
provided by section 5727.31 of the Revised Code. 9725

Sec. 5727.33. (A) For the purpose of computing the excise 9726
tax imposed by section 5727.24 or 5727.30 of the Revised Code, 9727
the entire gross receipts actually received from all sources for 9728
business done within this state are taxable gross receipts, 9729
excluding the receipts described in divisions (B), (C), and (D) 9730
of this section. The gross receipts for the tax year of each 9731
telegraph company shall be computed for the period of the first 9732
day of July prior to the tax year to the thirtieth day of June 9733
of the tax year. The gross receipts of each natural gas company, 9734
including a combined company's taxable gross receipts attributed 9735
to a natural gas company activity, shall be computed in the 9736
manner required by section 5727.25 of the Revised Code. The 9737
gross receipts for the tax year of any other public utility 9738
subject to section 5727.30 of the Revised Code shall be computed 9739
for the period of the first day of May prior to the tax year to 9740
the thirtieth day of April of the tax year. 9741

(B) In ascertaining and determining the gross receipts of 9742
each public utility subject to this section, the following gross 9743
receipts are excluded: 9744

(1) All receipts derived wholly from interstate business; 9745
(2) All receipts derived wholly from business done for or 9746
with the federal government; 9747

(3) All receipts from the sale of merchandise; 9748
(4) All receipts from sales to other public utilities, 9749
except railroad and telegraph companies, for resale, provided 9750
the other public utility is subject to the tax levied by section 9751
5727.24 or 5727.30 of the Revised Code. 9752

(C) In ascertaining and determining the gross receipts of 9753
a natural gas company, receipts billed on behalf of other 9754
entities are excluded. The tax imposed by section ~~5729.811~~ 9755
5727.811 of the Revised Code, along with transportation and 9756
billing and collection fees charged to other entities, shall be 9757
included in the gross receipts of a natural gas company. 9758

(D) In ascertaining and determining the gross receipts of 9759
a combined company subject to the tax imposed by section 5727.30 9760
of the Revised Code, all receipts derived from operating as a 9761
natural gas company that are subject to the tax imposed by 9762
section 5727.24 of the Revised Code are excluded. 9763

(E) Except as provided in division (F) of this section, 9764
the amount ascertained by the commissioner under this section, 9765
less a deduction of twenty-five thousand dollars, shall be the 9766
taxable gross receipts of such companies for business done 9767
within this state for that year. 9768

(F) The amount ascertained under this section, less the 9769
following deduction, shall be the taxable gross receipts of a 9770
natural gas company or combined company subject to the tax 9771
imposed by section 5727.24 of the Revised Code for business done 9772
within this state: 9773

(1) For a natural gas company that files quarterly returns 9774
of the tax imposed by section 5727.24 of the Revised Code, six 9775
thousand two hundred fifty dollars for each quarterly return; 9776

(2) For a natural gas company that files an annual return 9777
of the tax imposed by section 5727.24 of the Revised Code, 9778
twenty-five thousand dollars for each annual return; 9779

(3) For a combined company, twenty-five thousand dollars 9780
on the annual statement filed under section 5727.31 of the 9781

Revised Code. A combined company shall not be entitled to a 9782
deduction in computing gross receipts subject to the tax imposed 9783
by section 5727.24 of the Revised Code. 9784

Sec. 5727.80. As used in sections 5727.80 to 5727.95 of 9785
the Revised Code: 9786

(A) "Electric distribution company" means either of the 9787
following: 9788

(1) A person who distributes electricity through a meter 9789
of an end user in this state or to an unmetered location in this 9790
state; 9791

(2) The end user of electricity in this state, if the end 9792
user obtains electricity that is not distributed or transmitted 9793
to the end user by an electric distribution company that is 9794
required to remit the tax imposed by section 5727.81 of the 9795
Revised Code. 9796

"Electric distribution company" does not include an end 9797
user of electricity in this state who self-generates electricity 9798
that is used directly by that end user on the same site that the 9799
electricity is generated or a person that donates all of the 9800
electricity the person generates to a political subdivision of 9801
the state. Division (A) (2) of this section shall not apply to a 9802
political subdivision in this state that is the end user of 9803
electricity that is donated to the political subdivision. 9804

(B) "Kilowatt hour" means one thousand watt hours of 9805
electricity. 9806

(C) For an electric distribution company, "meter of an end 9807
user in this state" means the last meter used to measure the 9808
kilowatt hours distributed by an electric distribution company 9809
to a location in this state, or the last meter located outside 9810

of this state that is used to measure the kilowatt hours 9811
consumed at a location in this state. 9812

(D) "Person" has the same meaning as in section 5701.01 of 9813
the Revised Code, but also includes a political subdivision of 9814
the state. 9815

(E) "Municipal electric utility" means a municipal 9816
corporation that owns or operates a system for the distribution 9817
of electricity. 9818

(F) "Qualified end user" means an end user of electricity 9819
that satisfies either of the following criteria: 9820

(1) The end user uses more than three million kilowatt 9821
hours of electricity at one manufacturing location in this state 9822
for a calendar day for use in a qualifying manufacturing 9823
process. 9824

(2) The end user uses electricity at a manufacturing 9825
location in this state for use in a chlor-alkali manufacturing 9826
process but, if the end user uses electricity distributed by a 9827
municipal electric utility, the end user can only be a 9828
"qualified end user" upon obtaining the consent of the 9829
legislative authority of the municipal corporation that owns or 9830
operates the utility. 9831

(G) "Qualified regeneration" means a process to convert 9832
electricity to a form of stored energy by means such as using 9833
electricity to compress air for storage or to pump water to an 9834
elevated storage reservoir, if such stored energy is 9835
subsequently used to generate electricity for sale to others 9836
primarily during periods when there is peak demand for 9837
electricity. 9838

(H) "Qualified regeneration meter" means the last meter 9839

used to measure electricity used in a qualified regeneration 9840
process. 9841

(I) "Qualifying manufacturing process" means an 9842
electrochemical manufacturing process or a chlor-alkali 9843
manufacturing process. 9844

(J) "Self-assessing purchaser" means a purchaser that 9845
meets all the requirements of, and pays the excise tax in 9846
accordance with, division (C) of section 5727.81 of the Revised 9847
Code. 9848

(K) "Natural gas distribution company" means a natural gas 9849
company or a combined company, ~~as defined in section 5727.01 of~~ 9850
~~the Revised Code,~~ that is subject to the excise tax imposed by 9851
section 5727.24 of the Revised Code and that distributes natural 9852
gas through a meter of an end user in this state or to an 9853
unmetered location in this state. 9854

(L) "MCF" means one thousand cubic feet. 9855

(M) For a natural gas distribution company, "meter of an 9856
end user in this state" means the last meter used to measure the 9857
MCF of natural gas distributed by a natural gas distribution 9858
company to a location in this state, or the last meter located 9859
outside of this state that is used to measure the natural gas 9860
consumed at a location in this state. 9861

(N) "Flex customer" means an industrial or a commercial 9862
facility that has consumed more than one billion cubic feet of 9863
natural gas a year at a single location during any of the 9864
previous five years, or an industrial or a commercial end user 9865
of natural gas that purchases natural gas distribution services 9866
from a natural gas distribution company at discounted rates or 9867
charges established in any of the following: 9868

(1) A special arrangement subject to review and regulation 9869
by the public utilities commission under section 4905.31 of the 9870
Revised Code; 9871

(2) A special arrangement with a natural gas distribution 9872
company pursuant to a municipal ordinance; 9873

(3) A variable rate schedule that permits rates to vary 9874
between defined amounts, provided that the schedule is on file 9875
with the public utilities commission. 9876

An end user that meets this definition on January 1, 2000, 9877
or thereafter is a "flex customer" for purposes of determining 9878
the rate of taxation under division (D) of section 5727.811 of 9879
the Revised Code. 9880

(O) "Electrochemical manufacturing process" means the 9881
performance of an electrochemical reaction in which electrons 9882
from direct current electricity remain a part of the product 9883
being manufactured. "Electrochemical manufacturing process" does 9884
not include a chlor-alkali manufacturing process. 9885

(P) "Chlor-alkali manufacturing process" means a process 9886
that uses electricity to produce chlorine and other chemicals 9887
through the electrolysis of a salt solution. 9888

Sec. 5727.83. (A) A natural gas distribution company, an 9889
electric distribution company, or a self-assessing purchaser 9890
shall remit each tax payment by electronic funds transfer as 9891
prescribed by divisions (B) and (C) of this section. 9892

The tax commissioner shall notify each natural gas 9893
distribution company, electric distribution company, and self- 9894
assessing purchaser of the obligation to remit taxes by 9895
electronic funds transfer, shall maintain an updated list of 9896
those companies and purchasers, and shall timely certify to the 9897

treasurer of state the list and any additions thereto or 9898
deletions therefrom. Failure by the tax commissioner to notify a 9899
company or self-assessing purchaser subject to this section to 9900
remit taxes by electronic funds transfer does not relieve the 9901
company or self-assessing purchaser of its obligation to remit 9902
taxes in that manner. 9903

(B) A natural gas distribution company, an electric 9904
distribution company, or a self-assessing purchaser required by 9905
this section to remit payments by electronic funds transfer 9906
shall remit such payments to the treasurer of state in the 9907
manner prescribed by rules adopted by the treasurer of state 9908
under section 113.061 of the Revised Code, and on or before the 9909
dates specified under section 5727.82 of the Revised Code. The 9910
payment of taxes by electronic funds transfer does not affect a 9911
company's or self-assessing purchaser's obligation to file a 9912
return as required under section 5727.82 of the Revised Code. 9913

(C) A natural gas distribution company, an electric 9914
distribution company, or a self-assessing purchaser required by 9915
this section to remit taxes by electronic funds transfer may 9916
apply to the treasurer of state in the manner prescribed by the 9917
treasurer of state to be excused from that requirement. The 9918
treasurer of state may excuse the company or self-assessing 9919
purchaser from remittance by electronic funds transfer for good 9920
cause shown for the period of time requested by the company or 9921
self-assessing purchaser or for a portion of that period. The 9922
treasurer of state shall notify the tax commissioner and the 9923
company or self-assessing purchaser of the treasurer of state's 9924
decision as soon as is practicable. 9925

(D) If a natural gas distribution company, an electric 9926
distribution company, or a self-assessing purchaser required by 9927

this section to remit taxes by electronic funds transfer remits 9928
those taxes by some means other than by electronic funds 9929
transfer as prescribed by this section and the rules adopted by 9930
the treasurer of state, and the treasurer of state determines 9931
that such failure was not due to reasonable cause or was due to 9932
willful neglect, the treasurer of state shall notify the tax 9933
commissioner of the failure to remit by electronic funds 9934
transfer and shall provide the commissioner with any information 9935
used in making that determination. The tax commissioner may 9936
collect an additional charge by assessment in the manner 9937
prescribed by section 5727.89 of the Revised Code. The 9938
additional charge shall equal five per cent of the amount of the 9939
taxes required to be paid by electronic funds transfer, but 9940
shall not exceed five thousand dollars. Any additional charge 9941
assessed under this section is in addition to any other penalty 9942
or charge imposed under this chapter, and shall be considered as 9943
revenue arising from the tax imposed under this chapter. The tax 9944
commissioner may abate all or a portion of such a charge and may 9945
adopt rules governing such abatements. 9946

No additional charge shall be assessed under this division 9947
against a natural gas distribution company, an electric 9948
distribution company, or a self-assessing purchaser that has 9949
been notified of its obligation to remit taxes under this 9950
section and that remits its first two tax payments after such 9951
notification by some means other than electronic funds transfer. 9952
The additional charge may be assessed upon the remittance of any 9953
subsequent tax payment that the company or purchaser remits by 9954
~~done~~ some means other than electronic funds transfer. 9955

Sec. 5727.84. No determinations, computations, 9956
certifications, or payments shall be made under this section 9957
after June 30, 2015. 9958

(A) As used in this section and sections 5727.85, and 9959
5727.86, ~~and 5727.87~~ of the Revised Code: 9960

(1) "School district" means a city, local, or exempted 9961
village school district. 9962

(2) "Joint vocational school district" means a joint 9963
vocational school district created under section 3311.16 of the 9964
Revised Code, and includes a cooperative education school 9965
district created under section 3311.52 or 3311.521 of the 9966
Revised Code and a county school financing district created 9967
under section 3311.50 of the Revised Code. 9968

(3) "Local taxing unit" means a subdivision or taxing 9969
unit, as defined in section 5705.01 of the Revised Code, a park 9970
district created under Chapter 1545. of the Revised Code, or a 9971
township park district established under section 511.23 of the 9972
Revised Code, but excludes school districts and joint vocational 9973
school districts. 9974

(4) "State education aid," for a school district, means 9975
the following: 9976

(a) For fiscal years prior to fiscal year 2010, the sum of 9977
state aid amounts computed for the district under former 9978
sections 3317.029, 3317.052, and 3317.053 of the Revised Code 9979
and the following provisions, as they existed for the applicable 9980
fiscal year: divisions (A), (C) (1), (C) (4), (D), (E), and (F) of 9981
section 3317.022; divisions (B), (C), and (D) of section 9982
3317.023; divisions (G), (L), and (N) of section 3317.024; and 9983
sections 3317.0216, 3317.0217, 3317.04, and 3317.05 of the 9984
Revised Code; and the adjustments required by: division (C) of 9985
section 3310.08; division (C) (2) of section 3310.41; division 9986
(C) of section 3314.08; division (D) (2) of section 3314.091; 9987

division (D) of former section 3314.13; divisions (E), (K), (L), 9988
(M), and (N) of section 3317.023; division (C) of section 9989
3317.20; and sections 3313.979 and 3313.981 of the Revised Code. 9990
However, when calculating state education aid for a school 9991
district for fiscal years 2008 and 2009, include the amount 9992
computed for the district under Section 269.20.80 of H.B. 119 of 9993
the 127th general assembly, as subsequently amended, instead of 9994
division (D) of section 3317.022 of the Revised Code; and 9995
include amounts calculated under Section 269.30.80 of H.B. 119 9996
of the 127th general assembly, as subsequently amended. 9997

(b) For fiscal years 2010 and 2011, the sum of the amounts 9998
computed for the district under former sections 3306.052, 9999
3306.12, 3306.13, 3306.19, 3306.191, 3306.192, 3317.052, and 10000
3317.053 of the Revised Code and the following provisions, as 10001
they existed for the applicable fiscal year: division (G) of 10002
section 3317.024; section 3317.05 of the Revised Code; and the 10003
adjustments required by division (C) of section 3310.08; 10004
division (C) (2) of section 3310.41; division (C) of section 10005
3314.08; division (D) (2) of section 3314.091; division (D) of 10006
former section 3314.13; divisions (E), (K), (L), (M), and (N) of 10007
section 3317.023; division (C) of section 3317.20; and sections 10008
3313.979, 3313.981, and 3326.33 of the Revised Code. 10009

(c) For fiscal years 2012 and 2013, the amount paid in 10010
accordance with the section of H.B. 153 of the 129th general 10011
assembly entitled "FUNDING FOR CITY, EXEMPTED VILLAGE, AND LOCAL 10012
SCHOOL DISTRICTS" and the adjustments required by division (C) 10013
of section 3310.08; division (C) (2) of section 3310.41; section 10014
3310.55; division (C) of section 3314.08; division (D) (2) of 10015
section 3314.091; division (D) of former section 3314.13; 10016
divisions (B), (H), (I), (J), and (K) of section 3317.023; 10017
division (C) of section 3317.20; and sections 3313.979 and 10018

3313.981 of the Revised Code; 10019

(d) For fiscal year 2014 and each fiscal year thereafter, 10020
the sum of amounts computed for and paid to the district under 10021
section 3317.022 of the Revised Code; and the adjustments 10022
required by division (C) of section 3310.08, division (C)(2) of 10023
section 3310.41, section 3310.55, division (C) of section 10024
3314.08, division (D)(2) of section 3314.091, divisions (B), 10025
(H), (J), and (K) of section 3317.023, and sections 3313.978, 10026
3313.981, 3317.0212, 3317.0213, 3317.0214, and 3326.33 of the 10027
Revised Code. However, for fiscal years 2014 and 2015, the 10028
amount computed for the district under the section of this act 10029
entitled "TRANSITIONAL AID FOR CITY, LOCAL, AND EXEMPTED VILLAGE 10030
SCHOOL DISTRICTS" also shall be included. 10031

(5) "State education aid," for a joint vocational school 10032
district, means the following: 10033

(a) For fiscal years prior to fiscal year 2010, the sum of 10034
the state aid amounts computed for the district under division 10035
(N) of section 3317.024 and section 3317.16 of the Revised Code. 10036
However, when calculating state education aid for a joint 10037
vocational school district for fiscal years 2008 and 2009, 10038
include the amount computed for the district under Section 10039
269.30.90 of H.B. 119 of the 127th general assembly, as 10040
subsequently amended. 10041

(b) For fiscal years 2010 and 2011, the amount computed 10042
for the district in accordance with the section of H.B. 1 of the 10043
128th general assembly entitled "FUNDING FOR JOINT VOCATIONAL 10044
SCHOOL DISTRICTS." 10045

(c) For fiscal years 2012 and 2013, the amount paid in 10046
accordance with the section of H.B. 153 of the 129th general 10047

assembly entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL 10048
DISTRICTS." 10049

(d) For fiscal year 2014 and each fiscal year thereafter, 10050
the amount computed for the district under section 3317.16 of 10051
the Revised Code; except that, for fiscal years 2014 and 2015, 10052
the amount computed for the district under the section of this 10053
act entitled "TRANSITIONAL AID FOR JOINT VOCATIONAL SCHOOL 10054
DISTRICTS" shall be included. 10055

(6) "State education aid offset" means the amount 10056
determined for each school district or joint vocational school 10057
district under division (A) (1) of section 5727.85 of the Revised 10058
Code. 10059

(7) "Recognized valuation" means the amount computed for a 10060
school district pursuant to section 3317.015 of the Revised 10061
Code. 10062

(8) "Electric company tax value loss" means the amount 10063
determined under division (D) of this section. 10064

(9) "Natural gas company tax value loss" means the amount 10065
determined under division (E) of this section. 10066

(10) "Tax value loss" means the sum of the electric 10067
company tax value loss and the natural gas company tax value 10068
loss. 10069

(11) "Fixed-rate levy" means any tax levied on property 10070
other than a fixed-sum levy. 10071

(12) "Fixed-rate levy loss" means the amount determined 10072
under division (G) of this section. 10073

(13) "Fixed-sum levy" means a tax levied on property at 10074
whatever rate is required to produce a specified amount of tax 10075

money or levied in excess of the ten-mill limitation to pay debt 10076
charges, and includes school district emergency levies charged 10077
and payable pursuant to section 5705.194 of the Revised Code. 10078

(14) "Fixed-sum levy loss" means the amount determined 10079
under division (H) of this section. 10080

(15) "Consumer price index" means the consumer price index 10081
(all items, all urban consumers) prepared by the bureau of labor 10082
statistics of the United States department of labor. 10083

(16) "Total resources" and "total library resources" have 10084
the same meanings as in section 5751.20 of the Revised Code. 10085

(17) "2011 current expense S.B. 3 allocation" means the 10086
sum of payments received by a school district or joint 10087
vocational school district in fiscal year 2011 for current 10088
expense levy losses pursuant to division (C) (2) of section 10089
5727.85 of the Revised Code. If a fixed-rate levy eligible for 10090
reimbursement is not charged and payable in any year after tax 10091
year 2010, "2011 current expense S.B. 3 allocation" used to 10092
compute payments to be made under division (C) (3) of section 10093
5727.85 of the Revised Code in the tax years following the last 10094
year the levy is charged and payable shall be reduced to the 10095
extent that those payments are attributable to the fixed-rate 10096
levy loss of that levy. 10097

(18) "2010 current expense S.B. 3 allocation" means the 10098
sum of payments received by a municipal corporation in calendar 10099
year 2010 for current expense levy losses pursuant to division 10100
(A) (1) of section 5727.86 of the Revised Code, excluding any 10101
such payments received for current expense levy losses 10102
attributable to a tax levied under section 5705.23 of the 10103
Revised Code. If a fixed-rate levy eligible for reimbursement is 10104

not charged and payable in any year after tax year 2010, "2010
current expense S.B. 3 allocation" used to compute payments to
be made under division (A) (1) (d) or (e) of section 5727.86 of
the Revised Code in the tax years following the last year the
levy is charged and payable shall be reduced to the extent that
those payments are attributable to the fixed-rate levy loss of
that levy.

(19) "2010 S.B. 3 allocation" means the sum of payments
received by a local taxing unit during calendar year 2010
pursuant to division (A) (1) of section 5727.86 of the Revised
Code, excluding any such payments received for fixed-rate levy
losses attributable to a tax levied under section 5705.23 of the
Revised Code. If a fixed-rate levy eligible for reimbursement is
not charged and payable in any year after tax year 2010, "2010
S.B. 3 allocation" used to compute payments to be made under
division (A) (1) (d) or (e) of section 5727.86 of the Revised Code
in the tax years following the last year the levy is charged and
payable shall be reduced to the extent that those payments are
attributable to the fixed-rate levy loss of that levy.

(20) "Total S.B. 3 allocation" means, in the case of a
school district or joint vocational school district, the sum of
the payments received in fiscal year 2011 pursuant to divisions
(C) (2) and (D) of section 5727.85 of the Revised Code. In the
case of a local taxing unit, "total S.B. 3 allocation" means the
sum of payments received by the unit in calendar year 2010
pursuant to divisions (A) (1) and (4) of section 5727.86 of the
Revised Code, excluding any such payments received for fixed-
rate levy losses attributable to a tax levied under section
5705.23 of the Revised Code. If a fixed-rate levy eligible for
reimbursement is not charged and payable in any year after tax
year 2010, "total S.B. 3 allocation" used to compute payments to

be made under division (C) (3) of section 5727.85 or division (A) 10136
(1) (d) or (e) of section 5727.86 of the Revised Code in the tax 10137
years following the last year the levy is charged and payable 10138
shall be reduced to the extent that those payments are 10139
attributable to the fixed-rate levy loss of that levy as would 10140
be computed under division (C) (2) of section 5727.85 or division 10141
(A) (1) (b) of section 5727.86 of the Revised Code. 10142

(21) "2011 non-current expense S.B. 3 allocation" means 10143
the difference of a school district's or joint vocational school 10144
district's total S.B. 3 allocation minus the sum of the school 10145
district's 2011 current expense S.B. 3 allocation and the 10146
portion of the school district's total S.B. 3 allocation 10147
constituting reimbursement for debt levies pursuant to division 10148
(D) of section 5727.85 of the Revised Code. 10149

(22) "2010 non-current expense S.B. 3 allocation" means 10150
the difference of a municipal corporation's total S.B. 3 10151
allocation minus the sum of its 2010 current expense S.B. 3 10152
allocation and the portion of its total S.B. 3 allocation 10153
constituting reimbursement for debt levies pursuant to division 10154
(A) (4) of section 5727.86 of the Revised Code. 10155

(23) "S.B. 3 allocation for library purposes" means, in 10156
the case of a county, municipal corporation, school district, or 10157
township public library that receives the proceeds of a tax 10158
levied under section 5705.23 of the Revised Code, the sum of the 10159
payments received by the public library in calendar year 2010 10160
pursuant to section 5727.86 of the Revised Code for fixed-rate 10161
levy losses attributable to a tax levied under section 5705.23 10162
of the Revised Code. If a fixed-rate levy authorized under 10163
section 5705.23 of the Revised Code that is eligible for 10164
reimbursement is not charged and payable in any year after tax 10165

year 2010, "S.B. 3 allocation for library purposes" used to 10166
compute payments to be made under division (A)(1)(f) of section 10167
5727.86 of the Revised Code in the tax years following the last 10168
year the levy is charged and payable shall be reduced to the 10169
extent that those payments are attributable to the fixed-rate 10170
levy loss of that levy as would be computed under division (A) 10171
(1)(b) of section 5727.86 of the Revised Code. 10172

(24) "Threshold per cent" means, in the case of a school 10173
district or joint vocational school district, two per cent for 10174
fiscal year 2012 and four per cent for fiscal years 2013 and 10175
thereafter. In the case of a local taxing unit or public library 10176
that receives the proceeds of a tax levied under section 5705.23 10177
of the Revised Code, "threshold per cent" means two per cent for 10178
calendar year 2011, four per cent for calendar year 2012, and 10179
six per cent for calendar years 2013 and thereafter. 10180

(B) The kilowatt-hour tax receipts fund is hereby created 10181
in the state treasury and shall consist of money arising from 10182
the tax imposed by section 5727.81 of the Revised Code. All 10183
money in the kilowatt-hour tax receipts fund shall be credited 10184
as follows: 10185

10186

	1	2	3	4
A	Fiscal Year	General Revenue Fund	School District Property Tax Replacement Fund	Local Government Property Tax Replacement Fund
B	2001-2011	63.0%	25.4%	11.6%

C 2012-2015 88.0% 9.0% 3.0%

(C) The natural gas tax receipts fund is hereby created in 10187
the state treasury and shall consist of money arising from the 10188
tax imposed by section 5727.811 of the Revised Code. All money 10189
in the fund shall be credited as follows for fiscal years before 10190
fiscal year 2012: 10191

(1) Sixty-eight and seven-tenths per cent shall be 10192
credited to the school district property tax replacement fund 10193
for the purpose of making the payments described in section 10194
5727.85 of the Revised Code. 10195

(2) Thirty-one and three-tenths per cent shall be credited 10196
to the local government property tax replacement fund for the 10197
purpose of making the payments described in section 5727.86 of 10198
the Revised Code. 10199

(D) Not later than January 1, 2002, the tax commissioner 10200
shall determine for each taxing district its electric company 10201
tax value loss, which is the sum of the applicable amounts 10202
described in divisions (D)(1) to (4) of this section: 10203

(1) The difference obtained by subtracting the amount 10204
described in division (D)(1)(b) from the amount described in 10205
division (D)(1)(a) of this section. 10206

(a) The value of electric company and rural electric 10207
company tangible personal property as assessed by the tax 10208
commissioner for tax year 1998 on a preliminary assessment, or 10209
an amended preliminary assessment if issued prior to March 1, 10210
1999, and as apportioned to the taxing district for tax year 10211
1998; 10212

(b) The value of electric company and rural electric 10213

company tangible personal property as assessed by the tax 10214
commissioner for tax year 1998 had the property been apportioned 10215
to the taxing district for tax year 2001, and assessed at the 10216
rates in effect for tax year 2001. 10217

(2) The difference obtained by subtracting the amount 10218
described in division (D) (2) (b) from the amount described in 10219
division (D) (2) (a) of this section. 10220

(a) The three-year average for tax years 1996, 1997, and 10221
1998 of the assessed value from nuclear fuel materials and 10222
assemblies assessed against a person under Chapter 5711. of the 10223
Revised Code from the leasing of them to an electric company for 10224
those respective tax years, as reflected in the preliminary 10225
assessments; 10226

(b) The three-year average assessed value from nuclear 10227
fuel materials and assemblies assessed under division (D) (2) (a) 10228
of this section for tax years 1996, 1997, and 1998, as reflected 10229
in the preliminary assessments, using an assessment rate of 10230
twenty-five per cent. 10231

(3) In the case of a taxing district having a nuclear 10232
power plant within its territory, any amount, resulting in an 10233
electric company tax value loss, obtained by subtracting the 10234
amount described in division (D) (1) of this section from the 10235
difference obtained by subtracting the amount described in 10236
division (D) (3) (b) of this section from the amount described in 10237
division (D) (3) (a) of this section. 10238

(a) The value of electric company tangible personal 10239
property as assessed by the tax commissioner for tax year 2000 10240
on a preliminary assessment, or an amended preliminary 10241
assessment if issued prior to March 1, 2001, and as apportioned 10242

to the taxing district for tax year 2000; 10243

(b) The value of electric company tangible personal 10244
property as assessed by the tax commissioner for tax year 2001 10245
on a preliminary assessment, or an amended preliminary 10246
assessment if issued prior to March 1, 2002, and as apportioned 10247
to the taxing district for tax year 2001. 10248

(4) In the case of a taxing district having a nuclear 10249
power plant within its territory, the difference obtained by 10250
subtracting the amount described in division (D) (4) (b) of this 10251
section from the amount described in division (D) (4) (a) of this 10252
section, provided that such difference is greater than ten per 10253
cent of the amount described in division (D) (4) (a) of this 10254
section. 10255

(a) The value of electric company tangible personal 10256
property as assessed by the tax commissioner for tax year 2005 10257
on a preliminary assessment, or an amended preliminary 10258
assessment if issued prior to March 1, 2006, and as apportioned 10259
to the taxing district for tax year 2005; 10260

(b) The value of electric company tangible personal 10261
property as assessed by the tax commissioner for tax year 2006 10262
on a preliminary assessment, or an amended preliminary 10263
assessment if issued prior to March 1, 2007, and as apportioned 10264
to the taxing district for tax year 2006. 10265

(E) Not later than January 1, 2002, the tax commissioner 10266
shall determine for each taxing district its natural gas company 10267
tax value loss, which is the sum of the amounts described in 10268
divisions (E) (1) and (2) of this section: 10269

(1) The difference obtained by subtracting the amount 10270
described in division (E) (1) (b) from the amount described in 10271

division (E) (1) (a) of this section. 10272

(a) The value of all natural gas company tangible personal 10273
property, other than property described in division (E) (2) of 10274
this section, as assessed by the tax commissioner for tax year 10275
1999 on a preliminary assessment, or an amended preliminary 10276
assessment if issued prior to March 1, 2000, and apportioned to 10277
the taxing district for tax year 1999; 10278

(b) The value of all natural gas company tangible personal 10279
property, other than property described in division (E) (2) of 10280
this section, as assessed by the tax commissioner for tax year 10281
1999 had the property been apportioned to the taxing district 10282
for tax year 2001, and assessed at the rates in effect for tax 10283
year 2001. 10284

(2) The difference in the value of current gas obtained by 10285
subtracting the amount described in division (E) (2) (b) from the 10286
amount described in division (E) (2) (a) of this section. 10287

(a) The three-year average assessed value of current gas 10288
as assessed by the tax commissioner for tax years 1997, 1998, 10289
and 1999 on a preliminary assessment, or an amended preliminary 10290
assessment if issued prior to March 1, 2001, and as apportioned 10291
in the taxing district for those respective years; 10292

(b) The three-year average assessed value from current gas 10293
under division (E) (2) (a) of this section for tax years 1997, 10294
1998, and 1999, as reflected in the preliminary assessment, 10295
using an assessment rate of twenty-five per cent. 10296

(F) The tax commissioner may request that natural gas 10297
companies, electric companies, and rural electric companies file 10298
a report to help determine the tax value loss under divisions 10299
(D) and (E) of this section. The report shall be filed within 10300

thirty days of the commissioner's request. A company that fails 10301
to file the report or does not timely file the report is subject 10302
to the penalty in section 5727.60 of the Revised Code. 10303

(G) Not later than January 1, 2002, the tax commissioner 10304
shall determine for each school district, joint vocational 10305
school district, and local taxing unit its fixed-rate levy loss, 10306
which is the sum of its electric company tax value loss 10307
multiplied by the tax rate in effect in tax year 1998 for fixed- 10308
rate levies and its natural gas company tax value loss 10309
multiplied by the tax rate in effect in tax year 1999 for fixed- 10310
rate levies. 10311

(H) Not later than January 1, 2002, the tax commissioner 10312
shall determine for each school district, joint vocational 10313
school district, and local taxing unit its fixed-sum levy loss, 10314
which is the amount obtained by subtracting the amount described 10315
in division (H) (2) of this section from the amount described in 10316
division (H) (1) of this section: 10317

(1) The sum of the electric company tax value loss 10318
multiplied by the tax rate in effect in tax year 1998, and the 10319
natural gas company tax value loss multiplied by the tax rate in 10320
effect in tax year 1999, for fixed-sum levies for all taxing 10321
districts within each school district, joint vocational school 10322
district, and local taxing unit. For the years 2002 through 10323
2006, this computation shall include school district emergency 10324
levies that existed in 1998 in the case of the electric company 10325
tax value loss, and 1999 in the case of the natural gas company 10326
tax value loss, and all other fixed-sum levies that existed in 10327
1998 in the case of the electric company tax value loss and 1999 10328
in the case of the natural gas company tax value loss and 10329
continue to be charged in the tax year preceding the 10330

distribution year. For the years 2007 through 2016 in the case 10331
of school district emergency levies, and for all years after 10332
2006 in the case of all other fixed-sum levies, this computation 10333
shall exclude all fixed-sum levies that existed in 1998 in the 10334
case of the electric company tax value loss and 1999 in the case 10335
of the natural gas company tax value loss, but are no longer in 10336
effect in the tax year preceding the distribution year. For the 10337
purposes of this section, an emergency levy that existed in 1998 10338
in the case of the electric company tax value loss, and 1999 in 10339
the case of the natural gas company tax value loss, continues to 10340
exist in a year beginning on or after January 1, 2007, but 10341
before January 1, 2017, if, in that year, the board of education 10342
levies a school district emergency levy for an annual sum at 10343
least equal to the annual sum levied by the board in tax year 10344
1998 or 1999, respectively, less the amount of the payment 10345
certified under this division for 2002. 10346

(2) The total taxable value in tax year 1999 less the tax 10347
value loss in each school district, joint vocational school 10348
district, and local taxing unit multiplied by one-fourth of one 10349
mill. 10350

If the amount computed under division (H) of this section 10351
for any school district, joint vocational school district, or 10352
local taxing unit is greater than zero, that amount shall equal 10353
the fixed-sum levy loss reimbursed pursuant to division (F) of 10354
section 5727.85 of the Revised Code or division (A) (2) of 10355
section 5727.86 of the Revised Code, and the one-fourth of one 10356
mill that is subtracted under division (H) (2) of this section 10357
shall be apportioned among all contributing fixed-sum levies in 10358
the proportion of each levy to the sum of all fixed-sum levies 10359
within each school district, joint vocational school district, 10360
or local taxing unit. 10361

(I) Notwithstanding divisions (D), (E), (G), and (H) of this section, in computing the tax value loss, fixed-rate levy loss, and fixed-sum levy loss, the tax commissioner shall use the greater of the 1998 tax rate or the 1999 tax rate in the case of levy losses associated with the electric company tax value loss, but the 1999 tax rate shall not include for this purpose any tax levy approved by the voters after June 30, 1999, and the tax commissioner shall use the greater of the 1999 or the 2000 tax rate in the case of levy losses associated with the natural gas company tax value loss.

(J) Not later than January 1, 2002, the tax commissioner shall certify to the department of education the tax value loss determined under divisions (D) and (E) of this section for each taxing district, the fixed-rate levy loss calculated under division (G) of this section, and the fixed-sum levy loss calculated under division (H) of this section. The calculations under divisions (G) and (H) of this section shall separately display the levy loss for each levy eligible for reimbursement.

(K) Not later than September 1, 2001, the tax commissioner shall certify the amount of the fixed-sum levy loss to the county auditor of each county in which a school district with a fixed-sum levy loss has territory.

Sec. 5729.98. (A) To provide a uniform procedure for calculating the amount of tax due under this chapter, a taxpayer shall claim any credits and offsets against tax liability to which it is entitled in the following order:

~~(1)~~—The credit for an insurance company or insurance company group under section 5729.031 of the Revised Code;

~~(2)~~—The credit for eligible employee training costs under

section 5729.07 of the Revised Code; 10391

~~(3)~~ The credit for purchases of qualified low-income 10392
community investments under section 5729.16 of the Revised Code; 10393

~~(4)~~ The nonrefundable job retention credit under division 10394
(B) of section 122.171 of the Revised Code; 10395

~~(5)~~ The nonrefundable credit for investments in rural 10396
business growth funds under section 122.152 of the Revised Code; 10397

~~(6)~~ The offset of assessments by the Ohio life and health 10398
insurance guaranty association against tax liability permitted 10399
by section 3956.20 of the Revised Code; 10400

~~(7)~~ The refundable credit for rehabilitating a historic 10401
building under section 5729.17 of the Revised Code; 10402

~~(8)~~ The refundable credit for Ohio job retention under 10403
former division (B) (2) or (3) of section 122.171 of the Revised 10404
Code as those divisions existed before September 29, 2015, the 10405
effective date of the amendment of this section by H.B. 64 of 10406
the 131st general assembly; 10407

~~(9)~~ The refundable credit for Ohio job creation under 10408
section 5729.032 of the Revised Code; 10409

~~(10)~~ The refundable credit under section 5729.08 of the 10410
Revised Code for losses on loans made under the Ohio venture 10411
capital program under sections 150.01 to 150.10 of the Revised 10412
Code. 10413

(B) For any credit except the refundable credits 10414
enumerated in this section, the amount of the credit for a 10415
taxable year shall not exceed the tax due after allowing for any 10416
other credit that precedes it in the order required under this 10417
section. Any excess amount of a particular credit may be carried 10418

forward if authorized under the section creating that credit. 10419
Nothing in this chapter shall be construed to allow a taxpayer 10420
to claim, directly or indirectly, a credit more than once for a 10421
taxable year. 10422

Sec. 5733.042. (A) As used in this section: 10423

(1) "Affiliated group" has the same meaning as in section 10424
1504 of the Internal Revenue Code. 10425

(2) "Asset value" means the adjusted basis of assets as 10426
determined in accordance with Subchapter O of the Internal 10427
Revenue Code and the Treasury Regulations thereunder. 10428

(3) "Intangible expenses and costs" include expenses, 10429
losses, and costs for, related to, or in connection directly or 10430
indirectly with the direct or indirect acquisition of, the 10431
direct or indirect use of, the direct or indirect maintenance or 10432
management of, the direct or indirect ownership of, the direct 10433
or indirect sale of, the direct or indirect exchange of, or any 10434
other direct or indirect disposition of intangible property to 10435
the extent such amounts are allowed as deductions or costs in 10436
determining taxable income before operating loss deduction and 10437
special deductions for the taxable year under the Internal 10438
Revenue Code. Such expenses and costs include, but are not 10439
limited to, losses related to or incurred in connection directly 10440
or indirectly with factoring transactions, losses related to or 10441
incurred in connection directly or indirectly with discounting 10442
transactions, royalty, patent, technical, and copyright fees, 10443
licensing fees, and other similar expenses and costs. 10444

(4) "Interest expenses and costs" include but are not 10445
limited to amounts directly or indirectly allowed as deductions 10446
under section 163 of the Internal Revenue Code for purposes of 10447

determining taxable income under the Internal Revenue Code. 10448

(5) "Member" has the same meaning as in U.S. Treasury 10449
Regulation section 1.1502-1. 10450

(6) "Related member" means a person that, with respect to 10451
the taxpayer during all or any portion of the taxable year, is a 10452
"related entity" as defined in division (I) (12) (c) of section 10453
5733.04 of the Revised Code, is a component member as defined in 10454
section 1563(b) of the Internal Revenue Code, or is a person to 10455
or from whom there is attribution of stock ownership in 10456
accordance with section 1563(e) of the Internal Revenue Code 10457
except, for purposes of determining whether a person is a 10458
related member under this division, "twenty per cent" shall be 10459
substituted for "5 per cent" wherever "5 per cent" appears in 10460
section 1563(e) of the Internal Revenue Code. 10461

(B) This section applies to all corporations for tax years 10462
1999 and thereafter. For tax years prior to 1999, this section 10463
applies only to a corporation that has, or is a member of an 10464
affiliated group that has, or is a member of an affiliated group 10465
with another member that has, one or more of the following: 10466

(1) Gross sales, including sales to other members of the 10467
affiliated group, during the taxable year of at least fifty 10468
million dollars; 10469

(2) Total assets whose asset value at any time during the 10470
taxable year is at least twenty-five million dollars; 10471

(3) Taxable income before operating loss deduction and 10472
special deductions during the taxable year of at least five 10473
hundred thousand dollars. 10474

(C) For purposes of computing its net income under 10475
division (I) of section 5733.04 of the Revised Code, the 10476

corporation shall add interest expenses and costs and intangible 10477
expenses and costs directly or indirectly paid, accrued, or 10478
incurred to, or in connection directly or indirectly with one or 10479
more direct or indirect transactions with, one or more of the 10480
following related members: 10481

(1) Any related member whose activities, in any one state, 10482
are primarily limited to the maintenance and management of 10483
intangible investments or of the intangible investments of 10484
corporations, business trusts, or other entities registered as 10485
investment companies under the "Investment Company Act of 1940," 10486
15 U.S.C. 80a-1 et seq., as amended, and the collection and 10487
distribution of the income from such investments or from 10488
tangible property physically located outside such state. For 10489
purposes of division (C)(1) of this section, "intangible 10490
investments" includes, without limitation, investments in 10491
stocks, bonds, notes, and other debt obligations, including debt 10492
obligations of related members, interests in partnerships, 10493
patents, patent applications, trademarks, trade names, and 10494
similar types of intangible assets. 10495

(2) Any related member that is a personal holding company 10496
as defined in section 542 of the Internal Revenue Code without 10497
regard to the stock ownership requirements set forth in section 10498
542(a)(2) of the Internal Revenue Code; 10499

(3) Any related member that is not a corporation and is 10500
directly, indirectly, constructively, or beneficially owned in 10501
whole or in part by a personal holding company as defined in 10502
section 542 of the Internal Revenue Code without regard to the 10503
stock ownership requirements set forth in section 542(a)(2) of 10504
the Internal Revenue Code; 10505

(4) Any related member that is a foreign personal holding 10506

company as defined in section 552 of the Internal Revenue Code; 10507

(5) Any related member that is not a corporation and is 10508
directly, indirectly, constructively, or beneficially owned in 10509
whole or in part by a foreign personal holding company as 10510
defined in section 552 of the Internal Revenue Code; 10511

(6) Any related member if that related member or another 10512
related member directly or indirectly paid, accrued, or incurred 10513
to, or in connection directly or indirectly with one or more 10514
direct or indirect transactions with, another related member any 10515
interest expenses and costs or intangible expenses and costs in 10516
an amount less than, equal to, or greater than such amounts 10517
received from the corporation. Division (C) (6) of this section 10518
applies only if, within a one-hundred-twenty-month period 10519
commencing three years prior to the beginning of the tax year, a 10520
related member directly or indirectly paid, accrued, or incurred 10521
such amounts or losses with respect to one or more direct or 10522
indirect transactions with an entity described in divisions (C) 10523
(1) to (5) of this section. A rebuttable presumption exists that 10524
a related member did so pay, accrue, or incur such amounts or 10525
losses with respect to one or more direct or indirect 10526
transactions with an entity described in divisions (C) (1) to (5) 10527
of this section. A corporation can rebut this presumption only 10528
with a preponderance of the evidence to the contrary. 10529

(7) Any related member that, with respect to indebtedness 10530
directly or indirectly owed by the corporation to the related 10531
member, directly or indirectly charged or imposed on the 10532
corporation an excess interest rate. If the related member has 10533
charged or imposed on the corporation an excess interest rate, 10534
the adjustment required by division (C) (7) of this section with 10535
respect to such interest expenses and costs directly or 10536

indirectly paid, accrued, or incurred to the related member in 10537
connection with such indebtedness does not include so much of 10538
such interest expenses and costs that the corporation would have 10539
directly or indirectly paid, accrued, or incurred if the related 10540
member had charged or imposed the highest possible interest rate 10541
that would not have been an excess interest rate. For purposes 10542
of division (C) (7) of this section, an excess interest rate is 10543
an annual rate that exceeds by more than three per cent the 10544
greater of the rate per annum prescribed by section 5703.47 of 10545
the Revised Code in effect at the time of the origination of the 10546
indebtedness, or the rate per annum prescribed by section 10547
5703.47 of the Revised Code in effect at the time the 10548
corporation paid, accrued, or incurred the interest expense or 10549
cost to the related member. 10550

(D) (1) In making the adjustment required by division (C) 10551
of this section, the corporation shall make the adjustment 10552
required by section 5733.057 of the Revised Code. The 10553
adjustments required by division (C) of this section are not 10554
required if either of the following applies: 10555

(a) The corporation establishes by clear and convincing 10556
evidence that the adjustments are unreasonable. 10557

(b) The corporation and the tax commissioner agree in 10558
writing to the application or use of alternative adjustments and 10559
computations to more properly reflect the base required to be 10560
determined in accordance with division (B) of section 5733.05 of 10561
the Revised Code. Nothing in division (D) (1) (b) of this section 10562
shall be construed to limit or negate the tax commissioner's 10563
authority to otherwise enter into agreements and compromises 10564
otherwise allowed by law. 10565

(2) The adjustments required by divisions (C) (1) to (5) of 10566

this section do not apply to such portion of interest expenses 10567
and costs and intangible expenses and costs that the corporation 10568
can establish by the preponderance of the evidence meets both of 10569
the following: 10570

(a) The related member during the same taxable year 10571
directly or indirectly paid, accrued, or incurred such portion 10572
to a person who is not a related member. 10573

(b) The transaction giving rise to the interest expenses 10574
and costs or the intangible expenses and costs between the 10575
corporation and the related member did not have as a principal 10576
purpose the avoidance of any portion of the tax due under this 10577
chapter. 10578

(3) The adjustments required by division (C) (6) of this 10579
section do not apply to such portion of interest expenses and 10580
costs and intangible expenses and costs that the corporation can 10581
establish by the preponderance of the evidence meets both of the 10582
following: 10583

(a) The entity described in any of divisions (C) (1) to (6) 10584
of this section to whom the related member directly or 10585
indirectly paid, accrued, or incurred such portion, in turn 10586
during the same taxable year directly or indirectly paid, 10587
accrued or incurred such portion to a person who is not a 10588
related member, and 10589

(b) The transaction or transactions giving rise to the 10590
interest expenses and costs or the intangible expenses and costs 10591
between the corporation, the related member, and the entity 10592
described in any of divisions (C) (1) to (5) of this section did 10593
not have as a principal purpose the avoidance of any portion of 10594
the tax due under this chapter. 10595

(4) The adjustments required by division (C) of this 10596
section apply except to the extent that the increased tax, if 10597
any, attributable to such adjustments would have been avoided if 10598
both the corporation and the related member had been eligible to 10599
make and had timely made the election to combine in accordance 10600
with division (B) of section 5733.052 of the Revised Code. 10601

(E) Except as otherwise provided in division (F) of this 10602
section, if, on the day that is one year after the day the 10603
corporation files its report, the corporation has not made the 10604
adjustment required by this section or has not fully paid the 10605
tax and interest, if any, imposed by this chapter and 10606
attributable to such adjustment, the corporation is subject to a 10607
penalty equal to twice the interest charged under division (A) 10608
of section 5733.26 of the Revised Code for the delinquent 10609
payment of such tax and interest. For the purpose of the 10610
computation of the penalty imposed by this division, such 10611
penalty shall be deemed to be part of the tax due on the dates 10612
prescribed by this chapter without regard to the one-year period 10613
set forth in this division. The penalty imposed by this division 10614
is not in lieu of but is in addition to all other penalties, 10615
other similar charges, and interest imposed by this chapter. The 10616
tax commissioner may waive, abate, modify, or refund, with 10617
interest, all or any portion of the penalty imposed by this 10618
division only if the corporation establishes beyond a reasonable 10619
doubt that both the failure to fully comply with this section 10620
and the failure to fully pay such tax and interest within one 10621
year after the date the corporation files its report were not in 10622
any part attributable to the avoidance of any portion of the tax 10623
imposed by section 5733.06 of the Revised Code. 10624

(F) (1) For purposes of this division, "tax differential" 10625
means the difference between the tax that is imposed by section 10626

5733.06 of the Revised Code and that is attributable to the 10627
adjustment required by this section and the amount paid that is 10628
so attributable, prior to the day that is one year after the day 10629
the corporation files its report. 10630

(2) The penalty imposed by division (E) of this section 10631
does not apply if the tax differential meets both of the 10632
following requirements: 10633

(a) The tax differential is less than ten per cent of the 10634
tax imposed by section 5733.06 of the Revised Code; and 10635

(b) The difference is less than fifty thousand dollars. 10636

(3) Nothing in division (F) of this section shall be 10637
construed to waive, abate, or modify any other penalties, other 10638
similar charges, or interest imposed by other sections of this 10639
chapter. 10640

(G) Nothing in this section shall require a corporation to 10641
add to its net income more than once any amount of interest 10642
expenses and costs or intangible expenses and costs that the 10643
corporation pays, accrues, or incurs to a related member 10644
described in division (C) of this section. 10645

Sec. 5733.05. As used in this section, "qualified 10646
research" means laboratory research, experimental research, and 10647
other similar types of research; research in developing or 10648
improving a product; or research in developing or improving the 10649
means of producing a product. It does not include market 10650
research, consumer surveys, efficiency surveys, management 10651
studies, ordinary testing or inspection of materials or products 10652
for quality control, historical research, or literary research. 10653
"Product" as used in this paragraph does not include services or 10654
intangible property. 10655

The annual report determines the value of the issued and 10656
outstanding shares of stock of the taxpayer, which under 10657
division (A) or divisions (B) and (C) of this section is the 10658
base or measure of the franchise tax liability. Such 10659
determination shall be made as of the date shown by the report 10660
to have been the beginning of the corporation's annual 10661
accounting period that includes the first day of January of the 10662
tax year. For the purposes of this chapter, the value of the 10663
issued and outstanding shares of stock of any corporation that 10664
is a financial institution shall be deemed to be the value as 10665
calculated in accordance with division (A) of this section. For 10666
the purposes of this chapter, the value of the issued and 10667
outstanding shares of stock of any corporation that is not a 10668
financial institution shall be deemed to be the values as 10669
calculated in accordance with divisions (B) and (C) of this 10670
section. Except as otherwise required by this section or section 10671
5733.056 of the Revised Code, the value of a taxpayer's issued 10672
and outstanding shares of stock under division (A) or (C) of 10673
this section does not include any amount that is treated as a 10674
liability under generally accepted accounting principles. 10675

(A) The total value, as shown by the books of the 10676
financial institution, of its capital, surplus, whether earned 10677
or unearned, undivided profits, and reserves shall be determined 10678
as prescribed by section 5733.056 of the Revised Code for tax 10679
years 1998 and thereafter. 10680

(B) The sum of the corporation's net income during the 10681
corporation's taxable year, allocated or apportioned to this 10682
state as prescribed in divisions (B)(1) and (2) of this section, 10683
and subject to sections 5733.052, 5733.053, 5733.057, 5733.058, 10684
5733.059, and 5733.0510 of the Revised Code: 10685

(1) The net nonbusiness income allocated or apportioned to 10686
this state as provided by section 5733.051 of the Revised Code. 10687

(2) The amount of Ohio apportioned net business income, 10688
which shall be calculated by multiplying the corporation's net 10689
business income by a fraction. The numerator of the fraction is 10690
the sum of the following products: the property factor 10691
multiplied by twenty, the payroll factor multiplied by twenty, 10692
and the sales factor multiplied by sixty. The denominator of the 10693
fraction is one hundred, provided that the denominator shall be 10694
reduced by twenty if the property factor has a denominator of 10695
zero, by twenty if the payroll factor has a denominator of zero, 10696
and by sixty if the sales factor has a denominator of zero. 10697

The property, payroll, and sales factors shall be 10698
determined as follows, but the numerator and the denominator of 10699
the factors shall not include the portion of any property, 10700
payroll, and sales otherwise includible in the factors to the 10701
extent that the portion relates to, or is used in connection 10702
with, the production of nonbusiness income allocated under 10703
section 5733.051 of the Revised Code: 10704

(a) The property factor is a fraction computed as follows: 10705

The numerator of the fraction is the average value of the 10706
corporation's real and tangible personal property owned or 10707
rented, and used in the trade or business in this state during 10708
the taxable year, and the denominator of the fraction is the 10709
average value of all the corporation's real and tangible 10710
personal property owned or rented, and used in the trade or 10711
business everywhere during such year. Real and tangible personal 10712
property used in the trade or business includes, but is not 10713
limited to, real and tangible personal property that the 10714
corporation rents, subrents, leases, or subleases to others if 10715

the income or loss from such rentals, subrentals, leases, or 10716
subleases is business income. There shall be excluded from the 10717
numerator and denominator of the fraction the original cost of 10718
all of the following property within Ohio: property with respect 10719
to which a "pollution control facility" certificate has been 10720
issued pursuant to section 5709.21 of the Revised Code; property 10721
with respect to which an "industrial water pollution control 10722
certificate" has been issued pursuant to that section or former 10723
section 6111.31 of the Revised Code; and property used 10724
exclusively during the taxable year for qualified research. 10725

(i) Property owned by the corporation is valued at its 10726
original cost. Property rented by the corporation is valued at 10727
eight times the net annual rental rate. "Net annual rental rate" 10728
means the annual rental rate paid by the corporation less any 10729
annual rental rate received by the corporation from subrentals. 10730

(ii) The average value of property shall be determined by 10731
averaging the values at the beginning and the end of the taxable 10732
year, but the tax commissioner may require the averaging of 10733
monthly values during the taxable year, if reasonably required 10734
to reflect properly the average value of the corporation's 10735
property. 10736

(b) The payroll factor is a fraction computed as follows: 10737

The numerator of the fraction is the total amount paid in 10738
this state during the taxable year by the corporation for 10739
compensation, and the denominator of the fraction is the total 10740
compensation paid everywhere by the corporation during such 10741
year. There shall be excluded from the numerator and the 10742
denominator of the payroll factor the total compensation paid in 10743
this state to employees who are primarily engaged in qualified 10744
research. 10745

(i) Compensation means any form of remuneration paid to an 10746
employee for personal services. 10747

(ii) Compensation is paid in this state if: (I) the 10748
recipient's service is performed entirely within this state, 10749
(II) the recipient's service is performed both within and 10750
without this state, but the service performed without this state 10751
is incidental to the recipient's service within this state, 10752
(III) some of the service is performed within this state and 10753
either the base of operations, or if there is no base of 10754
operations, the place from which the service is directed or 10755
controlled is within this state, or the base of operations or 10756
the place from which the service is directed or controlled is 10757
not in any state in which some part of the service is performed, 10758
but the recipient's residence is in this state. 10759

(iii) Compensation is paid in this state to any employee 10760
of a common or contract motor carrier corporation, who performs 10761
the employee's regularly assigned duties on a motor vehicle in 10762
more than one state, in the same ratio by which the mileage 10763
traveled by such employee within the state bears to the total 10764
mileage traveled by such employee everywhere during the taxable 10765
year. 10766

(c) The sales factor is a fraction computed as follows: 10767

Except as provided in this section, the numerator of the 10768
fraction is the total sales in this state by the corporation 10769
during the taxable year or part thereof, and the denominator of 10770
the fraction is the total sales by the corporation everywhere 10771
during such year or part thereof. In computing the numerator and 10772
denominator of the fraction, the following shall be eliminated 10773
from the fraction: receipts and any related gains or losses from 10774
the sale or other disposal of excluded assets; dividends or 10775

distributions; and interest or other similar amounts received 10776
for the use of, or for the forbearance of the use of, money. 10777
Also, in computing the numerator and denominator of the sales 10778
factor, in the case of a corporation owning at least eighty per 10779
cent of the issued and outstanding common stock of one or more 10780
insurance companies or public utilities, except an electric 10781
company and a combined company, and, for tax years 2005 and 10782
thereafter, a telephone company, or owning at least twenty-five 10783
per cent of the issued and outstanding common stock of one or 10784
more financial institutions, receipts received by the 10785
corporation from such utilities, insurance companies, and 10786
financial institutions shall be eliminated. As used in this 10787
division, "excluded assets" means property that is either: 10788
intangible property, other than trademarks, trade names, 10789
patents, copyrights, and similar intellectual property; or 10790
tangible personal property or real property where that property 10791
is a capital asset or an asset described in section 1231 of the 10792
Internal Revenue Code, without regard to the holding period 10793
specified therein. 10794

(i) For the purpose of this section and section 5733.03 of 10795
the Revised Code, receipts not eliminated or excluded from the 10796
fraction shall be situated as follows: 10797

Receipts from rents and royalties from real property 10798
located in this state shall be situated to this state. 10799

Receipts from rents and royalties of tangible personal 10800
property, to the extent the tangible personal property is used 10801
in this state, shall be situated to this state. 10802

Receipts from the sale of electricity and of electric 10803
transmission and distribution services shall be situated to this 10804
state in the manner provided under section 5733.059 of the 10805

Revised Code. 10806

Receipts from the sale of real property located in this 10807
state shall be sitused to this state. 10808

Receipts from the sale of tangible personal property shall 10809
be sitused to this state if such property is received in this 10810
state by the purchaser. In the case of delivery of tangible 10811
personal property by common carrier or by other means of 10812
transportation, the place at which such property is ultimately 10813
received after all transportation has been completed shall be 10814
considered as the place at which such property is received by 10815
the purchaser. Direct delivery in this state, other than for 10816
purposes of transportation, to a person or firm designated by a 10817
purchaser constitutes delivery to the purchaser in this state, 10818
and direct delivery outside this state to a person or firm 10819
designated by a purchaser does not constitute delivery to the 10820
purchaser in this state, regardless of where title passes or 10821
other conditions of sale. 10822

(ii) Receipts from all other sales not eliminated or 10823
excluded from the fraction shall be sitused to this state as 10824
follows: 10825

Receipts from the sale, exchange, disposition, or other 10826
grant of the right to use trademarks, trade names, patents, 10827
copyrights, and similar intellectual property shall be sitused 10828
to this state to the extent that the receipts are based on the 10829
amount of use of that property in this state. If the receipts 10830
are not based on the amount of use of that property, but rather 10831
on the right to use the property and the payor has the right to 10832
use the property in this state, then the receipts from the sale, 10833
exchange, disposition, or other grant of the right to use such 10834
property shall be sitused to this state to the extent the 10835

receipts are based on the right to use the property in this 10836
state. 10837

Receipts from the sale of services, and receipts from any 10838
other sales not eliminated or excluded from the sales factor and 10839
not otherwise situated under division (B) (2) (c) of this section, 10840
shall be situated to this state in the proportion to the 10841
purchaser's benefit, with respect to the sale, in this state to 10842
the purchaser's benefit, with respect to the sale, everywhere. 10843
The physical location where the purchaser ultimately uses or 10844
receives the benefit of what was purchased shall be paramount in 10845
determining the proportion of the benefit in this state to the 10846
benefit everywhere. 10847

(iii) Income from receipts eliminated or excluded from the 10848
sales factor under division (B) (2) (c) of this section shall not 10849
be presumed to be nonbusiness income. 10850

(d) If the allocation and apportionment provisions of 10851
division (B) of this section do not fairly represent the extent 10852
of the taxpayer's business activity in this state, the taxpayer 10853
may request, which request must be in writing and must accompany 10854
the report, a timely filed petition for reassessment, or a 10855
timely filed amended report, or the tax commissioner may 10856
require, in respect to all or any part of the taxpayer's 10857
allocated or apportioned base, if reasonable, any one or more of 10858
the following: 10859

(i) Separate accounting; 10860

(ii) The exclusion of any one or more of the factors; 10861

(iii) The inclusion of one or more additional factors that 10862
will fairly represent the taxpayer's allocated or apportioned 10863
base in this state. 10864

An alternative method will be effective only with approval 10865
by the tax commissioner. 10866

Nothing in this section shall be construed to extend any 10867
statute of limitations set forth in this chapter. 10868

(e) The tax commissioner may adopt rules providing for 10869
alternative allocation and apportionment methods, and 10870
alternative calculations of a corporation's base, that apply to 10871
corporations engaged in telecommunications. 10872

(C) (1) The total value, as shown on the books of each 10873
corporation that is not a ~~qualified~~ qualifying holding company, 10874
of the net book value of the corporation's assets less the net 10875
carrying value of its liabilities, and excluding from the 10876
corporation's assets land devoted exclusively to agricultural 10877
use as of the first Monday of June in the corporation's taxable 10878
year as determined by the county auditor of the county in which 10879
the land is located pursuant to section 5713.31 of the Revised 10880
Code, and making any adjustment required by division (D) of this 10881
section. For the purposes of determining that total value, any 10882
reserves shown on the corporation's books shall be considered 10883
liabilities or contra assets, as the case may be, except for any 10884
reserves that are deemed appropriations of retained earnings 10885
under generally accepted accounting principles. 10886

(2) The base upon which the tax is levied under division 10887
(C) of section 5733.06 of the Revised Code shall be computed by 10888
multiplying the amount determined under division (C) (1) of this 10889
section by the fraction determined under divisions (B) (2) (a) to 10890
(c) of this section and, if applicable, divisions (B) (2) (d) (ii) 10891
and (iii) of this section, and without regard to section 10892
5733.052 of the Revised Code, but substituting "net worth" for 10893
"net income" wherever "net income" appears in division (B) (2) (c) 10894

in this section. For purposes of division (C) (2) of this 10895
section, the numerator and denominator of each of the fractions 10896
shall include the portion of any real and tangible personal 10897
property, payroll, and sales, respectively, relating to, or used 10898
in connection with the production of, net nonbusiness income 10899
allocated under section 5733.051 of the Revised Code. Nothing in 10900
this division shall allow any amount to be included in the 10901
numerator or denominator more than once. 10902

(D) (1) If, on the last day of the taxpayer's taxable year 10903
preceding the tax year, the taxpayer is a related member to a 10904
corporation that elects to be a qualifying holding company for 10905
the tax year beginning after the last day of the taxpayer's 10906
taxable year, or if, on the last day of the taxpayer's taxable 10907
year preceding the tax year, a corporation that elects to be a 10908
qualifying holding company for the tax year beginning after the 10909
last day of the taxpayer's taxable year is a related member to 10910
the taxpayer, then the taxpayer's total value for the purposes 10911
of division (C) of this section shall be adjusted by the 10912
qualifying amount. Except as otherwise provided under division 10913
(D) (2) of this section, "qualifying amount" means the amount 10914
that, when added to the taxpayer's total value, and when 10915
subtracted from the net carrying value of the taxpayer's 10916
liabilities computed without regard to division (C) (2) of this 10917
section, or when subtracted from the taxpayer's total value and 10918
when added to the net carrying value of the taxpayer's 10919
liabilities computed without regard to division (D) of this 10920
section, results in the taxpayer's debt-to-equity ratio equaling 10921
the debt-to-equity ratio of the qualifying controlled group on 10922
the last day of the taxable year ending prior to the first day 10923
of the tax year computed on a consolidated basis in accordance 10924
with general accepted accounting principles. For the purposes of 10925

division (D) (1) of this section, the corporation's total value, 10926
after the adjustment required by that division, shall not exceed 10927
the net book value of the corporation's assets. 10928

(2) (a) The amount added to the taxpayer's total value and 10929
subtracted from the net carrying value of the taxpayer's 10930
liabilities shall not exceed the amount of the net carrying 10931
value of the taxpayer's liabilities owed to the taxpayer's 10932
related members. 10933

(b) A liability owed to the taxpayer's related members 10934
includes, but is not limited to, any amount that the corporation 10935
owes to a person that is not a related member if the 10936
corporation's related member or related members in whole or in 10937
part guarantee any portion or all of that amount, or pledge, 10938
hypothecate, mortgage, or carry out any similar transactions to 10939
secure any portion or all of that amount. 10940

(3) The base upon which the tax is levied under division 10941
(C) of section 5733.06 of the Revised Code shall be computed by 10942
multiplying the amount determined under divisions (C) and (D) of 10943
this section but without regard to section 5733.052 of the 10944
Revised Code. 10945

(4) For purposes of division (D) of this section, "related 10946
member" has the same meaning as in section 5733.042 of the 10947
Revised Code. 10948

Sec. 5733.052. (A) At the discretion of the tax 10949
commissioner, any taxpayer that owns or controls either directly 10950
or indirectly more than fifty per cent of the capital stock with 10951
voting rights of one or more other corporations, or has more 10952
than fifty per cent of its capital stock with voting rights 10953
owned or controlled either directly or indirectly by another 10954

corporation, or by related interests that own or control either 10955
directly or indirectly more than fifty per cent of the capital 10956
stock with voting rights of one or more other corporations, may 10957
be required or permitted, for purposes of computing the value of 10958
its issued and outstanding shares of stock under division (B) of 10959
section 5733.05 of the Revised Code, to combine its net income 10960
with the net income of any such other corporations. 10961

(B) A combination of net income may also be made at the 10962
election of any two or more taxpayers each having income, other 10963
than dividend or distribution income, from sources within Ohio, 10964
provided the ownership or control requirements contained in ~~the~~ 10965
division (A) of this section are satisfied and such combination 10966
is elected in a timely report which sets forth such information 10967
as the commissioner requires. This election, once made by two or 10968
more such taxpayers, may not be changed by such taxpayers with 10969
respect to amended reports or reports for future years without 10970
the written consent of the commissioner. As used in this 10971
section, "income from sources within Ohio" means income that 10972
would be allocated or apportioned to Ohio if the taxpayer 10973
computed its franchise tax without regard to this section. 10974

(C) No combination of net income under division (A) of 10975
this section shall be required unless the commissioner 10976
determines that, in order to properly reflect income, such a 10977
combination is necessary because of intercorporate transactions 10978
and the tax liability imposed by section 5733.06 of the Revised 10979
Code. 10980

(D) In case of a combination of income, the net income of 10981
each taxpayer shall be measured by the combined net income of 10982
all the corporations included in the combination. For purposes 10983
of such measurement, each corporation's net income shall be 10984

determined in the same manner as if the corporation were a 10985
taxpayer under this chapter. In computing combined net income, 10986
intercorporate transactions, including dividends or 10987
distributions, between corporations included in the combination 10988
shall be eliminated. If the computation of net income on a 10989
combination of income involves the use of any of the formulas 10990
set forth in this chapter, the factors used in the formulas 10991
shall be the combined totals of the factors for each corporation 10992
included in the combination after the elimination of any 10993
intercorporate transactions. The exemptions and deductions 10994
permitted under this chapter shall be taken in the same manner 10995
as if each corporation filed a separate report. 10996

(E) For purposes of division (B) of section 5733.05 of the 10997
Revised Code, each taxpayer's net income allocated or 10998
apportioned to this state shall be computed as follows: to 10999
compute the taxpayer's net income allocated to this state for 11000
purposes of division (B)(1) of section 5733.05 of the Revised 11001
Code, the taxpayer's net income for sources allocated under 11002
section 5733.051 of the Revised Code shall be separately 11003
determined, eliminating intercorporate transactions, and 11004
allocated to this state as provided by section 5733.051 of the 11005
Revised Code. To compute the taxpayer's net income apportioned 11006
to this state for purposes of division (B)(2) of section 5733.05 11007
of the Revised Code, the combined net income, other than net 11008
income from sources allocated under section 5733.051 of the 11009
Revised Code, shall be apportioned to Ohio and then prorated to 11010
the taxpayer on the basis of its proportionate part of the 11011
factors used to apportion the total of such net income to Ohio. 11012

Sec. 5733.055. (A) As used in this section: 11013

(1) "Ceiling amount" means the excess of the amount 11014

described in division (A) (1) (a) of this section over the amount 11015
described in division (A) (1) (b) of this section: 11016

(a) The amount of income allocated and apportioned to this 11017
state in accordance with this chapter but without regard to and 11018
without application of the adjustments required by this section; 11019

(b) The amount of income allocated and apportioned to this 11020
state in accordance with this chapter but without regard to and 11021
without application of the adjustments required by both this 11022
section and division (I) (13) of section 5733.04 of the Revised 11023
Code. 11024

(2) "Income adjustment amount" means the sum of the 11025
amounts described in divisions (A) (2) (a) and (b) of this 11026
section: 11027

(a) The related member's net interest income actually 11028
allocated and apportioned to other states that impose a tax on 11029
or measured by income, in accordance with the other states' 11030
allocation and apportionment rules; 11031

(b) The related member's net intangible income actually 11032
allocated and apportioned to other states that impose a tax on 11033
or measured by income, in accordance with the other states' 11034
allocation and apportionment rules. 11035

For purposes of division (A) (2) of this section, "other 11036
states" does not include those states under whose laws the 11037
taxpayer files or could have elected to file with the related 11038
member, or the related member files or could have elected to 11039
file with another related member, a combined income tax report 11040
or return, a consolidated income tax report or return, or any 11041
other report or return where such report or return is due 11042
because of the imposition of a tax measured on or by income and 11043

such report or return results in the elimination of the tax 11044
effects from transactions directly or indirectly between either 11045
the taxpayer and the related member or between the related 11046
member and another corporation if such other corporation, during 11047
a one-hundred-twenty-month period commencing three years prior 11048
to the beginning of the tax year, directly or indirectly paid, 11049
accrued, or incurred intangible expenses and costs or interest 11050
expenses and costs to an entity described in divisions (C) (1) to 11051
(5) of section 5733.042 of the Revised Code. 11052

(3) "Intangible expenses and costs" has the same meaning 11053
as in division (A) (3) of section 5733.042 of the Revised Code. 11054

(4) "Interest expenses and costs" has the same meaning as 11055
in division (A) (4) of section 5733.042 of the Revised Code. 11056

(5) "Intangible income and revenue" are those amounts 11057
earned or received by a related member from a taxpayer for the 11058
taxpayer's use of intangible property. Such amounts include, but 11059
are not limited to, royalty, patent, technical, and copyright 11060
fees, licensing fees, and other similar income and revenue. 11061

(6) "Interest income and revenue" are those amounts earned 11062
or received by a related member from a taxpayer to the extent 11063
such amounts are allowed as deductions under section 163 of the 11064
Internal Revenue Code for purposes of determining the taxpayer's 11065
taxable income under the Internal Revenue Code. 11066

(7) "Net intangible income" means intangible income and 11067
revenue reduced by intangible expenses and costs paid or accrued 11068
directly or indirectly to a related member described in any of 11069
divisions (C) (1) to (7) of section 5747.042 of the Revised Code. 11070

(8) "Net interest income" means interest income and 11071
revenue reduced by interest expenses and costs paid or accrued 11072

directly or indirectly to a related member described in any of 11073
divisions (C) (1) to (7) of section ~~5747.042~~5733.042 of the 11074
Revised Code. 11075

(B) Except as set forth in division (C) of this section, a 11076
deduction from the corporation's net income allocated and 11077
apportioned to this state shall be allowed in an amount equal to 11078
the income adjustment amount described in division (A) (2) of 11079
this section. However, in no case shall the deduction be greater 11080
than the ceiling amount described in division (A) (1) of this 11081
section. 11082

(C) The deduction provided by division (B) of this section 11083
is available to the taxpayer only if the taxpayer establishes 11084
with clear and convincing evidence that the intangible expenses 11085
and costs and the interest expenses and costs paid, accrued, or 11086
incurred by the corporation to a related member did not have as 11087
a principal purpose the avoidance of any portion of the tax 11088
imposed by section 5733.06 of the Revised Code. 11089

Sec. 5733.40. As used in sections 5733.40 and 5733.41 and 11090
Chapter 5747. of the Revised Code: 11091

(A) (1) "Adjusted qualifying amount" means either of the 11092
following: 11093

(a) The sum of each qualifying investor's distributive 11094
share of the income, gain, expense, or loss of a qualifying 11095
pass-through entity for the qualifying taxable year of the 11096
qualifying pass-through entity multiplied by the apportionment 11097
fraction defined in division (B) of this section, subject to 11098
section 5733.401 of the Revised Code and divisions (A) (2) to (7) 11099
of this section; 11100

(b) The sum of each qualifying beneficiary's share of the 11101

qualifying net income and qualifying net gain distributed by a 11102
qualifying trust for the qualifying taxable year of the 11103
qualifying trust multiplied by the apportionment fraction 11104
defined in division (B) of this section, subject to section 11105
5733.401 of the Revised Code and divisions (A) (2) to (7) of this 11106
section. 11107

(2) The sum shall exclude any amount which, pursuant to 11108
the Constitution of the United States, the Constitution of Ohio, 11109
or any federal law is not subject to a tax on or measured by net 11110
income. 11111

(3) For the purposes of Chapters 5733. and 5747. of the 11112
Revised Code, the profit or net income of the qualifying entity 11113
shall be increased by disallowing all amounts representing 11114
expenses, other than amounts described in division (A) (7) of 11115
this section, that the qualifying entity paid to or incurred 11116
with respect to direct or indirect transactions with one or more 11117
related members, excluding the cost of goods sold calculated in 11118
accordance with section 263A of the Internal Revenue Code and 11119
United States department of the treasury regulations issued 11120
thereunder. Nothing in division (A) (3) of this section shall be 11121
construed to limit solely to this chapter the application of 11122
section 263A of the Internal Revenue Code and United States 11123
department of the treasury regulations issued thereunder. 11124

(4) For the purposes of Chapters 5733. and 5747. of the 11125
Revised Code, the profit or net income of the qualifying entity 11126
shall be increased by disallowing all recognized losses, other 11127
than losses from sales of inventory the cost of which is 11128
calculated in accordance with section 263A of the Internal 11129
Revenue Code and United States department of the treasury 11130
regulations issued thereunder, with respect to all direct or 11131

indirect transactions with one or more related members. For the 11132
purposes of Chapters 5733. and 5747. of the Revised Code, losses 11133
from the sales of such inventory shall be allowed only to the 11134
extent calculated in accordance with section 482 of the Internal 11135
Revenue Code and United States department of the treasury 11136
regulations issued thereunder. Nothing in division (A) (4) of 11137
this section shall be construed to limit solely to this section 11138
the application of section 263A and section 482 of the Internal 11139
Revenue Code and United States department of the treasury 11140
regulations issued thereunder. 11141

(5) The sum shall be increased or decreased by an amount 11142
equal to the qualifying investor's or qualifying beneficiary's 11143
distributive or proportionate share of the amount that the 11144
qualifying entity would be required to add or deduct under 11145
divisions ~~(A) (20)~~ (A) (17) and ~~(21)~~ (18) of section 5747.01 of 11146
the Revised Code if the qualifying entity were a taxpayer for 11147
the purposes of Chapter 5747. of the Revised Code. 11148

(6) The sum shall be computed without regard to section 11149
5733.051 or division (D) of section 5733.052 of the Revised 11150
Code. 11151

(7) For the purposes of Chapters 5733. and 5747. of the 11152
Revised Code, guaranteed payments or compensation paid to 11153
investors by a qualifying entity that is not subject to the tax 11154
imposed by section 5733.06 of the Revised Code shall be 11155
considered a distributive share of income of the qualifying 11156
entity. Division (A) (7) of this section applies only to such 11157
payments or such compensation paid to an investor who at any 11158
time during the qualifying entity's taxable year holds at least 11159
a twenty per cent direct or indirect interest in the profits or 11160
capital of the qualifying entity. For the purposes of this 11161

division, guaranteed payments and compensation shall be 11162
considered to be paid to an investor by a qualifying entity if 11163
the qualifying entity in which the investor holds at least a 11164
twenty per cent direct or indirect interest is a client employer 11165
of a professional employer organization, as those terms are 11166
defined in section 4125.01 of the Revised Code, and the 11167
guaranteed payments or compensation are paid to the investor by 11168
that professional employer organization. 11169

(B) "Apportionment fraction" means: 11170

(1) With respect to a qualifying pass-through entity other 11171
than a financial institution, the fraction calculated pursuant 11172
to division (B) (2) of section 5733.05 of the Revised Code as if 11173
the qualifying pass-through entity were a corporation subject to 11174
the tax imposed by section 5733.06 of the Revised Code; 11175

(2) With respect to a qualifying pass-through entity that 11176
is a financial institution, the fraction calculated pursuant to 11177
division (C) of section 5733.056 of the Revised Code as if the 11178
qualifying pass-through entity were a financial institution 11179
subject to the tax imposed by section 5733.06 of the Revised 11180
Code. 11181

(3) With respect to a qualifying trust, the fraction 11182
calculated pursuant to division (B) (2) of section 5733.05 of the 11183
Revised Code as if the qualifying trust were a corporation 11184
subject to the tax imposed by section 5733.06 of the Revised 11185
Code, except that the property, payroll, and sales fractions 11186
shall be calculated by including in the numerator and 11187
denominator of the fractions only the property, payroll, and 11188
sales, respectively, directly related to the production of 11189
income or gain from acquisition, ownership, use, maintenance, 11190
management, or disposition of tangible personal property located 11191

in this state at any time during the qualifying trust's 11192
qualifying taxable year or of real property located in this 11193
state. 11194

(C) "Qualifying beneficiary" means any individual that, 11195
during the qualifying taxable year of a qualifying trust, is a 11196
beneficiary of that trust, but does not include an individual 11197
who is a resident taxpayer for the purposes of Chapter 5747. of 11198
the Revised Code for the entire qualifying taxable year of the 11199
qualifying trust. 11200

(D) "Fiscal year" means an accounting period ending on any 11201
day other than the thirty-first day of December. 11202

(E) "Individual" means a natural person. 11203

(F) "Month" means a calendar month. 11204

(G) ~~"Partnership" has the same meaning as in section~~ 11205
~~5747.01 of the Revised Code. "Distributive share" includes the~~ 11206
~~sum of the income, gain, expense, or loss of a disregarded~~ 11207
~~entity or qualified subchapter S subsidiary.~~ 11208

(H) "Investor" means any person that, during any portion 11209
of a taxable year of a qualifying pass-through entity, is a 11210
partner, member, shareholder, or investor in that qualifying 11211
pass-through entity. 11212

(I) Except as otherwise provided in section 5733.402 or 11213
5747.401 of the Revised Code, "qualifying investor" means any 11214
investor except those described in divisions (I)(1) to (9) of 11215
this section. 11216

(1) An investor satisfying one of the descriptions under 11217
section 501(a) or (c) of the Internal Revenue Code, a 11218
partnership with equity securities registered with the United 11219

States securities and exchange commission under section 12 of 11220
the "Securities Exchange Act of 1934," as amended, or an 11221
investor described in division (F) of section 3334.01, or 11222
division (A) or (C) of section 5733.09 of the Revised Code for 11223
the entire qualifying taxable year of the qualifying pass- 11224
through entity. 11225

(2) An investor who is either an individual or an estate 11226
and is a resident taxpayer for the purposes of section 5747.01 11227
of the Revised Code for the entire qualifying taxable year of 11228
the qualifying pass-through entity. 11229

(3) An investor who is an individual for whom the 11230
qualifying pass-through entity makes a good faith and reasonable 11231
effort to comply fully and timely with the filing and payment 11232
requirements set forth in division (D) of section 5747.08 of the 11233
Revised Code and section 5747.09 of the Revised Code with 11234
respect to the individual's adjusted qualifying amount for the 11235
entire qualifying taxable year of the qualifying pass-through 11236
entity. 11237

(4) An investor that is another qualifying pass-through 11238
entity having only investors described in division (I)(1), (2), 11239
(3), or (6) of this section during the three-year period 11240
beginning twelve months prior to the first day of the qualifying 11241
taxable year of the qualifying pass-through entity. 11242

(5) An investor that is another pass-through entity having 11243
no investors other than individuals and estates during the 11244
qualifying taxable year of the qualifying pass-through entity in 11245
which it is an investor, and that makes a good faith and 11246
reasonable effort to comply fully and timely with the filing and 11247
payment requirements set forth in division (D) of section 11248
5747.08 of the Revised Code and section 5747.09 of the Revised 11249

Code with respect to investors that are not resident taxpayers 11250
of this state for the purposes of Chapter 5747. of the Revised 11251
Code for the entire qualifying taxable year of the qualifying 11252
pass-through entity in which it is an investor. 11253

(6) An investor that is ~~a financial institution required~~ 11254
~~to calculate the tax in accordance with division (E) of section~~ 11255
~~5733.06 of the Revised Code on the first day of January of the~~ 11256
~~calendar year immediately following the last day of the~~ 11257
~~financial institution's calendar or fiscal year in which ends~~ 11258
~~the taxpayer's taxable year~~ treated as a C corporation for 11259
federal income tax purposes for the entire qualifying taxable 11260
year of the qualifying pass-through entity in which it is an 11261
investor. 11262

(7) An investor other than an individual that satisfies 11263
all the following: 11264

(a) The investor submits a written statement to the 11265
qualifying pass-through entity stating that the investor 11266
irrevocably agrees that the investor has nexus with this state 11267
under the Constitution of the United States and is subject to 11268
and liable for the tax calculated under division (A) or (B) of 11269
section 5733.06 of the Revised Code with respect to the 11270
investor's adjusted qualifying amount for the entire qualifying 11271
taxable year of the qualifying pass-through entity. The 11272
statement is subject to the penalties of perjury, shall be 11273
retained by the qualifying pass-through entity for no fewer than 11274
seven years, and shall be delivered to the tax commissioner upon 11275
request. 11276

(b) The investor makes a good faith and reasonable effort 11277
to comply timely and fully with all the reporting and payment 11278
requirements set forth in Chapter 5733. of the Revised Code with 11279

respect to the investor's adjusted qualifying amount for the 11280
entire qualifying taxable year of the qualifying pass-through 11281
entity. 11282

(c) Neither the investor nor the qualifying pass-through 11283
entity in which it is an investor, before, during, or after the 11284
qualifying pass-through entity's qualifying taxable year, 11285
carries out any transaction or transactions with one or more 11286
related members of the investor or the qualifying pass-through 11287
entity resulting in a reduction or deferral of tax imposed by 11288
Chapter 5733. of the Revised Code with respect to all or any 11289
portion of the investor's adjusted qualifying amount for the 11290
qualifying pass-through entity's taxable year, or that 11291
constitute a sham, lack economic reality, or are part of a 11292
series of transactions the form of which constitutes a step 11293
transaction or transactions or does not reflect the substance of 11294
those transactions. 11295

(8) Any other investor that the tax commissioner may 11296
designate by rule. The tax commissioner may adopt rules 11297
including a rule defining "qualifying investor" or "qualifying 11298
beneficiary" and governing the imposition of the withholding tax 11299
imposed by section 5747.41 of the Revised Code with respect to 11300
an individual who is a resident taxpayer for the purposes of 11301
Chapter 5747. of the Revised Code for only a portion of the 11302
qualifying taxable year of the qualifying entity. 11303

(9) An investor that is a trust or fund the beneficiaries 11304
of which, during the qualifying taxable year of the qualifying 11305
pass-through entity, are limited to the following: 11306

(a) A person that is or may be the beneficiary of a trust 11307
subject to Subchapter D of Chapter 1 of Subtitle A of the 11308
Internal Revenue Code. 11309

(b) A person that is or may be the beneficiary of or the 11310
recipient of payments from a trust or fund that is a nuclear 11311
decommissioning reserve fund, a designated settlement fund, or 11312
any other trust or fund established to resolve and satisfy 11313
claims that may otherwise be asserted by the beneficiary or a 11314
member of the beneficiary's family. Sections 267(c)(4), 468A(e), 11315
and 468B(d)(2) of the Internal Revenue Code apply to the 11316
determination of whether such a person satisfies division (I)(9) 11317
of this section. 11318

(c) A person who is or may be the beneficiary of a trust 11319
that, under its governing instrument, is not required to 11320
distribute all of its income currently. Division (I)(9)(c) of 11321
this section applies only if the trust, prior to the due date 11322
for filing the qualifying pass-through entity's return for taxes 11323
imposed by section 5733.41 and sections 5747.41 to 5747.453 of 11324
the Revised Code, irrevocably agrees in writing that for the 11325
taxable year during or for which the trust distributes any of 11326
its income to any of its beneficiaries, the trust is a 11327
qualifying trust and will pay the estimated tax, and will 11328
withhold and pay the withheld tax, as required under sections 11329
5747.40 to 5747.453 of the Revised Code. 11330

For the purposes of division (I)(9) of this section, a 11331
trust or fund shall be considered to have a beneficiary other 11332
than persons described under divisions (I)(9)(a) to (c) of this 11333
section if a beneficiary would not qualify under those divisions 11334
under the doctrines of "economic reality," "sham transaction," 11335
"step doctrine," or "substance over form." A trust or fund 11336
described in division (I)(9) of this section bears the burden of 11337
establishing by a preponderance of the evidence that any 11338
transaction giving rise to the tax benefits provided under 11339
division (I)(9) of this section does not have as a principal 11340

purpose a claim of those tax benefits. Nothing in this section 11341
shall be construed to limit solely to this section the 11342
application of the doctrines referred to in this paragraph. 11343

(J) "Qualifying net gain" means any recognized net gain 11344
with respect to the acquisition, ownership, use, maintenance, 11345
management, or disposition of tangible personal property located 11346
in this state at any time during a trust's qualifying taxable 11347
year or real property located in this state. 11348

(K) "Qualifying net income" means any recognized income, 11349
net of related deductible expenses, other than distributions 11350
deductions with respect to the acquisition, ownership, use, 11351
maintenance, management, or disposition of tangible personal 11352
property located in this state at any time during the trust's 11353
qualifying taxable year or real property located in this state. 11354

(L) "Qualifying entity" means a qualifying pass-through 11355
entity or a qualifying trust. 11356

(M) "Qualifying trust" means a trust subject to subchapter 11357
J of the Internal Revenue Code that, during any portion of the 11358
trust's qualifying taxable year, has income or gain from the 11359
acquisition, management, ownership, use, or disposition of 11360
tangible personal property located in this state at any time 11361
during the trust's qualifying taxable year or real property 11362
located in this state. "Qualifying trust" does not include a 11363
person described in section 501(c) of the Internal Revenue Code 11364
or a person described in division (C) of section 5733.09 of the 11365
Revised Code. 11366

(N) "Qualifying pass-through entity" means a pass-through 11367
entity as defined in section 5733.04 of the Revised Code, 11368
excluding: a person described in section 501(c) of the Internal 11369

Revenue Code; a partnership with equity securities registered 11370
with the United States securities and exchange commission under 11371
section 12 of the Securities Exchange Act of 1934, as amended; 11372
or a person described in division (C) of section 5733.09 of the 11373
Revised Code. 11374

(O) "Quarter" means the first three months, the second 11375
three months, the third three months, or the last three months 11376
of a qualifying entity's qualifying taxable year. 11377

(P) "Related member" has the same meaning as in division 11378
(A) (6) of section 5733.042 of the Revised Code without regard to 11379
division (B) of that section. However, for the purposes of 11380
divisions (A) (3) and (4) of this section only, "related member" 11381
has the same meaning as in division (A) (6) of section 5733.042 11382
of the Revised Code without regard to division (B) of that 11383
section, but shall be applied by substituting "forty per cent" 11384
for "twenty per cent" wherever "twenty per cent" appears in 11385
division (A) of that section. 11386

(Q) "Return" or "report" means the notifications and 11387
reports required to be filed pursuant to sections 5747.42 to 11388
5747.45 of the Revised Code for the purpose of reporting the tax 11389
imposed under section 5733.41 or 5747.41 of the Revised Code, 11390
and included declarations of estimated tax when so required. 11391

(R) "Qualifying taxable year" means the calendar year or 11392
the qualifying entity's fiscal year ending during the calendar 11393
year, or fractional part thereof, for which the adjusted 11394
qualifying amount is calculated pursuant to sections 5733.40 and 11395
5733.41 or sections 5747.40 to 5747.453 of the Revised Code. 11396

~~(S) "Distributive share" includes the sum of the income,~~ 11397
~~gain, expense, or loss of a disregarded entity or qualified~~ 11398

subchapter S subsidiary.	11399
Sec. 5733.98. (A) To provide a uniform procedure for	11400
calculating the amount of tax imposed by section 5733.06 of the	11401
Revised Code that is due under this chapter, a taxpayer shall	11402
claim any credits to which it is entitled in the following	11403
order, except as otherwise provided in section 5733.058 of the	11404
Revised Code:	11405
(1) For tax year 2005, the credit for taxes paid by a	11406
qualifying pass-through entity allowed under section 5733.0611	11407
of the Revised Code;	11408
(2) The credit allowed for financial institutions under	11409
section 5733.45 of the Revised Code;	11410
(3) The credit for qualifying affiliated groups under	11411
section 5733.068 of the Revised Code;	11412
(4) The subsidiary corporation credit under section	11413
5733.067 of the Revised Code;	11414
(5) The credit for recycling and litter prevention	11415
donations under section 5733.064 of the Revised Code;	11416
(6) The credit for employers that enter into agreements	11417
with child day-care centers under section 5733.36 of the Revised	11418
Code;	11419
(7) The credit for employers that reimburse employee child	11420
care expenses under section 5733.38 of the Revised Code;	11421
(8) The credit for purchases of lights and reflectors	11422
under section 5733.44 of the Revised Code;	11423
(9) The nonrefundable job retention credit under division	11424
(B) of section 5733.0610 of the Revised Code;	11425

(10) —The second credit for purchases of new manufacturing	11426
machinery and equipment under section 5733.33 of the Revised	11427
Code;	11428
(11) —The job training credit under section 5733.42 of the	11429
Revised Code;	11430
(12) —The credit for qualified research expenses under	11431
section 5733.351 of the Revised Code;	11432
(13) —The enterprise zone credit under section 5709.66 of	11433
the Revised Code;	11434
(14) —The credit for the eligible costs associated with a	11435
voluntary action under section 5733.34 of the Revised Code;	11436
(15) —The credit for employers that establish on-site child	11437
day-care centers under section 5733.37 of the Revised Code;	11438
(16) The ethanol plant investment credit under section	11439
5733.46 of the Revised Code;	11440
(17) —The credit for purchases of qualifying grape	11441
production property under section 5733.32 of the Revised Code;	11442
(18) —The export sales credit under section 5733.069 of the	11443
Revised Code;	11444
(19) —The enterprise zone credits under section 5709.65 of	11445
the Revised Code;	11446
(20) —The credit for using Ohio coal under section 5733.39	11447
of the Revised Code;	11448
(21) —The credit for purchases of qualified low-income	11449
community investments under section 5733.58 of the Revised Code;	11450
(22) —The credit for small telephone companies under	11451
section 5733.57 of the Revised Code;	11452

(23) —The credit for eligible nonrecurring 9-1-1 charges	11453
under section 5733.55 of the Revised Code;	11454
(24) —For tax year 2005, the credit for providing programs	11455
to aid the communicatively impaired under division (A) of	11456
section 5733.56 of the Revised Code;	11457
(25) —The research and development credit under section	11458
5733.352 of the Revised Code;	11459
(26) —For tax years 2006 and subsequent tax years, the	11460
credit for taxes paid by a qualifying pass-through entity	11461
allowed under section 5733.0611 of the Revised Code;	11462
(27) —The refundable credit for rehabilitating a historic	11463
building under section 5733.47 of the Revised Code;	11464
(28) —The refundable jobs creation credit or job retention	11465
credit under division (A) of section 5733.0610 of the Revised	11466
Code;	11467
(29) —The refundable credit for tax withheld under division	11468
(B) (2) of section 5747.062 of the Revised Code;	11469
(30) —The refundable credit under section 5733.49 of the	11470
Revised Code for losses on loans made to the Ohio venture	11471
capital program under sections 150.01 to 150.10 of the Revised	11472
Code;	11473
(31) —For tax years 2006, 2007, and 2008, the refundable	11474
credit allowable under division (B) of section 5733.56 of the	11475
Revised Code;	11476
(32) —The refundable motion picture and Broadway theatrical	11477
production credit under section 5733.59 of the Revised Code.	11478
(B) For any credit except the refundable credits	11479

enumerated in this section, the amount of the credit for a tax 11480
year shall not exceed the tax due after allowing for any other 11481
credit that precedes it in the order required under this 11482
section. Any excess amount of a particular credit may be carried 11483
forward if authorized under the section creating that credit. 11484

Sec. 5735.026. (A) The tax commissioner, for the purposes 11485
of administering this chapter, shall issue an exporter license 11486
to a person that receives motor fuel in this state and exports 11487
that fuel out of this state and that demonstrates to the tax 11488
commissioner's satisfaction that the person is an exporter. 11489

(B) To obtain an exporter license, a person shall file, 11490
under oath, an application with the commissioner in such form as 11491
the commissioner prescribes. The application shall set forth the 11492
following information: 11493

(1) The name under which the exporter will transact 11494
business within the state; 11495

(2) The location, including street number address, of the 11496
exporter's principal office or place of business; 11497

(3) The name and address of the owner, or the names and 11498
addresses of the partners if such exporter is a partnership, or 11499
the names and addresses of the principal officers if the 11500
exporter is a corporation or an association; 11501

(4) A certified copy of the certificate or license issued 11502
by the ~~Secretary of State~~ secretary of state showing that the 11503
corporation is authorized to transact business in this state if 11504
the exporter is a corporation organized under the laws of 11505
another state, territory, or country; 11506

(5) For an exporter described in division (DD) (1) of 11507
section 5735.01 of the Revised Code, a copy of the applicant's 11508

license or certificate to collect and remit motor fuel taxes or 11509
sell or distribute motor fuel in the specified destination state 11510
or states for which the license or certificate is to be issued; 11511

(6) Any other information the commissioner may require. 11512

(C) (1) After a hearing as provided in division (C) (2) of 11513
this section, the commissioner may refuse to issue a license to 11514
transact business as an exporter of motor fuel in the following 11515
circumstances: 11516

(a) The applicant has previously had a license issued 11517
under this chapter canceled for cause by the commissioner; 11518

(b) The commissioner believes that an application is not 11519
filed in good faith; 11520

(c) The applicant has previously violated any provision of 11521
this chapter; 11522

(d) The application is filed as a subterfuge by the 11523
applicant for the real person in interest who has previously had 11524
a license issued under this chapter canceled for cause by the 11525
commissioner or who has violated any provision of this chapter. 11526

(2) The commissioner shall conduct a hearing before 11527
refusing to issue a license to transact business as an exporter 11528
in any of the circumstances described in division (C) (1) of this 11529
section. The applicant shall be given five days' notice, in 11530
writing, of the hearing. The applicant may appear in person or 11531
be represented by counsel, and may present testimony at the 11532
hearing. 11533

(D) When an application in proper form has been accepted 11534
for filing, the commissioner shall issue to such exporter a 11535
license to transact business as an exporter of motor fuel in 11536

this state, subject to cancellation of such license as provided 11537
by law. 11538

(E) No person shall make a false or fraudulent statement 11539
on the application required by this section. 11540

Sec. 5735.06. (A) On or before the last day of each month, 11541
each motor fuel dealer shall file with the tax commissioner a 11542
report for the preceding calendar month on a form prescribed by 11543
the commissioner for that purpose. The report shall include the 11544
following information: 11545

(1) An itemized statement of the number of gallons of all 11546
motor fuel received during the preceding calendar month by such 11547
motor fuel dealer, which has been produced, refined, prepared, 11548
distilled, manufactured, blended, or compounded by such motor 11549
fuel dealer in the state; 11550

(2) An itemized statement of the number of gallons of all 11551
motor fuel received by such motor fuel dealer in the state from 11552
any source during the preceding calendar month, other than motor 11553
fuel included in division (A)(1) of this section, together with 11554
a statement showing the date of receipt of such motor fuel; the 11555
name of the person from whom purchased or received; the date of 11556
receipt of each shipment of motor fuel; the point of origin and 11557
the point of destination of each shipment; the quantity of each 11558
of said purchases or shipments; the name of the carrier; the 11559
number of gallons contained in each car if shipped by rail; the 11560
point of origin, destination, and shipper if shipped by pipe 11561
line; or the name and owner of the boat, barge, or vessel if 11562
shipped by water; 11563

(3) An itemized statement of the number of gallons of 11564
motor fuel which such motor fuel dealer has during the preceding 11565

calendar month: 11566

(a) For motor fuel other than gasoline sold for use other 11567
than for operating motor vehicles on the public highways or on 11568
waters within the boundaries of this state; 11569

(b) Exported from this state to any other state or foreign 11570
country as provided in division (A) (4) of section 5735.05 of the 11571
Revised Code; 11572

(c) Sold to the United States government or any of its 11573
agencies; 11574

(d) Sold for delivery to motor fuel dealers; 11575

(e) Sold exclusively for use in the operation of aircraft; 11576

(4) Such other information incidental to the enforcement 11577
of the motor fuel laws of the state as the commissioner 11578
requires. 11579

(B) The report shall show the tax due, computed as 11580
follows: 11581

(1) The following deductions shall be made from the total 11582
number of gallons of motor fuel received by the motor fuel 11583
dealer within the state during the preceding calendar month: 11584

(a) The total number of gallons of motor fuel received by 11585
the motor fuel dealer within the state and sold or otherwise 11586
disposed of during the preceding calendar month as set forth in 11587
section 5735.05 of the Revised Code; 11588

(b) The total number of gallons received during the 11589
preceding calendar month and sold or otherwise disposed of to 11590
another licensed motor fuel dealer pursuant to section 5735.05 11591
of the Revised Code; 11592

(c) To cover the costs of the motor fuel dealer in 11593
compiling the report, and evaporation, shrinkage, or other 11594
unaccounted-for losses: 11595

(i) If the report is timely filed and the tax is timely 11596
paid, three per cent of the total number of gallons of motor 11597
fuel received by the motor fuel dealer within the state during 11598
the preceding calendar month less the total number of gallons 11599
deducted under divisions (B) (1) (a) and (b) of this section, less 11600
one per cent of the total number of gallons of motor fuel that 11601
were sold to a retail dealer during the preceding calendar 11602
month; 11603

(ii) If the report required by division (A) of this 11604
section is not timely filed and the tax is not timely paid, no 11605
deduction shall be allowed; 11606

(iii) If the report is incomplete, no deduction shall be 11607
allowed for any fuel on which the tax is not timely reported and 11608
paid; 11609

(2) The number of gallons remaining after the deductions 11610
have been made shall be multiplied ~~separately by each of the~~ 11611
~~following amounts:~~ 11612

~~(a) The cents per gallon rate;~~ 11613

~~(b) Two cents.~~ 11614

~~The sum of the products prescribed by section 5735.05 of~~ 11615
~~the Revised Code. The product obtained in divisions (B) (2) (a)~~ 11616
~~and (b) of this section shall be the amount of motor fuel tax~~ 11617
~~for the preceding calendar month.~~ 11618

(C) The report shall be filed together with payment of the 11619
tax shown on the report to be due. The commissioner may extend 11620

the time for filing reports and may remit all or part of 11621
penalties which may become due under sections 5735.01 to 5735.99 11622
of the Revised Code. For purposes of this section and sections 11623
5735.062 and 5735.12 of the Revised Code, a report required to 11624
be filed under this section and payment of the tax due under 11625
this chapter are considered filed when received by the tax 11626
commissioner. 11627

(D) The tax commissioner may require a motor fuel dealer 11628
to file a report for a period other than one month. Such a 11629
report, together with payment of the tax, shall be filed not 11630
later than thirty days after the last day of the prescribed 11631
reporting period. 11632

(E) No person required by this section to file a tax 11633
report shall file a false or fraudulent tax report or supporting 11634
schedule. 11635

Sec. 5739.01. As used in this chapter: 11636

(A) "Person" includes individuals, receivers, assignees, 11637
trustees in bankruptcy, estates, firms, partnerships, 11638
associations, joint-stock companies, joint ventures, clubs, 11639
societies, corporations, the state and its political 11640
subdivisions, and combinations of individuals of any form. 11641

(B) "Sale" and "selling" include all of the following 11642
transactions for a consideration in any manner, whether 11643
absolutely or conditionally, whether for a price or rental, in 11644
money or by exchange, and by any means whatsoever: 11645

(1) All transactions by which title or possession, or 11646
both, of tangible personal property, is or is to be transferred, 11647
or a license to use or consume tangible personal property is or 11648
is to be granted; 11649

- (2) All transactions by which lodging by a hotel is or is 11650
to be furnished to transient guests; 11651
- (3) All transactions by which: 11652
- (a) An item of tangible personal property is or is to be 11653
repaired, except property, the purchase of which would not be 11654
subject to the tax imposed by section 5739.02 of the Revised 11655
Code; 11656
- (b) An item of tangible personal property is or is to be 11657
installed, except property, the purchase of which would not be 11658
subject to the tax imposed by section 5739.02 of the Revised 11659
Code or property that is or is to be incorporated into and will 11660
become a part of a production, transmission, transportation, or 11661
distribution system for the delivery of a public utility 11662
service; 11663
- (c) The service of washing, cleaning, waxing, polishing, 11664
or painting a motor vehicle is or is to be furnished; 11665
- (d) ~~Until August 1, 2003, industrial laundry cleaning~~ 11666
~~services are or are to be provided and, on and after August 1,~~ 11667
~~2003, laundry~~ Laundry and dry cleaning services are or are to be 11668
provided; 11669
- (e) Automatic data processing, computer services, or 11670
electronic information services are or are to be provided for 11671
use in business when the true object of the transaction is the 11672
receipt by the consumer of automatic data processing, computer 11673
services, or electronic information services rather than the 11674
receipt of personal or professional services to which automatic 11675
data processing, computer services, or electronic information 11676
services are incidental or supplemental. Notwithstanding any 11677
other provision of this chapter, such transactions that occur 11678

between members of an affiliated group are not sales. An 11679
"affiliated group" means two or more persons related in such a 11680
way that one person owns or controls the business operation of 11681
another member of the group. In the case of corporations with 11682
stock, one corporation owns or controls another if it owns more 11683
than fifty per cent of the other corporation's common stock with 11684
voting rights. 11685

(f) Telecommunications service, including prepaid calling 11686
service, prepaid wireless calling service, or ancillary service, 11687
is or is to be provided, but not including coin-operated 11688
telephone service; 11689

(g) Landscaping and lawn care service is or is to be 11690
provided; 11691

(h) Private investigation and security service is or is to 11692
be provided; 11693

(i) Information services or tangible personal property is 11694
provided or ordered by means of a nine hundred telephone call; 11695

(j) Building maintenance and janitorial service is or is 11696
to be provided; 11697

(k) Employment service is or is to be provided; 11698

(l) Employment placement service is or is to be provided; 11699

(m) Exterminating service is or is to be provided; 11700

(n) Physical fitness facility service is or is to be 11701
provided; 11702

(o) Recreation and sports club service is or is to be 11703
provided; 11704

(p) ~~On and after August 1, 2003, satellite~~ Satellite 11705

broadcasting service is or is to be provided; 11706

(q) ~~On and after August 1, 2003, personal~~ Personal care 11707
service is or is to be provided to an individual. As used in 11708
this division, "personal care service" includes skin care, the 11709
application of cosmetics, manicuring, pedicuring, hair removal, 11710
tattooing, body piercing, tanning, massage, and other similar 11711
services. "Personal care service" does not include a service 11712
provided by or on the order of a licensed physician or licensed 11713
chiropractor, or the cutting, coloring, or styling of an 11714
individual's hair. 11715

(r) ~~On and after August 1, 2003, the~~ The transportation of 11716
persons by motor vehicle or aircraft is or is to be provided, 11717
when the transportation is entirely within this state, except 11718
for transportation provided by an ambulance service, by a 11719
transit bus, as defined in section 5735.01 of the Revised Code, 11720
and transportation provided by a citizen of the United States 11721
holding a certificate of public convenience and necessity issued 11722
under 49 U.S.C. 41102; 11723

(s) ~~On and after August 1, 2003, motor~~ Motor vehicle 11724
towing service is or is to be provided. As used in this 11725
division, "motor vehicle towing service" means the towing or 11726
conveyance of a wrecked, disabled, or illegally parked motor 11727
vehicle. 11728

(t) ~~On and after August 1, 2003, snow~~ Snow removal service 11729
is or is to be provided. As used in this division, "snow removal 11730
service" means the removal of snow by any mechanized means, but 11731
does not include the providing of such service by a person that 11732
has less than five thousand dollars in sales of such service 11733
during the calendar year. 11734

(u) Electronic publishing service is or is to be provided 11735
to a consumer for use in business, except that such transactions 11736
occurring between members of an affiliated group, as defined in 11737
division (B) (3) (e) of this section, are not sales. 11738

(4) All transactions by which printed, imprinted, 11739
overprinted, lithographic, multilithic, blueprinted, 11740
photostatic, or other productions or reproductions of written or 11741
graphic matter are or are to be furnished or transferred; 11742

(5) The production or fabrication of tangible personal 11743
property for a consideration for consumers who furnish either 11744
directly or indirectly the materials used in the production of 11745
fabrication work; and include the furnishing, preparing, or 11746
serving for a consideration of any tangible personal property 11747
consumed on the premises of the person furnishing, preparing, or 11748
serving such tangible personal property. Except as provided in 11749
section 5739.03 of the Revised Code, a construction contract 11750
pursuant to which tangible personal property is or is to be 11751
incorporated into a structure or improvement on and becoming a 11752
part of real property is not a sale of such tangible personal 11753
property. The construction contractor is the consumer of such 11754
tangible personal property, provided that the sale and 11755
installation of carpeting, the sale and installation of 11756
agricultural land tile, the sale and erection or installation of 11757
portable grain bins, or the provision of landscaping and lawn 11758
care service and the transfer of property as part of such 11759
service is never a construction contract. 11760

As used in division (B) (5) of this section: 11761

(a) "Agricultural land tile" means fired clay or concrete 11762
tile, or flexible or rigid perforated plastic pipe or tubing, 11763
incorporated or to be incorporated into a subsurface drainage 11764

system appurtenant to land used or to be used primarily in 11765
production by farming, agriculture, horticulture, or 11766
floriculture. The term does not include such materials when they 11767
are or are to be incorporated into a drainage system appurtenant 11768
to a building or structure even if the building or structure is 11769
used or to be used in such production. 11770

(b) "Portable grain bin" means a structure that is used or 11771
to be used by a person engaged in farming or agriculture to 11772
shelter the person's grain and that is designed to be 11773
disassembled without significant damage to its component parts. 11774

(6) All transactions in which all of the shares of stock 11775
of a closely held corporation are transferred, or an ownership 11776
interest in a pass-through entity, as defined in section 5733.04 11777
of the Revised Code, is transferred, if the corporation or pass- 11778
through entity is not engaging in business and its entire assets 11779
consist of boats, planes, motor vehicles, or other tangible 11780
personal property operated primarily for the use and enjoyment 11781
of the shareholders or owners; 11782

(7) All transactions in which a warranty, maintenance or 11783
service contract, or similar agreement by which the vendor of 11784
the warranty, contract, or agreement agrees to repair or 11785
maintain the tangible personal property of the consumer is or is 11786
to be provided; 11787

(8) The transfer of copyrighted motion picture films used 11788
solely for advertising purposes, except that the transfer of 11789
such films for exhibition purposes is not a sale; 11790

(9) ~~On and after August 1, 2003, all~~ All transactions by 11791
which tangible personal property is or is to be stored, except 11792
such property that the consumer of the storage holds for sale in 11793

the regular course of business; 11794

(10) All transactions in which "guaranteed auto 11795
protection" is provided whereby a person promises to pay to the 11796
consumer the difference between the amount the consumer receives 11797
from motor vehicle insurance and the amount the consumer owes to 11798
a person holding title to or a lien on the consumer's motor 11799
vehicle in the event the consumer's motor vehicle suffers a 11800
total loss under the terms of the motor vehicle insurance policy 11801
or is stolen and not recovered, if the protection and its price 11802
are included in the purchase or lease agreement; 11803

(11) (a) Except as provided in division (B) (11) (b) of this 11804
section, ~~on and after October 1, 2009,~~ all transactions by which 11805
health care services are paid for, reimbursed, provided, 11806
delivered, arranged for, or otherwise made available by a 11807
medicaid health insuring corporation pursuant to the 11808
corporation's contract with the state. 11809

(b) If the centers for medicare and medicaid services of 11810
the United States department of health and human services 11811
determines that the taxation of transactions described in 11812
division (B) (11) (a) of this section constitutes an impermissible 11813
health care-related tax under the "Social Security Act," section 11814
1903(w), 42 U.S.C. 1396b(w), and regulations adopted thereunder, 11815
the medicaid director shall notify the tax commissioner of that 11816
determination. Beginning with the first day of the month 11817
following that notification, the transactions described in 11818
division (B) (11) (a) of this section are not sales for the 11819
purposes of this chapter or Chapter 5741. of the Revised Code. 11820
The tax commissioner shall order that the collection of taxes 11821
under sections 5739.02, 5739.021, 5739.023, 5739.026, 5741.02, 11822
5741.021, 5741.022, and 5741.023 of the Revised Code shall cease 11823

for transactions occurring on or after that date. 11824

(12) All transactions by which a specified digital product 11825
is provided for permanent use or less than permanent use, 11826
regardless of whether continued payment is required. 11827

Except as provided in this section, "sale" and "selling" 11828
do not include transfers of interest in leased property where 11829
the original lessee and the terms of the original lease 11830
agreement remain unchanged, or professional, insurance, or 11831
personal service transactions that involve the transfer of 11832
tangible personal property as an inconsequential element, for 11833
which no separate charges are made. 11834

(C) "Vendor" means the person providing the service or by 11835
whom the transfer effected or license given by a sale is or is 11836
to be made or given and, for sales described in division (B)(3) 11837
(i) of this section, the telecommunications service vendor that 11838
provides the nine hundred telephone service; if two or more 11839
persons are engaged in business at the same place of business 11840
under a single trade name in which all collections on account of 11841
sales by each are made, such persons shall constitute a single 11842
vendor. 11843

Physicians, dentists, hospitals, and veterinarians who are 11844
engaged in selling tangible personal property as received from 11845
others, such as eyeglasses, mouthwashes, dentifrices, or similar 11846
articles, are vendors. Veterinarians who are engaged in 11847
transferring to others for a consideration drugs, the dispensing 11848
of which does not require an order of a licensed veterinarian or 11849
physician under federal law, are vendors. 11850

The operator of any peer-to-peer car sharing program shall 11851
be considered to be the vendor. 11852

(D) (1) "Consumer" means the person for whom the service is provided, to whom the transfer effected or license given by a sale is or is to be made or given, to whom the service described in division (B) (3) (f) or (i) of this section is charged, or to whom the admission is granted.

(2) Physicians, dentists, hospitals, and blood banks operated by nonprofit institutions and persons licensed to practice veterinary medicine, surgery, and dentistry are consumers of all tangible personal property and services purchased by them in connection with the practice of medicine, dentistry, the rendition of hospital or blood bank service, or the practice of veterinary medicine, surgery, and dentistry. In addition to being consumers of drugs administered by them or by their assistants according to their direction, veterinarians also are consumers of drugs that under federal law may be dispensed only by or upon the order of a licensed veterinarian or physician, when transferred by them to others for a consideration to provide treatment to animals as directed by the veterinarian.

(3) A person who performs a facility management, or similar service contract for a contractee is a consumer of all tangible personal property and services purchased for use in connection with the performance of such contract, regardless of whether title to any such property vests in the contractee. The purchase of such property and services is not subject to the exception for resale under division (E) of this section.

(4) (a) In the case of a person who purchases printed matter for the purpose of distributing it or having it distributed to the public or to a designated segment of the public, free of charge, that person is the consumer of that

printed matter, and the purchase of that printed matter for that 11883
purpose is a sale. 11884

(b) In the case of a person who produces, rather than 11885
purchases, printed matter for the purpose of distributing it or 11886
having it distributed to the public or to a designated segment 11887
of the public, free of charge, that person is the consumer of 11888
all tangible personal property and services purchased for use or 11889
consumption in the production of that printed matter. That 11890
person is not entitled to claim exemption under division (B) (42) 11891
(f) of section 5739.02 of the Revised Code for any material 11892
incorporated into the printed matter or any equipment, supplies, 11893
or services primarily used to produce the printed matter. 11894

(c) The distribution of printed matter to the public or to 11895
a designated segment of the public, free of charge, is not a 11896
sale to the members of the public to whom the printed matter is 11897
distributed or to any persons who purchase space in the printed 11898
matter for advertising or other purposes. 11899

(5) A person who makes sales of any of the services listed 11900
in division (B) (3) of this section is the consumer of any 11901
tangible personal property used in performing the service. The 11902
purchase of that property is not subject to the resale exception 11903
under division (E) of this section. 11904

(6) A person who engages in highway transportation for 11905
hire is the consumer of all packaging materials purchased by 11906
that person and used in performing the service, except for 11907
packaging materials sold by such person in a transaction 11908
separate from the service. 11909

(7) In the case of a transaction for health care services 11910
under division (B) (11) of this section, a medicaid health 11911

insuring corporation is the consumer of such services. The 11912
purchase of such services by a medicaid health insuring 11913
corporation is not subject to the exception for resale under 11914
division (E) of this section or to the exemptions provided under 11915
divisions (B) (12), (18), (19), and (22) of section 5739.02 of 11916
the Revised Code. 11917

(E) "Retail sale" and "sales at retail" include all sales, 11918
except those in which the purpose of the consumer is to resell 11919
the thing transferred or benefit of the service provided, by a 11920
person engaging in business, in the form in which the same is, 11921
or is to be, received by the person. 11922

(F) "Business" includes any activity engaged in by any 11923
person with the object of gain, benefit, or advantage, either 11924
direct or indirect. "Business" does not include the activity of 11925
a person in managing and investing the person's own funds. 11926

(G) "Engaging in business" means commencing, conducting, 11927
or continuing in business, and liquidating a business when the 11928
liquidator thereof holds itself out to the public as conducting 11929
such business. Making a casual sale is not engaging in business. 11930

(H) (1) (a) "Price," except as provided in divisions (H) (2), 11931
(3), and (4) of this section, means the total amount of 11932
consideration, including cash, credit, property, and services, 11933
for which tangible personal property or services are sold, 11934
leased, or rented, valued in money, whether received in money or 11935
otherwise, without any deduction for any of the following: 11936

(i) The vendor's cost of the property sold; 11937

(ii) The cost of materials used, labor or service costs, 11938
interest, losses, all costs of transportation to the vendor, all 11939
taxes imposed on the vendor, including the tax imposed under 11940

Chapter 5751. of the Revised Code, and any other expense of the 11941
vendor; 11942

(iii) Charges by the vendor for any services necessary to 11943
complete the sale; 11944

(iv) ~~On and after August 1, 2003, delivery~~ Delivery 11945
charges. As used in this division, "delivery charges" means 11946
charges by the vendor for preparation and delivery to a location 11947
designated by the consumer of tangible personal property or a 11948
service, including transportation, shipping, postage, handling, 11949
crating, and packing. 11950

(v) Installation charges; 11951

(vi) Credit for any trade-in. 11952

(b) "Price" includes consideration received by the vendor 11953
from a third party, if the vendor actually receives the 11954
consideration from a party other than the consumer, and the 11955
consideration is directly related to a price reduction or 11956
discount on the sale; the vendor has an obligation to pass the 11957
price reduction or discount through to the consumer; the amount 11958
of the consideration attributable to the sale is fixed and 11959
determinable by the vendor at the time of the sale of the item 11960
to the consumer; and one of the following criteria is met: 11961

(i) The consumer presents a coupon, certificate, or other 11962
document to the vendor to claim a price reduction or discount 11963
where the coupon, certificate, or document is authorized, 11964
distributed, or granted by a third party with the understanding 11965
that the third party will reimburse any vendor to whom the 11966
coupon, certificate, or document is presented; 11967

(ii) The consumer identifies the consumer's self to the 11968
seller as a member of a group or organization entitled to a 11969

price reduction or discount. A preferred customer card that is 11970
available to any patron does not constitute membership in such a 11971
group or organization. 11972

(iii) The price reduction or discount is identified as a 11973
third party price reduction or discount on the invoice received 11974
by the consumer, or on a coupon, certificate, or other document 11975
presented by the consumer. 11976

(c) "Price" does not include any of the following: 11977

(i) Discounts, including cash, term, or coupons that are 11978
not reimbursed by a third party that are allowed by a vendor and 11979
taken by a consumer on a sale; 11980

(ii) Interest, financing, and carrying charges from credit 11981
extended on the sale of tangible personal property or services, 11982
if the amount is separately stated on the invoice, bill of sale, 11983
or similar document given to the purchaser; 11984

(iii) Any taxes legally imposed directly on the consumer 11985
that are separately stated on the invoice, bill of sale, or 11986
similar document given to the consumer. For the purpose of this 11987
division, the tax imposed under Chapter 5751. of the Revised 11988
Code is not a tax directly on the consumer, even if the tax or a 11989
portion thereof is separately stated. 11990

(iv) Notwithstanding divisions (H) (1) (b) (i) to (iii) of 11991
this section, any discount allowed by an automobile manufacturer 11992
to its employee, or to the employee of a supplier, on the 11993
purchase of a new motor vehicle from a new motor vehicle dealer 11994
in this state. 11995

(v) The dollar value of a gift card that is not sold by a 11996
vendor or purchased by a consumer and that is redeemed by the 11997
consumer in purchasing tangible personal property or services if 11998

the vendor is not reimbursed and does not receive compensation 11999
from a third party to cover all or part of the gift card value. 12000
For the purposes of this division, a gift card is not sold by a 12001
vendor or purchased by a consumer if it is distributed pursuant 12002
to an awards, loyalty, or promotional program. Past and present 12003
purchases of tangible personal property or services by the 12004
consumer shall not be treated as consideration exchanged for a 12005
gift card. 12006

(2) In the case of a sale of any new motor vehicle by a 12007
new motor vehicle dealer, as defined in section 4517.01 of the 12008
Revised Code, in which another motor vehicle is accepted by the 12009
dealer as part of the consideration received, "price" has the 12010
same meaning as in division (H)(1) of this section, reduced by 12011
the credit afforded the consumer by the dealer for the motor 12012
vehicle received in trade. 12013

(3) In the case of a sale of any watercraft or outboard 12014
motor by a watercraft dealer licensed in accordance with section 12015
1547.543 of the Revised Code, in which another watercraft, 12016
watercraft and trailer, or outboard motor is accepted by the 12017
dealer as part of the consideration received, "price" has the 12018
same meaning as in division (H)(1) of this section, reduced by 12019
the credit afforded the consumer by the dealer for the 12020
watercraft, watercraft and trailer, or outboard motor received 12021
in trade. As used in this division, "watercraft" includes an 12022
outdrive unit attached to the watercraft. 12023

(4) In the case of transactions for health care services 12024
under division (B)(11) of this section, "price" means the amount 12025
of managed care premiums received each month by a medicaid 12026
health insuring corporation. 12027

(I) "Receipts" means the total amount of the prices of the 12028

sales of vendors, provided that the dollar value of gift cards 12029
distributed pursuant to an awards, loyalty, or promotional 12030
program, and cash discounts allowed and taken on sales at the 12031
time they are consummated are not included, minus any amount 12032
deducted as a bad debt pursuant to section 5739.121 of the 12033
Revised Code. "Receipts" does not include the sale price of 12034
property returned or services rejected by consumers when the 12035
full sale price and tax are refunded either in cash or by 12036
credit. 12037

(J) "Place of business" means any location at which a 12038
person engages in business. 12039

(K) "Premises" includes any real property or portion 12040
thereof upon which any person engages in selling tangible 12041
personal property at retail or making retail sales and also 12042
includes any real property or portion thereof designated for, or 12043
devoted to, use in conjunction with the business engaged in by 12044
such person. 12045

(L) "Casual sale" means a sale of an item of tangible 12046
personal property that was obtained by the person making the 12047
sale, through purchase or otherwise, for the person's own use 12048
and was previously subject to any state's taxing jurisdiction on 12049
its sale or use, and includes such items acquired for the 12050
seller's use that are sold by an auctioneer employed directly by 12051
the person for such purpose, provided the location of such sales 12052
is not the auctioneer's permanent place of business. As used in 12053
this division, "permanent place of business" includes any 12054
location where such auctioneer has conducted more than two 12055
auctions during the year. 12056

(M) "Hotel" means every establishment kept, used, 12057
maintained, advertised, or held out to the public to be a place 12058

where sleeping accommodations are offered to guests, in which 12059
five or more rooms are used for the accommodation of such 12060
guests, whether the rooms are in one or several structures, 12061
except as otherwise provided in ~~division (G) of section 5739.09~~ 12062
5739.091 of the Revised Code. 12063

(N) "Transient guests" means persons occupying a room or 12064
rooms for sleeping accommodations for less than thirty 12065
consecutive days. 12066

(O) "Making retail sales" means the effecting of 12067
transactions wherein one party is obligated to pay the price and 12068
the other party is obligated to provide a service or to transfer 12069
title to or possession of the item sold. "Making retail sales" 12070
does not include the preliminary acts of promoting or soliciting 12071
the retail sales, other than the distribution of printed matter 12072
which displays or describes and prices the item offered for 12073
sale, nor does it include delivery of a predetermined quantity 12074
of tangible personal property or transportation of property or 12075
personnel to or from a place where a service is performed. 12076

(P) "Used directly in the rendition of a public utility 12077
service" means that property that is to be incorporated into and 12078
will become a part of the consumer's production, transmission, 12079
transportation, or distribution system and that retains its 12080
classification as tangible personal property after such 12081
incorporation; fuel or power used in the production, 12082
transmission, transportation, or distribution system; and 12083
tangible personal property used in the repair and maintenance of 12084
the production, transmission, transportation, or distribution 12085
system, including only such motor vehicles as are specially 12086
designed and equipped for such use. Tangible personal property 12087
and services used primarily in providing highway transportation 12088

for hire are not used directly in the rendition of a public 12089
utility service. In this definition, "public utility" includes a 12090
citizen of the United States holding, and required to hold, a 12091
certificate of public convenience and necessity issued under 49 12092
U.S.C. 41102. 12093

(Q) "Refining" means removing or separating a desirable 12094
product from raw or contaminated materials by distillation or 12095
physical, mechanical, or chemical processes. 12096

(R) "Assembly" and "assembling" mean attaching or fitting 12097
together parts to form a product, but do not include packaging a 12098
product. 12099

(S) "Manufacturing operation" means a process in which 12100
materials are changed, converted, or transformed into a 12101
different state or form from which they previously existed and 12102
includes refining materials, assembling parts, and preparing raw 12103
materials and parts by mixing, measuring, blending, or otherwise 12104
committing such materials or parts to the manufacturing process. 12105
"Manufacturing operation" does not include packaging. 12106

(T) "Fiscal officer" means, with respect to a regional 12107
transit authority, the secretary-treasurer thereof, and with 12108
respect to a county that is a transit authority, the fiscal 12109
officer of the county transit board if one is appointed pursuant 12110
to section 306.03 of the Revised Code or the county auditor if 12111
the board of county commissioners operates the county transit 12112
system. 12113

(U) "Transit authority" means a regional transit authority 12114
created pursuant to section 306.31 of the Revised Code or a 12115
county in which a county transit system is created pursuant to 12116
section 306.01 of the Revised Code. For the purposes of this 12117

chapter, a transit authority must extend to at least the entire 12118
area of a single county. A transit authority that includes 12119
territory in more than one county must include all the area of 12120
the most populous county that is a part of such transit 12121
authority. County population shall be measured by the most 12122
recent census taken by the United States census bureau. 12123

(V) "Legislative authority" means, with respect to a 12124
regional transit authority, the board of trustees thereof, and 12125
with respect to a county that is a transit authority, the board 12126
of county commissioners. 12127

(W) "Territory of the transit authority" means all of the 12128
area included within the territorial boundaries of a transit 12129
authority as they from time to time exist. Such territorial 12130
boundaries must at all times include all the area of a single 12131
county or all the area of the most populous county that is a 12132
part of such transit authority. County population shall be 12133
measured by the most recent census taken by the United States 12134
census bureau. 12135

(X) "Providing a service" means providing or furnishing 12136
anything described in division (B) (3) of this section for 12137
consideration. 12138

(Y) (1) (a) "Automatic data processing" means processing of 12139
others' data, including keypunching or similar data entry 12140
services together with verification thereof, or providing access 12141
to computer equipment for the purpose of processing data. 12142

(b) "Computer services" means providing services 12143
consisting of specifying computer hardware configurations and 12144
evaluating technical processing characteristics, computer 12145
programming, and training of computer programmers and operators, 12146

provided in conjunction with and to support the sale, lease, or 12147
operation of taxable computer equipment or systems. 12148

(c) "Electronic information services" means providing 12149
access to computer equipment by means of telecommunications 12150
equipment for the purpose of either of the following: 12151

(i) Examining or acquiring data stored in or accessible to 12152
the computer equipment; 12153

(ii) Placing data into the computer equipment to be 12154
retrieved by designated recipients with access to the computer 12155
equipment. 12156

~~For transactions occurring on or after the effective date~~ 12157
~~of the amendment of this section by H.B. 157 of the 127th~~ 12158
~~general assembly, December 21, 2007, "electronic "~~12159
information services" does not include electronic publishing. 12160

(d) "Automatic data processing, computer services, or 12161
electronic information services" shall not include personal or 12162
professional services. 12163

(2) As used in divisions (B) (3) (e) and (Y) (1) of this 12164
section, "personal and professional services" means all services 12165
other than automatic data processing, computer services, or 12166
electronic information services, including but not limited to: 12167

(a) Accounting and legal services such as advice on tax 12168
matters, asset management, budgetary matters, quality control, 12169
information security, and auditing and any other situation where 12170
the service provider receives data or information and studies, 12171
alters, analyzes, interprets, or adjusts such material; 12172

(b) Analyzing business policies and procedures; 12173

(c) Identifying management information needs; 12174

(d) Feasibility studies, including economic and technical 12175
analysis of existing or potential computer hardware or software 12176
needs and alternatives; 12177

(e) Designing policies, procedures, and custom software 12178
for collecting business information, and determining how data 12179
should be summarized, sequenced, formatted, processed, 12180
controlled, and reported so that it will be meaningful to 12181
management; 12182

(f) Developing policies and procedures that document how 12183
business events and transactions are to be authorized, executed, 12184
and controlled; 12185

(g) Testing of business procedures; 12186

(h) Training personnel in business procedure applications; 12187

(i) Providing credit information to users of such 12188
information by a consumer reporting agency, as defined in the 12189
"Fair Credit Reporting Act," 84 Stat. 1114, 1129 (1970), 15 12190
U.S.C. 1681a(f), or as hereafter amended, including but not 12191
limited to gathering, organizing, analyzing, recording, and 12192
furnishing such information by any oral, written, graphic, or 12193
electronic medium; 12194

(j) Providing debt collection services by any oral, 12195
written, graphic, or electronic means; 12196

(k) Providing digital advertising services. 12197

The services listed in divisions (Y) (2) (a) to (k) of this 12198
section are not automatic data processing or computer services. 12199

(Z) "Highway transportation for hire" means the 12200
transportation of personal property belonging to others for 12201
consideration by any of the following: 12202

(1) The holder of a permit or certificate issued by this state or the United States authorizing the holder to engage in transportation of personal property belonging to others for consideration over or on highways, roadways, streets, or any similar public thoroughfare;

(2) A person who engages in the transportation of personal property belonging to others for consideration over or on highways, roadways, streets, or any similar public thoroughfare but who could not have engaged in such transportation on December 11, 1985, unless the person was the holder of a permit or certificate of the types described in division (Z)(1) of this section;

(3) A person who leases a motor vehicle to and operates it for a person described by division (Z)(1) or (2) of this section.

(AA)(1) "Telecommunications service" means the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. "Telecommunications service" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether the service is referred to as voice-over internet protocol service or is classified by the federal communications commission as enhanced or value-added. "Telecommunications service" does not include any of the following:

(a) Data processing and information services that allow data to be generated, acquired, stored, processed, or retrieved and delivered by an electronic transmission to a consumer where

the consumer's primary purpose for the underlying transaction is 12233
the processed data or information; 12234

(b) Installation or maintenance of wiring or equipment on 12235
a customer's premises; 12236

(c) Tangible personal property; 12237

(d) Advertising, including directory advertising; 12238

(e) Billing and collection services provided to third 12239
parties; 12240

(f) Internet access service; 12241

(g) Radio and television audio and video programming 12242
services, regardless of the medium, including the furnishing of 12243
transmission, conveyance, and routing of such services by the 12244
programming service provider. Radio and television audio and 12245
video programming services include, but are not limited to, 12246
cable service, as defined in 47 U.S.C. 522(6), and audio and 12247
video programming services delivered by commercial mobile radio 12248
service providers, as defined in 47 C.F.R. 20.3; 12249

(h) Ancillary service; 12250

(i) Digital products delivered electronically, including 12251
software, music, video, reading materials, or ring tones. 12252

(2) "Ancillary service" means a service that is associated 12253
with or incidental to the provision of telecommunications 12254
service, including conference bridging service, detailed 12255
telecommunications billing service, directory assistance, 12256
vertical service, and voice mail service. As used in this 12257
division: 12258

(a) "Conference bridging service" means an ancillary 12259

service that links two or more participants of an audio or video conference call, including providing a telephone number. 12260
12261
"Conference bridging service" does not include 12262
telecommunications services used to reach the conference bridge. 12263

(b) "Detailed telecommunications billing service" means an 12264
ancillary service of separately stating information pertaining 12265
to individual calls on a customer's billing statement. 12266

(c) "Directory assistance" means an ancillary service of 12267
providing telephone number or address information. 12268

(d) "Vertical service" means an ancillary service that is 12269
offered in connection with one or more telecommunications 12270
services, which offers advanced calling features that allow 12271
customers to identify callers and manage multiple calls and call 12272
connections, including conference bridging service. 12273

(e) "Voice mail service" means an ancillary service that 12274
enables the customer to store, send, or receive recorded 12275
messages. "Voice mail service" does not include any vertical 12276
services that the customer may be required to have in order to 12277
utilize the voice mail service. 12278

(3) "900 service" means an inbound toll telecommunications 12279
service purchased by a subscriber that allows the subscriber's 12280
customers to call in to the subscriber's prerecorded 12281
announcement or live service, and which is typically marketed 12282
under the name "900 service" and any subsequent numbers 12283
designated by the federal communications commission. "900 12284
service" does not include the charge for collection services 12285
provided by the seller of the telecommunications service to the 12286
subscriber, or services or products sold by the subscriber to 12287
the subscriber's customer. 12288

(4) "Prepaid calling service" means the right to access 12289
exclusively telecommunications services, which must be paid for 12290
in advance and which enables the origination of calls using an 12291
access number or authorization code, whether manually or 12292
electronically dialed, and that is sold in predetermined units 12293
or dollars of which the number declines with use in a known 12294
amount. 12295

(5) "Prepaid wireless calling service" means a 12296
telecommunications service that provides the right to utilize 12297
mobile telecommunications service as well as other non- 12298
telecommunications services, including the download of digital 12299
products delivered electronically, and content and ancillary 12300
services, that must be paid for in advance and that is sold in 12301
predetermined units or dollars of which the number declines with 12302
use in a known amount. 12303

(6) "Value-added non-voice data service" means a 12304
telecommunications service in which computer processing 12305
applications are used to act on the form, content, code, or 12306
protocol of the information or data primarily for a purpose 12307
other than transmission, conveyance, or routing. 12308

(7) "Coin-operated telephone service" means a 12309
telecommunications service paid for by inserting money into a 12310
telephone accepting direct deposits of money to operate. 12311

(8) "Customer" has the same meaning as in section 5739.034 12312
of the Revised Code. 12313

(BB) "Laundry and dry cleaning services" means removing 12314
soil or dirt from towels, linens, articles of clothing, or other 12315
fabric items that belong to others and supplying towels, linens, 12316
articles of clothing, or other fabric items. "Laundry and dry 12317

cleaning services" does not include the provision of self- 12318
service facilities for use by consumers to remove soil or dirt 12319
from towels, linens, articles of clothing, or other fabric 12320
items. 12321

(CC) "Magazines distributed as controlled circulation 12322
publications" means magazines containing at least twenty-four 12323
pages, at least twenty-five per cent editorial content, issued 12324
at regular intervals four or more times a year, and circulated 12325
without charge to the recipient, provided that such magazines 12326
are not owned or controlled by individuals or business concerns 12327
which conduct such publications as an auxiliary to, and 12328
essentially for the advancement of the main business or calling 12329
of, those who own or control them. 12330

(DD) "Landscaping and lawn care service" means the 12331
services of planting, seeding, sodding, removing, cutting, 12332
trimming, pruning, mulching, aerating, applying chemicals, 12333
watering, fertilizing, and providing similar services to 12334
establish, promote, or control the growth of trees, shrubs, 12335
flowers, grass, ground cover, and other flora, or otherwise 12336
maintaining a lawn or landscape grown or maintained by the owner 12337
for ornamentation or other nonagricultural purpose. However, 12338
"landscaping and lawn care service" does not include the 12339
providing of such services by a person who has less than five 12340
thousand dollars in sales of such services during the calendar 12341
year. 12342

(EE) "Private investigation and security service" means 12343
the performance of any activity for which the provider of such 12344
service is required to be licensed pursuant to Chapter 4749. of 12345
the Revised Code, or would be required to be so licensed in 12346
performing such services in this state, and also includes the 12347

services of conducting polygraph examinations and of monitoring 12348
or overseeing the activities on or in, or the condition of, the 12349
consumer's home, business, or other facility by means of 12350
electronic or similar monitoring devices. "Private investigation 12351
and security service" does not include special duty services 12352
provided by off-duty police officers, deputy sheriffs, and other 12353
peace officers regularly employed by the state or a political 12354
subdivision. 12355

(FF) "Information services" means providing conversation, 12356
giving consultation or advice, playing or making a voice or 12357
other recording, making or keeping a record of the number of 12358
callers, and any other service provided to a consumer by means 12359
of a nine hundred telephone call, except when the nine hundred 12360
telephone call is the means by which the consumer makes a 12361
contribution to a recognized charity. 12362

(GG) "Research and development" means designing, creating, 12363
or formulating new or enhanced products, equipment, or 12364
manufacturing processes, and also means conducting scientific or 12365
technological inquiry and experimentation in the physical 12366
sciences with the goal of increasing scientific knowledge which 12367
may reveal the bases for new or enhanced products, equipment, or 12368
manufacturing processes. 12369

(HH) "Qualified research and development equipment" means 12370
capitalized tangible personal property, and leased personal 12371
property that would be capitalized if purchased, used by a 12372
person primarily to perform research and development. Tangible 12373
personal property primarily used in testing, as defined in 12374
division (A)(4) of section 5739.011 of the Revised Code, or used 12375
for recording or storing test results, is not qualified research 12376
and development equipment unless such property is primarily used 12377

by the consumer in testing the product, equipment, or 12378
manufacturing process being created, designed, or formulated by 12379
the consumer in the research and development activity or in 12380
recording or storing such test results. 12381

(II) "Building maintenance and janitorial service" means 12382
cleaning the interior or exterior of a building and any tangible 12383
personal property located therein or thereon, including any 12384
services incidental to such cleaning for which no separate 12385
charge is made. However, "building maintenance and janitorial 12386
service" does not include the providing of such service by a 12387
person who has less than five thousand dollars in sales of such 12388
service during the calendar year. As used in this division, 12389
"cleaning" does not include sanitation services necessary for an 12390
establishment described in 21 U.S.C. 608 to comply with rules 12391
and regulations adopted pursuant to that section. 12392

(JJ) "Employment service" means providing or supplying 12393
personnel, on a temporary or long-term basis, to perform work or 12394
labor under the supervision or control of another, when the 12395
personnel so provided or supplied receive their wages, salary, 12396
or other compensation from the provider or supplier of the 12397
employment service or from a third party that provided or 12398
supplied the personnel to the provider or supplier. "Employment 12399
service" does not include: 12400

(1) Acting as a contractor or subcontractor, where the 12401
personnel performing the work are not under the direct control 12402
of the purchaser. 12403

(2) Medical and health care services. 12404

(3) Supplying personnel to a purchaser pursuant to a 12405
contract of at least one year between the service provider and 12406

the purchaser that specifies that each employee covered under 12407
the contract is assigned to the purchaser on a permanent basis. 12408

(4) Transactions between members of an affiliated group, 12409
as defined in division (B)(3)(e) of this section. 12410

(5) Transactions where the personnel so provided or 12411
supplied by a provider or supplier to a purchaser of an 12412
employment service are then provided or supplied by that 12413
purchaser to a third party as an employment service, except 12414
"employment service" does include the transaction between that 12415
purchaser and the third party. 12416

(KK) "Employment placement service" means locating or 12417
finding employment for a person or finding or locating an 12418
employee to fill an available position. 12419

(LL) "Exterminating service" means eradicating or 12420
attempting to eradicate vermin infestations from a building or 12421
structure, or the area surrounding a building or structure, and 12422
includes activities to inspect, detect, or prevent vermin 12423
infestation of a building or structure. 12424

(MM) "Physical fitness facility service" means all 12425
transactions by which a membership is granted, maintained, or 12426
renewed, including initiation fees, membership dues, renewal 12427
fees, monthly minimum fees, and other similar fees and dues, by 12428
a physical fitness facility such as an athletic club, health 12429
spa, or gymnasium, which entitles the member to use the facility 12430
for physical exercise. 12431

(NN) "Recreation and sports club service" means all 12432
transactions by which a membership is granted, maintained, or 12433
renewed, including initiation fees, membership dues, renewal 12434
fees, monthly minimum fees, and other similar fees and dues, by 12435

a recreation and sports club, which entitles the member to use 12436
the facilities of the organization. "Recreation and sports club" 12437
means an organization that has ownership of, or controls or 12438
leases on a continuing, long-term basis, the facilities used by 12439
its members and includes an aviation club, gun or shooting club, 12440
yacht club, card club, swimming club, tennis club, golf club, 12441
country club, riding club, amateur sports club, or similar 12442
organization. 12443

(OO) "Livestock" means farm animals commonly raised for 12444
food, food production, or other agricultural purposes, 12445
including, but not limited to, cattle, sheep, goats, swine, 12446
poultry, and captive deer. "Livestock" does not include 12447
invertebrates, amphibians, reptiles, domestic pets, animals for 12448
use in laboratories or for exhibition, or other animals not 12449
commonly raised for food or food production. 12450

(PP) "Livestock structure" means a building or structure 12451
used exclusively for the housing, raising, feeding, or 12452
sheltering of livestock, and includes feed storage or handling 12453
structures and structures for livestock waste handling. 12454

(QQ) "Horticulture" means the growing, cultivation, and 12455
production of flowers, fruits, herbs, vegetables, sod, 12456
mushrooms, and nursery stock. As used in this division, "nursery 12457
stock" has the same meaning as in section 927.51 of the Revised 12458
Code. 12459

(RR) "Horticulture structure" means a building or 12460
structure used exclusively for the commercial growing, raising, 12461
or overwintering of horticultural products, and includes the 12462
area used for stocking, storing, and packing horticultural 12463
products when done in conjunction with the production of those 12464
products. 12465

(SS) "Newspaper" means an unbound publication bearing a title or name that is regularly published, at least as frequently as biweekly, and distributed from a fixed place of business to the public in a specific geographic area, and that contains a substantial amount of news matter of international, national, or local events of interest to the general public.

(TT) (1) "Feminine hygiene products" means tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for feminine hygiene in connection with the human menstrual cycle, but does not include grooming and hygiene products.

(2) "Grooming and hygiene products" means soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, regardless of whether any of these products are over-the-counter drugs.

(3) "Over-the-counter drugs" means a drug that contains a label that identifies the product as a drug as required by 21 C.F.R. 201.66, which label includes a drug facts panel or a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation.

(UU) (1) "Lease" or "rental" means any transfer of the possession or control of tangible personal property for a fixed or indefinite term, for consideration. "Lease" or "rental" includes future options to purchase or extend, and agreements described in 26 U.S.C. 7701(h) (1) covering motor vehicles and trailers where the amount of consideration may be increased or decreased by reference to the amount realized upon the sale or disposition of the property. "Lease" or "rental" does not include:

(a) A transfer of possession or control of tangible 12496
personal property under a security agreement or a deferred 12497
payment plan that requires the transfer of title upon completion 12498
of the required payments; 12499

(b) A transfer of possession or control of tangible 12500
personal property under an agreement that requires the transfer 12501
of title upon completion of required payments and payment of an 12502
option price that does not exceed the greater of one hundred 12503
dollars or one per cent of the total required payments; 12504

(c) Providing tangible personal property along with an 12505
operator for a fixed or indefinite period of time, if the 12506
operator is necessary for the property to perform as designed. 12507
For purposes of this division, the operator must do more than 12508
maintain, inspect, or set up the tangible personal property. 12509

(2) "Lease" and "rental," as defined in division (UU) of 12510
this section, shall not apply to leases or rentals that exist 12511
before June 26, 2003. 12512

(3) "Lease" and "rental" have the same meaning as in 12513
division (UU) (1) of this section regardless of whether a 12514
transaction is characterized as a lease or rental under 12515
generally accepted accounting principles, the Internal Revenue 12516
Code, Title XIII of the Revised Code, or other federal, state, 12517
or local laws. 12518

(VV) "Mobile telecommunications service" has the same 12519
meaning as in the "Mobile Telecommunications Sourcing Act," Pub. 12520
L. No. 106-252, 114 Stat. 631 (2000), 4 U.S.C.A. 124(7), as 12521
amended, and, on and after August 1, 2003, includes related fees 12522
and ancillary services, including universal service fees, 12523
detailed billing service, directory assistance, service 12524

initiation, voice mail service, and vertical services, such as 12525
caller ID and three-way calling. 12526

(WW) "Certified service provider" has the same meaning as 12527
in section 5740.01 of the Revised Code. 12528

(XX) "Satellite broadcasting service" means the 12529
distribution or broadcasting of programming or services by 12530
satellite directly to the subscriber's receiving equipment 12531
without the use of ground receiving or distribution equipment, 12532
except the subscriber's receiving equipment or equipment used in 12533
the uplink process to the satellite, and includes all service 12534
and rental charges, premium channels or other special services, 12535
installation and repair service charges, and any other charges 12536
having any connection with the provision of the satellite 12537
broadcasting service. 12538

(YY) "Tangible personal property" means personal property 12539
that can be seen, weighed, measured, felt, or touched, or that 12540
is in any other manner perceptible to the senses. For purposes 12541
of this chapter and Chapter 5741. of the Revised Code, "tangible 12542
personal property" includes motor vehicles, electricity, water, 12543
gas, steam, and prewritten computer software. 12544

(ZZ) "Municipal gas utility" means a municipal corporation 12545
that owns or operates a system for the distribution of natural 12546
gas. 12547

(AAA) "Computer" means an electronic device that accepts 12548
information in digital or similar form and manipulates it for a 12549
result based on a sequence of instructions. 12550

(BBB) "Computer software" means a set of coded 12551
instructions designed to cause a computer or automatic data 12552
processing equipment to perform a task. 12553

(CCC) "Delivered electronically" means delivery of 12554
computer software from the seller to the purchaser by means 12555
other than tangible storage media. 12556

(DDD) "Prewritten computer software" means computer 12557
software, including prewritten upgrades, that is not designed 12558
and developed by the author or other creator to the 12559
specifications of a specific purchaser. The combining of two or 12560
more prewritten computer software programs or prewritten 12561
portions thereof does not cause the combination to be other than 12562
prewritten computer software. "Prewritten computer software" 12563
includes software designed and developed by the author or other 12564
creator to the specifications of a specific purchaser when it is 12565
sold to a person other than the purchaser. If a person modifies 12566
or enhances computer software of which the person is not the 12567
author or creator, the person shall be deemed to be the author 12568
or creator only of such person's modifications or enhancements. 12569
Prewritten computer software or a prewritten portion thereof 12570
that is modified or enhanced to any degree, where such 12571
modification or enhancement is designed and developed to the 12572
specifications of a specific purchaser, remains prewritten 12573
computer software; provided, however, that where there is a 12574
reasonable, separately stated charge or an invoice or other 12575
statement of the price given to the purchaser for the 12576
modification or enhancement, the modification or enhancement 12577
shall not constitute prewritten computer software. 12578

(EEE) (1) "Food" means substances, whether in liquid, 12579
concentrated, solid, frozen, dried, or dehydrated form, that are 12580
sold for ingestion or chewing by humans and are consumed for 12581
their taste or nutritional value. "Food" does not include 12582
alcoholic beverages, dietary supplements, soft drinks, or 12583
tobacco. 12584

- (2) As used in division (EEE) (1) of this section: 12585
- (a) "Alcoholic beverages" means beverages that are 12586
suitable for human consumption and contain one-half of one per 12587
cent or more of alcohol by volume. 12588
- (b) "Dietary supplements" means any product, other than 12589
tobacco, that is intended to supplement the diet and that is 12590
intended for ingestion in tablet, capsule, powder, softgel, 12591
gelcap, or liquid form, or, if not intended for ingestion in 12592
such a form, is not represented as conventional food for use as 12593
a sole item of a meal or of the diet; that is required to be 12594
labeled as a dietary supplement, identifiable by the "supplement 12595
facts" box found on the label, as required by 21 C.F.R. 101.36; 12596
and that contains one or more of the following dietary 12597
ingredients: 12598
- (i) A vitamin; 12599
- (ii) A mineral; 12600
- (iii) An herb or other botanical; 12601
- (iv) An amino acid; 12602
- (v) A dietary substance for use by humans to supplement 12603
the diet by increasing the total dietary intake; 12604
- (vi) A concentrate, metabolite, constituent, extract, or 12605
combination of any ingredient described in divisions (EEE) (2) (b) 12606
(i) to (v) of this section. 12607
- (c) "Soft drinks" means nonalcoholic beverages that 12608
contain natural or artificial sweeteners. "Soft drinks" does not 12609
include beverages that contain milk or milk products, soy, rice, 12610
or similar milk substitutes, or that contains greater than fifty 12611
per cent vegetable or fruit juice by volume. 12612

(d) "Tobacco" means cigarettes, cigars, chewing or pipe 12613
tobacco, or any other item that contains tobacco. 12614

(FFF) "Drug" means a compound, substance, or preparation, 12615
and any component of a compound, substance, or preparation, 12616
other than food, dietary supplements, or alcoholic beverages 12617
that is recognized in the official United States pharmacopoeia, 12618
official homeopathic pharmacopoeia of the United States, or 12619
official national formulary, and supplements to them; is 12620
intended for use in the diagnosis, cure, mitigation, treatment, 12621
or prevention of disease; or is intended to affect the structure 12622
or any function of the body. 12623

(GGG) "Prescription" means an order, formula, or recipe 12624
issued in any form of oral, written, electronic, or other means 12625
of transmission by a duly licensed practitioner authorized by 12626
the laws of this state to issue a prescription. 12627

(HHH) "Durable medical equipment" means equipment, 12628
including repair and replacement parts for such equipment, that 12629
can withstand repeated use, is primarily and customarily used to 12630
serve a medical purpose, generally is not useful to a person in 12631
the absence of illness or injury, and is not worn in or on the 12632
body. "Durable medical equipment" does not include mobility 12633
enhancing equipment. 12634

(III) "Mobility enhancing equipment" means equipment, 12635
including repair and replacement parts for such equipment, that 12636
is primarily and customarily used to provide or increase the 12637
ability to move from one place to another and is appropriate for 12638
use either in a home or a motor vehicle, that is not generally 12639
used by persons with normal mobility, and that does not include 12640
any motor vehicle or equipment on a motor vehicle normally 12641
provided by a motor vehicle manufacturer. "Mobility enhancing 12642

equipment" does not include durable medical equipment. 12643

(JJJ) "Prosthetic device" means a replacement, corrective, 12644
or supportive device, including repair and replacement parts for 12645
the device, worn on or in the human body to artificially replace 12646
a missing portion of the body, prevent or correct physical 12647
deformity or malfunction, or support a weak or deformed portion 12648
of the body. As used in this division, before July 1, 2019, 12649
"prosthetic device" does not include corrective eyeglasses, 12650
contact lenses, or dental prosthesis. On or after July 1, 2019, 12651
"prosthetic device" does not include dental prosthesis but does 12652
include corrective eyeglasses or contact lenses. 12653

(KKK) (1) "Fractional aircraft ownership program" means a 12654
program in which persons within an affiliated group sell and 12655
manage fractional ownership program aircraft, provided that at 12656
least one hundred airworthy aircraft are operated in the program 12657
and the program meets all of the following criteria: 12658

(a) Management services are provided by at least one 12659
program manager within an affiliated group on behalf of the 12660
fractional owners. 12661

(b) Each program aircraft is owned or possessed by at 12662
least one fractional owner. 12663

(c) Each fractional owner owns or possesses at least a 12664
one-sixteenth interest in at least one fixed-wing program 12665
aircraft. 12666

(d) A dry-lease aircraft interchange arrangement is in 12667
effect among all of the fractional owners. 12668

(e) Multi-year program agreements are in effect regarding 12669
the fractional ownership, management services, and dry-lease 12670
aircraft interchange arrangement aspects of the program. 12671

- (2) As used in division (KKK) (1) of this section: 12672
- (a) "Affiliated group" has the same meaning as in division 12673
(B) (3) (e) of this section. 12674
- (b) "Fractional owner" means a person that owns or 12675
possesses at least a one-sixteenth interest in a program 12676
aircraft and has entered into the agreements described in 12677
division (KKK) (1) (e) of this section. 12678
- (c) "Fractional ownership program aircraft" or "program 12679
aircraft" means a turbojet aircraft that is owned or possessed 12680
by a fractional owner and that has been included in a dry-lease 12681
aircraft interchange arrangement and agreement under divisions 12682
(KKK) (1) (d) and (e) of this section, or an aircraft a program 12683
manager owns or possesses primarily for use in a fractional 12684
aircraft ownership program. 12685
- (d) "Management services" means administrative and 12686
aviation support services furnished under a fractional aircraft 12687
ownership program in accordance with a management services 12688
agreement under division (KKK) (1) (e) of this section, and 12689
offered by the program manager to the fractional owners, 12690
including, at a minimum, the establishment and implementation of 12691
safety guidelines; the coordination of the scheduling of the 12692
program aircraft and crews; program aircraft maintenance; 12693
program aircraft insurance; crew training for crews employed, 12694
furnished, or contracted by the program manager or the 12695
fractional owner; the satisfaction of record-keeping 12696
requirements; and the development and use of an operations 12697
manual and a maintenance manual for the fractional aircraft 12698
ownership program. 12699
- (e) "Program manager" means the person that offers 12700

management services to fractional owners pursuant to a 12701
management services agreement under division (KKK) (1) (e) of this 12702
section. 12703

(LLL) "Electronic publishing" means providing access to 12704
one or more of the following primarily for business customers, 12705
including the federal government or a state government or a 12706
political subdivision thereof, to conduct research: news; 12707
business, financial, legal, consumer, or credit materials; 12708
editorials, columns, reader commentary, or features; photos or 12709
images; archival or research material; legal notices, identity 12710
verification, or public records; scientific, educational, 12711
instructional, technical, professional, trade, or other literary 12712
materials; or other similar information which has been gathered 12713
and made available by the provider to the consumer in an 12714
electronic format. Providing electronic publishing includes the 12715
functions necessary for the acquisition, formatting, editing, 12716
storage, and dissemination of data or information that is the 12717
subject of a sale. 12718

(MMM) "Medicaid health insuring corporation" means a 12719
health insuring corporation that holds a certificate of 12720
authority under Chapter 1751. of the Revised Code and is under 12721
contract with the department of medicaid pursuant to section 12722
5167.10 of the Revised Code. 12723

(NNN) "Managed care premium" means any premium, 12724
capitation, or other payment a medicaid health insuring 12725
corporation receives for providing or arranging for the 12726
provision of health care services to its members or enrollees 12727
residing in this state. 12728

(OOO) "Captive deer" means deer and other cervidae that 12729
have been legally acquired, or their offspring, that are 12730

privately owned for agricultural or farming purposes. 12731

(PPP) "Gift card" means a document, card, certificate, or 12732
other record, whether tangible or intangible, that may be 12733
redeemed by a consumer for a dollar value when making a purchase 12734
of tangible personal property or services. 12735

(QQQ) "Specified digital product" means an electronically 12736
transferred digital audiovisual work, digital audio work, or 12737
digital book. 12738

As used in division (QQQ) of this section: 12739

(1) "Digital audiovisual work" means a series of related 12740
images that, when shown in succession, impart an impression of 12741
motion, together with accompanying sounds, if any. 12742

(2) "Digital audio work" means a work that results from 12743
the fixation of a series of musical, spoken, or other sounds, 12744
including digitized sound files that are downloaded onto a 12745
device and that may be used to alert the customer with respect 12746
to a communication. 12747

(3) "Digital book" means a work that is generally 12748
recognized in the ordinary and usual sense as a book. 12749

(4) "Electronically transferred" means obtained by the 12750
purchaser by means other than tangible storage media. 12751

(RRR) "Digital advertising services" means providing 12752
access, by means of telecommunications equipment, to computer 12753
equipment that is used to enter, upload, download, review, 12754
manipulate, store, add, or delete data for the purpose of 12755
electronically displaying, delivering, placing, or transferring 12756
promotional advertisements to potential customers about products 12757
or services or about industry or business brands. 12758

(SSS) "Peer-to-peer car sharing program" has the same 12759
meaning as in section 4516.01 of the Revised Code. 12760

Sec. 5739.011. (A) As used in this section: 12761

(1) "Manufacturer" means a person who is engaged in 12762
manufacturing, processing, assembling, or refining a product for 12763
sale and, solely for the purposes of division (B)(12) of this 12764
section, a person who meets all the qualifications of that 12765
division. 12766

(2) "Manufacturing facility" means a single location where 12767
a manufacturing operation is conducted, including locations 12768
consisting of one or more buildings or structures in a 12769
contiguous area owned or controlled by the manufacturer. 12770

(3) "Materials handling" means the movement of the product 12771
being or to be manufactured, during which movement the product 12772
is not undergoing any substantial change or alteration in its 12773
state or form. 12774

(4) "Testing" means a process or procedure to identify the 12775
properties or assure the quality of a material or product. 12776

(5) "Completed product" means a manufactured item that is 12777
in the form and condition as it will be sold by the 12778
manufacturer. An item is completed when all processes that 12779
change or alter its state or form or enhance its value are 12780
finished, even though the item subsequently will be tested to 12781
ensure its quality or be packaged for storage or shipment. 12782

(6) "Continuous manufacturing operation" means the process 12783
in which raw materials or components are moved through the steps 12784
whereby manufacturing occurs. Materials handling of raw 12785
materials or parts from the point of receipt or preproduction 12786
storage or of a completed product, to or from storage, to or 12787

from packaging, or to the place from which the completed product 12788
will be shipped, is not a part of a continuous manufacturing 12789
operation. 12790

(7) "Food" has the same meaning as in section 3717.01 of 12791
the Revised Code. 12792

(B) For purposes of division (B) (42) (g) of section 5739.02 12793
of the Revised Code, the "thing transferred" includes, but is 12794
not limited to, any of the following: 12795

(1) Production machinery and equipment that act upon the 12796
product or machinery and equipment that treat the materials or 12797
parts in preparation for the manufacturing operation; 12798

(2) Materials handling equipment that moves the product 12799
through a continuous manufacturing operation; equipment that 12800
temporarily stores the product during the manufacturing 12801
operation; or, excluding motor vehicles licensed to operate on 12802
public highways, equipment used in intraplant or interplant 12803
transfers of work in process where the plant or plants between 12804
which such transfers occur are manufacturing facilities operated 12805
by the same person; 12806

(3) Catalysts, solvents, water, acids, oil, and similar 12807
consumables that interact with the product and that are an 12808
integral part of the manufacturing operation; 12809

(4) Machinery, equipment, and other tangible personal 12810
property used during the manufacturing operation that control, 12811
physically support, produce power for, lubricate, or are 12812
otherwise necessary for the functioning of production machinery 12813
and equipment and the continuation of the manufacturing 12814
operation; 12815

(5) Machinery, equipment, fuel, power, material, parts, 12816

and other tangible personal property used to manufacture 12817
machinery, equipment, or other tangible personal property used 12818
in manufacturing a product for sale; 12819

(6) Machinery, equipment, and other tangible personal 12820
property used by a manufacturer to test raw materials, the 12821
product being manufactured, or the completed product; 12822

(7) Machinery and equipment used to handle or temporarily 12823
store scrap that is intended to be reused in the manufacturing 12824
operation at the same manufacturing facility; 12825

(8) Coke, gas, water, steam, and similar substances used 12826
in the manufacturing operation; machinery and equipment used 12827
for, and fuel consumed in, producing or extracting those 12828
substances; machinery, equipment, and other tangible personal 12829
property used to treat, filter, pump, or otherwise make the 12830
substance suitable for use in the manufacturing operation; and 12831
machinery and equipment used for, and fuel consumed in, 12832
producing electricity for use in the manufacturing operation; 12833

(9) Machinery, equipment, and other tangible personal 12834
property used to transport or transmit electricity, coke, gas, 12835
water, steam, or similar substances used in the manufacturing 12836
operation from the point of generation, if produced by the 12837
manufacturer, or from the point where the substance enters the 12838
manufacturing facility, if purchased by the manufacturer, to the 12839
manufacturing operation; 12840

(10) Machinery, equipment, and other tangible personal 12841
property that treats, filters, cools, refines, or otherwise 12842
renders water, steam, acid, oil, solvents, or similar substances 12843
used in the manufacturing operation reusable, provided that the 12844
substances are intended for reuse and not for disposal, sale, or 12845

transportation from the manufacturing facility; 12846

(11) Parts, components, and repair and installation 12847
services for items described in division (B) of this section; 12848

(12) Machinery and equipment, detergents, supplies, 12849
solvents, and any other tangible personal property located at a 12850
manufacturing facility that are used in the process of removing 12851
soil, dirt, or other contaminants from, or otherwise preparing 12852
in a suitable condition for use, towels, linens, articles of 12853
clothing, floor mats, mop heads, or other similar items, to be 12854
supplied to a consumer as part of laundry and dry cleaning 12855
~~services as defined in division (BB) of section 5739.01 of the~~ 12856
~~Revised Code~~, only when the towels, linens, articles of 12857
clothing, floor mats, mop heads, or other similar items belong 12858
to the provider of the services; 12859

(13) Equipment and supplies used to clean processing 12860
equipment that is part of a continuous manufacturing operation 12861
to produce food for human consumption. 12862

(C) For purposes of division (B) (42) (g) of section 5739.02 12863
of the Revised Code, the "thing transferred" does not include 12864
any of the following: 12865

(1) Tangible personal property used in administrative, 12866
personnel, security, inventory control, record-keeping, 12867
ordering, billing, or similar functions; 12868

(2) Tangible personal property used in storing raw 12869
materials or parts prior to the commencement of the 12870
manufacturing operation or used to handle or store a completed 12871
product, including storage that actively maintains a completed 12872
product in a marketable state or form; 12873

(3) Tangible personal property used to handle or store 12874

scrap or waste intended for disposal, sale, or other	12875
disposition, other than reuse in the manufacturing operation at	12876
the same manufacturing facility;	12877
(4) Tangible personal property that is or is to be	12878
incorporated into realty;	12879
(5) Machinery, equipment, and other tangible personal	12880
property used for ventilation, dust or gas collection, humidity	12881
or temperature regulation, or similar environmental control,	12882
except machinery, equipment, and other tangible personal	12883
property that totally regulates the environment in a special and	12884
limited area of the manufacturing facility where the regulation	12885
is essential for production to occur;	12886
(6) Tangible personal property used for the protection and	12887
safety of workers, unless the property is attached to or	12888
incorporated into machinery and equipment used in a continuous	12889
manufacturing operation;	12890
(7) Tangible personal property used to store fuel, water,	12891
solvents, acid, oil, or similar items consumed in the	12892
manufacturing operation;	12893
(8) Except as provided in division (B) (13) of this	12894
section, machinery, equipment, and other tangible personal	12895
property used to clean, repair, or maintain real or personal	12896
property in the manufacturing facility;	12897
(9) Motor vehicles registered for operation on public	12898
highways.	12899
(D) For purposes of division (B) (42) (g) of section 5739.02	12900
of the Revised Code, if the "thing transferred" is a machine	12901
used by a manufacturer in both a taxable and an exempt manner,	12902
it shall be totally taxable or totally exempt from taxation	12903

based upon its quantified primary use. If the "things 12904
transferred" are fungibles, they shall be taxed based upon the 12905
proportion of the fungibles used in a taxable manner. 12906

Sec. 5739.02. For the purpose of providing revenue with 12907
which to meet the needs of the state, for the use of the general 12908
revenue fund of the state, for the purpose of securing a 12909
thorough and efficient system of common schools throughout the 12910
state, for the purpose of affording revenues, in addition to 12911
those from general property taxes, permitted under 12912
constitutional limitations, and from other sources, for the 12913
support of local governmental functions, and for the purpose of 12914
reimbursing the state for the expense of administering this 12915
chapter, an excise tax is hereby levied on each retail sale made 12916
in this state. 12917

(A) (1) The tax shall be collected as provided in section 12918
5739.025 of the Revised Code. The rate of the tax shall be five 12919
and three-fourths per cent. The tax applies and is collectible 12920
when the sale is made, regardless of the time when the price is 12921
paid or delivered. 12922

(2) In the case of the lease or rental, with a fixed term 12923
of more than thirty days or an indefinite term with a minimum 12924
period of more than thirty days, of any motor vehicles designed 12925
by the manufacturer to carry a load of not more than one ton, 12926
watercraft, outboard motor, or aircraft, or of any tangible 12927
personal property, other than motor vehicles designed by the 12928
manufacturer to carry a load of more than one ton, to be used by 12929
the lessee or renter primarily for business purposes, the tax 12930
shall be collected by the vendor at the time the lease or rental 12931
is consummated and shall be calculated by the vendor on the 12932
basis of the total amount to be paid by the lessee or renter 12933

under the lease agreement. If the total amount of the 12934
consideration for the lease or rental includes amounts that are 12935
not calculated at the time the lease or rental is executed, the 12936
tax shall be calculated and collected by the vendor at the time 12937
such amounts are billed to the lessee or renter. In the case of 12938
an open-end lease or rental, the tax shall be calculated by the 12939
vendor on the basis of the total amount to be paid during the 12940
initial fixed term of the lease or rental, and for each 12941
subsequent renewal period as it comes due. As used in this 12942
division, "motor vehicle" has the same meaning as in section 12943
4501.01 of the Revised Code, and "watercraft" includes an 12944
outdrive unit attached to the watercraft. 12945

A lease with a renewal clause and a termination penalty or 12946
similar provision that applies if the renewal clause is not 12947
exercised is presumed to be a sham transaction. In such a case, 12948
the tax shall be calculated and paid on the basis of the entire 12949
length of the lease period, including any renewal periods, until 12950
the termination penalty or similar provision no longer applies. 12951
The taxpayer shall bear the burden, by a preponderance of the 12952
evidence, that the transaction or series of transactions is not 12953
a sham transaction. 12954

(3) Except as provided in division (A) (2) of this section, 12955
in the case of a sale, the price of which consists in whole or 12956
in part of the lease or rental of tangible personal property, 12957
the tax shall be measured by the installments of that lease or 12958
rental. 12959

(4) In the case of a sale of a physical fitness facility 12960
service or recreation and sports club service, the price of 12961
which consists in whole or in part of a membership for the 12962
receipt of the benefit of the service, the tax applicable to the 12963

sale shall be measured by the installments thereof. 12964

(B) The tax does not apply to the following: 12965

(1) Sales to the state or any of its political 12966
subdivisions, or to any other state or its political 12967
subdivisions if the laws of that state exempt from taxation 12968
sales made to this state and its political subdivisions; 12969

(2) Sales of food for human consumption off the premises 12970
where sold; 12971

(3) Sales of food sold to students only in a cafeteria, 12972
dormitory, fraternity, or sorority maintained in a private, 12973
public, or parochial school, college, or university; 12974

(4) Sales of newspapers and sales or transfers of 12975
magazines distributed as controlled circulation publications; 12976

(5) The furnishing, preparing, or serving of meals without 12977
charge by an employer to an employee provided the employer 12978
records the meals as part compensation for services performed or 12979
work done; 12980

(6) (a) Sales of motor fuel upon receipt, use, 12981
distribution, or sale of which in this state a tax is imposed by 12982
the law of this state, but this exemption shall not apply to the 12983
sale of motor fuel on which a refund of the tax is allowable 12984
under division (A) of section 5735.14 of the Revised Code; and 12985
the tax commissioner may deduct the amount of tax levied by this 12986
section applicable to the price of motor fuel when granting a 12987
refund of motor fuel tax pursuant to division (A) of section 12988
5735.14 of the Revised Code and shall cause the amount deducted 12989
to be paid into the general revenue fund of this state; 12990

(b) Sales of motor fuel other than that described in 12991

division (B) (6) (a) of this section and used for powering a 12992
refrigeration unit on a vehicle other than one used primarily to 12993
provide comfort to the operator or occupants of the vehicle. 12994

(7) Sales of natural gas by a natural gas company or 12995
municipal gas utility, of water by a water-works company, or of 12996
steam by a heating company, if in each case the thing sold is 12997
delivered to consumers through pipes or conduits, and all sales 12998
of communications services by a telegraph company, all terms as 12999
defined in section 5727.01 of the Revised Code, and sales of 13000
electricity delivered through wires; 13001

(8) Casual sales by a person, or auctioneer employed 13002
directly by the person to conduct such sales, except as to such 13003
sales of motor vehicles, watercraft or outboard motors required 13004
to be titled under section 1548.06 of the Revised Code, 13005
watercraft documented with the United States coast guard, 13006
snowmobiles, and all-purpose vehicles as defined in section 13007
4519.01 of the Revised Code; 13008

(9) (a) Sales of services or tangible personal property, 13009
other than motor vehicles, mobile homes, and manufactured homes, 13010
by churches, organizations exempt from taxation under section 13011
501(c) (3) of the Internal Revenue Code of 1986, or nonprofit 13012
organizations operated exclusively for charitable purposes as 13013
defined in division (B) (12) of this section, provided that the 13014
number of days on which such tangible personal property or 13015
services, other than items never subject to the tax, are sold 13016
does not exceed six in any calendar year, except as otherwise 13017
provided in division (B) (9) (b) of this section. If the number of 13018
days on which such sales are made exceeds six in any calendar 13019
year, the church or organization shall be considered to be 13020
engaged in business and all subsequent sales by it shall be 13021

subject to the tax. In counting the number of days, all sales by 13022
groups within a church or within an organization shall be 13023
considered to be sales of that church or organization. 13024

(b) The limitation on the number of days on which tax- 13025
exempt sales may be made by a church or organization under 13026
division (B) (9) (a) of this section does not apply to sales made 13027
by student clubs and other groups of students of a primary or 13028
secondary school, or a parent-teacher association, booster 13029
group, or similar organization that raises money to support or 13030
fund curricular or extracurricular activities of a primary or 13031
secondary school. 13032

(c) Divisions (B) (9) (a) and (b) of this section do not 13033
apply to sales by a noncommercial educational radio or 13034
television broadcasting station. 13035

(10) Sales not within the taxing power of this state under 13036
the Constitution or laws of the United States or the 13037
Constitution of this state; 13038

(11) Except for transactions that are sales under division 13039
(B) (3) (r) of section 5739.01 of the Revised Code, the 13040
transportation of persons or property, unless the transportation 13041
is by a private investigation and security service; 13042

(12) Sales of tangible personal property or services to 13043
churches, to organizations exempt from taxation under section 13044
501(c) (3) of the Internal Revenue Code of 1986, and to any other 13045
nonprofit organizations operated exclusively for charitable 13046
purposes in this state, no part of the net income of which 13047
inures to the benefit of any private shareholder or individual, 13048
and no substantial part of the activities of which consists of 13049
carrying on propaganda or otherwise attempting to influence 13050

legislation; sales to offices administering one or more homes 13051
for the aged or one or more hospital facilities exempt under 13052
section 140.08 of the Revised Code; and sales to organizations 13053
described in division (D) of section 5709.12 of the Revised 13054
Code. 13055

"Charitable purposes" means the relief of poverty; the 13056
improvement of health through the alleviation of illness, 13057
disease, or injury; the operation of an organization exclusively 13058
for the provision of professional, laundry, printing, and 13059
purchasing services to hospitals or charitable institutions; the 13060
operation of a home for the aged, as defined in section 5701.13 13061
of the Revised Code; the operation of a radio or television 13062
broadcasting station that is licensed by the federal 13063
communications commission as a noncommercial educational radio 13064
or television station; the operation of a nonprofit animal 13065
adoption service or a county humane society; the promotion of 13066
education by an institution of learning that maintains a faculty 13067
of qualified instructors, teaches regular continuous courses of 13068
study, and confers a recognized diploma upon completion of a 13069
specific curriculum; the operation of a parent-teacher 13070
association, booster group, or similar organization primarily 13071
engaged in the promotion and support of the curricular or 13072
extracurricular activities of a primary or secondary school; the 13073
operation of a community or area center in which presentations 13074
in music, dramatics, the arts, and related fields are made in 13075
order to foster public interest and education therein; the 13076
production of performances in music, dramatics, and the arts; or 13077
the promotion of education by an organization engaged in 13078
carrying on research in, or the dissemination of, scientific and 13079
technological knowledge and information primarily for the 13080
public. 13081

Nothing in this division shall be deemed to exempt sales 13082
to any organization for use in the operation or carrying on of a 13083
trade or business, or sales to a home for the aged for use in 13084
the operation of independent living facilities as defined in 13085
division (A) of section 5709.12 of the Revised Code. 13086

(13) Building and construction materials and services sold 13087
to construction contractors for incorporation into a structure 13088
or improvement to real property under a construction contract 13089
with this state or a political subdivision of this state, or 13090
with the United States government or any of its agencies; 13091
building and construction materials and services sold to 13092
construction contractors for incorporation into a structure or 13093
improvement to real property that are accepted for ownership by 13094
this state or any of its political subdivisions, or by the 13095
United States government or any of its agencies at the time of 13096
completion of the structures or improvements; building and 13097
construction materials sold to construction contractors for 13098
incorporation into a horticulture structure or livestock 13099
structure for a person engaged in the business of horticulture 13100
or producing livestock; building materials and services sold to 13101
a construction contractor for incorporation into a house of 13102
public worship or religious education, or a building used 13103
exclusively for charitable purposes under a construction 13104
contract with an organization whose purpose is as described in 13105
division (B) (12) of this section; building materials and 13106
services sold to a construction contractor for incorporation 13107
into a building under a construction contract with an 13108
organization exempt from taxation under section 501(c) (3) of the 13109
Internal Revenue Code of 1986 when the building is to be used 13110
exclusively for the organization's exempt purposes; building and 13111
construction materials sold for incorporation into the original 13112

construction of a sports facility under section 307.696 of the Revised Code; building and construction materials and services sold to a construction contractor for incorporation into real property outside this state if such materials and services, when sold to a construction contractor in the state in which the real property is located for incorporation into real property in that state, would be exempt from a tax on sales levied by that state; building and construction materials for incorporation into a transportation facility pursuant to a public-private agreement entered into under sections 5501.70 to 5501.83 of the Revised Code; and, until one calendar year after the construction of a convention center that qualifies for property tax exemption under section 5709.084 of the Revised Code is completed, building and construction materials and services sold to a construction contractor for incorporation into the real property comprising that convention center;

(14) Sales of ships or vessels or rail rolling stock used or to be used principally in interstate or foreign commerce, and repairs, alterations, fuel, and lubricants for such ships or vessels or rail rolling stock;

(15) Sales to persons primarily engaged in any of the activities mentioned in division (B)(42)(a), (g), or (h) of this section, to persons engaged in making retail sales, or to persons who purchase for sale from a manufacturer tangible personal property that was produced by the manufacturer in accordance with specific designs provided by the purchaser, of packages, including material, labels, and parts for packages, and of machinery, equipment, and material for use primarily in packaging tangible personal property produced for sale, including any machinery, equipment, and supplies used to make labels or packages, to prepare packages or products for

labeling, or to label packages or products, by or on the order 13144
of the person doing the packaging, or sold at retail. "Packages" 13145
includes bags, baskets, cartons, crates, boxes, cans, bottles, 13146
bindings, wrappings, and other similar devices and containers, 13147
but does not include motor vehicles or bulk tanks, trailers, or 13148
similar devices attached to motor vehicles. "Packaging" means 13149
placing in a package. Division (B)(15) of this section does not 13150
apply to persons engaged in highway transportation for hire. 13151

(16) Sales of food to persons using supplemental nutrition 13152
assistance program benefits to purchase the food. As used in 13153
this division, "food" has the same meaning as in 7 U.S.C. 2012 13154
and federal regulations adopted pursuant to the Food and 13155
Nutrition Act of 2008. 13156

(17) Sales to persons engaged in farming, agriculture, 13157
horticulture, or floriculture, of tangible personal property for 13158
use or consumption primarily in the production by farming, 13159
agriculture, horticulture, or floriculture of other tangible 13160
personal property for use or consumption primarily in the 13161
production of tangible personal property for sale by farming, 13162
agriculture, horticulture, or floriculture; or material and 13163
parts for incorporation into any such tangible personal property 13164
for use or consumption in production; and of tangible personal 13165
property for such use or consumption in the conditioning or 13166
holding of products produced by and for such use, consumption, 13167
or sale by persons engaged in farming, agriculture, 13168
horticulture, or floriculture, except where such property is 13169
incorporated into real property; 13170

(18) Sales of drugs for a human being that may be 13171
dispensed only pursuant to a prescription; insulin as recognized 13172
in the official United States pharmacopoeia; urine and blood 13173

testing materials when used by diabetics or persons with 13174
hypoglycemia to test for glucose or acetone; hypodermic syringes 13175
and needles when used by diabetics for insulin injections; 13176
epoetin alfa when purchased for use in the treatment of persons 13177
with medical disease; hospital beds when purchased by hospitals, 13178
nursing homes, or other medical facilities; and medical oxygen 13179
and medical oxygen-dispensing equipment when purchased by 13180
hospitals, nursing homes, or other medical facilities; 13181

(19) Sales of prosthetic devices, durable medical 13182
equipment for home use, or mobility enhancing equipment, when 13183
made pursuant to a prescription and when such devices or 13184
equipment are for use by a human being. 13185

(20) Sales of emergency and fire protection vehicles and 13186
equipment to nonprofit organizations for use solely in providing 13187
fire protection and emergency services, including trauma care 13188
and emergency medical services, for political subdivisions of 13189
the state; 13190

(21) Sales of tangible personal property manufactured in 13191
this state, if sold by the manufacturer in this state to a 13192
retailer for use in the retail business of the retailer outside 13193
of this state and if possession is taken from the manufacturer 13194
by the purchaser within this state for the sole purpose of 13195
immediately removing the same from this state in a vehicle owned 13196
by the purchaser; 13197

(22) Sales of services provided by the state or any of its 13198
political subdivisions, agencies, instrumentalities, 13199
institutions, or authorities, or by governmental entities of the 13200
state or any of its political subdivisions, agencies, 13201
instrumentalities, institutions, or authorities; 13202

(23) Sales of motor vehicles to nonresidents of this state 13203
under the circumstances described in division (B) of section 13204
5739.029 of the Revised Code; 13205

(24) Sales to persons engaged in the preparation of eggs 13206
for sale of tangible personal property used or consumed directly 13207
in such preparation, including such tangible personal property 13208
used for cleaning, sanitizing, preserving, grading, sorting, and 13209
classifying by size; packages, including material and parts for 13210
packages, and machinery, equipment, and material for use in 13211
packaging eggs for sale; and handling and transportation 13212
equipment and parts therefor, except motor vehicles licensed to 13213
operate on public highways, used in intraplant or interplant 13214
transfers or shipment of eggs in the process of preparation for 13215
sale, when the plant or plants within or between which such 13216
transfers or shipments occur are operated by the same person. 13217
"Packages" includes containers, cases, baskets, flats, fillers, 13218
filler flats, cartons, closure materials, labels, and labeling 13219
materials, and "packaging" means placing therein. 13220

(25) (a) Sales of water to a consumer for residential use; 13221

(b) Sales of water by a nonprofit corporation engaged 13222
exclusively in the treatment, distribution, and sale of water to 13223
consumers, if such water is delivered to consumers through pipes 13224
or tubing. 13225

(26) Fees charged for inspection or reinspection of motor 13226
vehicles under section 3704.14 of the Revised Code; 13227

(27) Sales to persons licensed to conduct a food service 13228
operation pursuant to section 3717.43 of the Revised Code, of 13229
tangible personal property primarily used directly for the 13230
following: 13231

(a) To prepare food for human consumption for sale;	13232
(b) To preserve food that has been or will be prepared for	13233
human consumption for sale by the food service operator, not	13234
including tangible personal property used to display food for	13235
selection by the consumer;	13236
(c) To clean tangible personal property used to prepare or	13237
serve food for human consumption for sale.	13238
(28) Sales of animals by nonprofit animal adoption	13239
services or county humane societies;	13240
(29) Sales of services to a corporation described in	13241
division (A) of section 5709.72 of the Revised Code, and sales	13242
of tangible personal property that qualifies for exemption from	13243
taxation under section 5709.72 of the Revised Code;	13244
(30) Sales and installation of agricultural land tile, as	13245
defined in division (B) (5) (a) of section 5739.01 of the Revised	13246
Code;	13247
(31) Sales and erection or installation of portable grain	13248
bins, as defined in division (B) (5) (b) of section 5739.01 of the	13249
Revised Code;	13250
(32) The sale, lease, repair, and maintenance of, parts	13251
for, or items attached to or incorporated in, motor vehicles	13252
that are primarily used for transporting tangible personal	13253
property belonging to others by a person engaged in highway	13254
transportation for hire, except for packages and packaging used	13255
for the transportation of tangible personal property;	13256
(33) Sales to the state headquarters of any veterans'	13257
organization in this state that is either incorporated and	13258
issued a charter by the congress of the United States or is	13259

recognized by the United States veterans administration, for use 13260
by the headquarters; 13261

(34) Sales to a telecommunications service vendor, mobile 13262
telecommunications service vendor, or satellite broadcasting 13263
service vendor of tangible personal property and services used 13264
directly and primarily in transmitting, receiving, switching, or 13265
recording any interactive, one- or two-way electromagnetic 13266
communications, including voice, image, data, and information, 13267
through the use of any medium, including, but not limited to, 13268
poles, wires, cables, switching equipment, computers, and record 13269
storage devices and media, and component parts for the tangible 13270
personal property. The exemption provided in this division shall 13271
be in lieu of all other exemptions under division (B) (42) (a) or 13272
(n) of this section to which the vendor may otherwise be 13273
entitled, based upon the use of the thing purchased in providing 13274
the telecommunications, mobile telecommunications, or satellite 13275
broadcasting service. 13276

(35) (a) Sales where the purpose of the consumer is to use 13277
or consume the things transferred in making retail sales and 13278
consisting of newspaper inserts, catalogues, coupons, flyers, 13279
gift certificates, or other advertising material that prices and 13280
describes tangible personal property offered for retail sale. 13281

(b) Sales to direct marketing vendors of preliminary 13282
materials such as photographs, artwork, and typesetting that 13283
will be used in printing advertising material; and of printed 13284
matter that offers free merchandise or chances to win sweepstake 13285
prizes and that is mailed to potential customers with 13286
advertising material described in division (B) (35) (a) of this 13287
section; 13288

(c) Sales of equipment such as telephones, computers, 13289

facsimile machines, and similar tangible personal property 13290
primarily used to accept orders for direct marketing retail 13291
sales. 13292

(d) Sales of automatic food vending machines that preserve 13293
food with a shelf life of forty-five days or less by 13294
refrigeration and dispense it to the consumer. 13295

For purposes of division (B) (35) of this section, "direct 13296
marketing" means the method of selling where consumers order 13297
tangible personal property by United States mail, delivery 13298
service, or telecommunication and the vendor delivers or ships 13299
the tangible personal property sold to the consumer from a 13300
warehouse, catalogue distribution center, or similar fulfillment 13301
facility by means of the United States mail, delivery service, 13302
or common carrier. 13303

(36) Sales to a person engaged in the business of 13304
horticulture or producing livestock of materials to be 13305
incorporated into a horticulture structure or livestock 13306
structure; 13307

(37) Sales of personal computers, computer monitors, 13308
computer keyboards, modems, and other peripheral computer 13309
equipment to an individual who is licensed or certified to teach 13310
in an elementary or a secondary school in this state for use by 13311
that individual in preparation for teaching elementary or 13312
secondary school students; 13313

(38) Sales of tangible personal property that is not 13314
required to be registered or licensed under the laws of this 13315
state to a citizen of a foreign nation that is not a citizen of 13316
the United States, provided the property is delivered to a 13317
person in this state that is not a related member of the 13318

purchaser, is physically present in this state for the sole 13319
purpose of temporary storage and package consolidation, and is 13320
subsequently delivered to the purchaser at a delivery address in 13321
a foreign nation. As used in division (B) (38) of this section, 13322
"related member" has the same meaning as in section 5733.042 of 13323
the Revised Code, and "temporary storage" means the storage of 13324
tangible personal property for a period of not more than sixty 13325
days. 13326

(39) Sales of used manufactured homes and used mobile 13327
homes, as defined in section 5739.0210 of the Revised Code, made 13328
on or after January 1, 2000; 13329

(40) Sales of tangible personal property and services to a 13330
provider of electricity used or consumed directly and primarily 13331
in generating, transmitting, or distributing electricity for use 13332
by others, including property that is or is to be incorporated 13333
into and will become a part of the consumer's production, 13334
transmission, or distribution system and that retains its 13335
classification as tangible personal property after 13336
incorporation; fuel or power used in the production, 13337
transmission, or distribution of electricity; energy conversion 13338
equipment as defined in section 5727.01 of the Revised Code; and 13339
tangible personal property and services used in the repair and 13340
maintenance of the production, transmission, or distribution 13341
system, including only those motor vehicles as are specially 13342
designed and equipped for such use. The exemption provided in 13343
this division shall be in lieu of all other exemptions in 13344
division (B) (42) (a) or (n) of this section to which a provider 13345
of electricity may otherwise be entitled based on the use of the 13346
tangible personal property or service purchased in generating, 13347
transmitting, or distributing electricity. 13348

(41) Sales to a person providing services under division 13349
(B) (3) (r) of section 5739.01 of the Revised Code of tangible 13350
personal property and services used directly and primarily in 13351
providing taxable services under that section. 13352

(42) Sales where the purpose of the purchaser is to do any 13353
of the following: 13354

(a) To incorporate the thing transferred as a material or 13355
a part into tangible personal property to be produced for sale 13356
by manufacturing, assembling, processing, or refining; or to use 13357
or consume the thing transferred directly in producing tangible 13358
personal property for sale by mining, including, without 13359
limitation, the extraction from the earth of all substances that 13360
are classed geologically as minerals, or directly in the 13361
rendition of a public utility service, except that the sales tax 13362
levied by this section shall be collected upon all meals, 13363
drinks, and food for human consumption sold when transporting 13364
persons. This paragraph does not exempt from "retail sale" or 13365
"sales at retail" the sale of tangible personal property that is 13366
to be incorporated into a structure or improvement to real 13367
property. 13368

(b) To hold the thing transferred as security for the 13369
performance of an obligation of the vendor; 13370

(c) To resell, hold, use, or consume the thing transferred 13371
as evidence of a contract of insurance; 13372

(d) To use or consume the thing directly in commercial 13373
fishing; 13374

(e) To incorporate the thing transferred as a material or 13375
a part into, or to use or consume the thing transferred directly 13376
in the production of, magazines distributed as controlled 13377

circulation publications; 13378

(f) To use or consume the thing transferred in the 13379
production and preparation in suitable condition for market and 13380
sale of printed, imprinted, overprinted, lithographic, 13381
multilithic, blueprinted, photostatic, or other productions or 13382
reproductions of written or graphic matter; 13383

(g) To use the thing transferred, as described in section 13384
5739.011 of the Revised Code, primarily in a manufacturing 13385
operation to produce tangible personal property for sale; 13386

(h) To use the benefit of a warranty, maintenance or 13387
service contract, or similar agreement, as described in division 13388
(B) (7) of section 5739.01 of the Revised Code, to repair or 13389
maintain tangible personal property, if all of the property that 13390
is the subject of the warranty, contract, or agreement would not 13391
be subject to the tax imposed by this section; 13392

(i) To use the thing transferred as qualified research and 13393
development equipment; 13394

(j) To use or consume the thing transferred primarily in 13395
storing, transporting, mailing, or otherwise handling purchased 13396
sales inventory in a warehouse, distribution center, or similar 13397
facility when the inventory is primarily distributed outside 13398
this state to retail stores of the person who owns or controls 13399
the warehouse, distribution center, or similar facility, to 13400
retail stores of an affiliated group of which that person is a 13401
member, or by means of direct marketing. This division does not 13402
apply to motor vehicles registered for operation on the public 13403
highways. As used in this division, "affiliated group" has the 13404
same meaning as in division (B) (3) (e) of section 5739.01 of the 13405
Revised Code and "direct marketing" has the same meaning as in 13406

division (B) (35) of this section. 13407

(k) To use or consume the thing transferred to fulfill a 13408
contractual obligation incurred by a warrantor pursuant to a 13409
warranty provided as a part of the price of the tangible 13410
personal property sold or by a vendor of a warranty, maintenance 13411
or service contract, or similar agreement the provision of which 13412
is defined as a sale under division (B) (7) of section 5739.01 of 13413
the Revised Code; 13414

(l) To use or consume the thing transferred in the 13415
production of a newspaper for distribution to the public; 13416

(m) To use tangible personal property to perform a service 13417
listed in division (B) (3) of section 5739.01 of the Revised 13418
Code, if the property is or is to be permanently transferred to 13419
the consumer of the service as an integral part of the 13420
performance of the service; 13421

(n) To use or consume the thing transferred primarily in 13422
producing tangible personal property for sale by farming, 13423
agriculture, horticulture, or floriculture. Persons engaged in 13424
rendering farming, agriculture, horticulture, or floriculture 13425
services for others are deemed engaged primarily in farming, 13426
agriculture, horticulture, or floriculture. This paragraph does 13427
not exempt from "retail sale" or "sales at retail" the sale of 13428
tangible personal property that is to be incorporated into a 13429
structure or improvement to real property. 13430

(o) To use or consume the thing transferred in acquiring, 13431
formatting, editing, storing, and disseminating data or 13432
information by electronic publishing; 13433

(p) To provide the thing transferred to the owner or 13434
lessee of a motor vehicle that is being repaired or serviced, if 13435

the thing transferred is a rented motor vehicle and the 13436
purchaser is reimbursed for the cost of the rented motor vehicle 13437
by a manufacturer, warrantor, or provider of a maintenance, 13438
service, or other similar contract or agreement, with respect to 13439
the motor vehicle that is being repaired or serviced; 13440

(q) To use or consume the thing transferred directly in 13441
production of crude oil and natural gas for sale. Persons 13442
engaged in rendering production services for others are deemed 13443
engaged in production. 13444

As used in division (B) (42) (q) of this section, 13445
"production" means operations and tangible personal property 13446
directly used to expose and evaluate an underground reservoir 13447
that may contain hydrocarbon resources, prepare the wellbore for 13448
production, and lift and control all substances yielded by the 13449
reservoir to the surface of the earth. 13450

(i) For the purposes of division (B) (42) (q) of this 13451
section, the "thing transferred" includes, but is not limited 13452
to, any of the following: 13453

(I) Services provided in the construction of permanent 13454
access roads, services provided in the construction of the well 13455
site, and services provided in the construction of temporary 13456
impoundments; 13457

(II) Equipment and rigging used for the specific purpose 13458
of creating with integrity a wellbore pathway to underground 13459
reservoirs; 13460

(III) Drilling and workover services used to work within a 13461
subsurface wellbore, and tangible personal property directly 13462
used in providing such services; 13463

(IV) Casing, tubulars, and float and centralizing 13464

equipment;	13465
(V) Trailers to which production equipment is attached;	13466
(VI) Well completion services, including cementing of	13467
casing, and tangible personal property directly used in	13468
providing such services;	13469
(VII) Wireline evaluation, mud logging, and perforation	13470
services, and tangible personal property directly used in	13471
providing such services;	13472
(VIII) Reservoir stimulation, hydraulic fracturing, and	13473
acidizing services, and tangible personal property directly used	13474
in providing such services, including all material pumped	13475
downhole;	13476
(IX) Pressure pumping equipment;	13477
(X) Artificial lift systems equipment;	13478
(XI) Wellhead equipment and well site equipment used to	13479
separate, stabilize, and control hydrocarbon phases and produced	13480
water;	13481
(XII) Tangible personal property directly used to control	13482
production equipment.	13483
(ii) For the purposes of division (B) (42) (q) of this	13484
section, the "thing transferred" does not include any of the	13485
following:	13486
(I) Tangible personal property used primarily in the	13487
exploration and production of any mineral resource regulated	13488
under Chapter 1509. of the Revised Code other than oil or gas;	13489
(II) Tangible personal property used primarily in storing,	13490
holding, or delivering solutions or chemicals used in well	13491

stimulation as defined in section 1509.01 of the Revised Code;	13492
(III) Tangible personal property used primarily in	13493
preparing, installing, or reclaiming foundations for drilling or	13494
pumping equipment or well stimulation material tanks;	13495
(IV) Tangible personal property used primarily in	13496
transporting, delivering, or removing equipment to or from the	13497
well site or storing such equipment before its use at the well	13498
site;	13499
(V) Tangible personal property used primarily in gathering	13500
operations occurring off the well site, including gathering	13501
pipelines transporting hydrocarbon gas or liquids away from a	13502
crude oil or natural gas production facility;	13503
(VI) Tangible personal property that is to be incorporated	13504
into a structure or improvement to real property;	13505
(VII) Well site fencing, lighting, or security systems;	13506
(VIII) Communication devices or services;	13507
(IX) Office supplies;	13508
(X) Trailers used as offices or lodging;	13509
(XI) Motor vehicles of any kind;	13510
(XII) Tangible personal property used primarily for the	13511
storage of drilling byproducts and fuel not used for production;	13512
(XIII) Tangible personal property used primarily as a	13513
safety device;	13514
(XIV) Data collection or monitoring devices;	13515
(XV) Access ladders, stairs, or platforms attached to	13516
storage tanks.	13517

The enumeration of tangible personal property in division 13518
(B) (42) (q) (ii) of this section is not intended to be exhaustive, 13519
and any tangible personal property not so enumerated shall not 13520
necessarily be construed to be a "thing transferred" for the 13521
purposes of division (B) (42) (q) of this section. 13522

The commissioner shall adopt and promulgate rules under 13523
sections 119.01 to 119.13 of the Revised Code that the 13524
commissioner deems necessary to administer division (B) (42) (q) 13525
of this section. 13526

As used in division (B) (42) of this section, "thing" 13527
includes all transactions included in divisions (B) (3) (a), (b), 13528
and (e) of section 5739.01 of the Revised Code. 13529

(43) Sales conducted through a coin operated device that 13530
activates vacuum equipment or equipment that dispenses water, 13531
whether or not in combination with soap or other cleaning agents 13532
or wax, to the consumer for the consumer's use on the premises 13533
in washing, cleaning, or waxing a motor vehicle, provided no 13534
other personal property or personal service is provided as part 13535
of the transaction. 13536

(44) Sales of replacement and modification parts for 13537
engines, airframes, instruments, and interiors in, and paint 13538
for, aircraft used primarily in a fractional aircraft ownership 13539
program, and sales of services for the repair, modification, and 13540
maintenance of such aircraft, and machinery, equipment, and 13541
supplies primarily used to provide those services. 13542

(45) Sales of telecommunications service that is used 13543
directly and primarily to perform the functions of a call 13544
center. As used in this division, "call center" means any 13545
physical location where telephone calls are placed or received 13546

in high volume for the purpose of making sales, marketing, 13547
customer service, technical support, or other specialized 13548
business activity, and that employs at least fifty individuals 13549
that engage in call center activities on a full-time basis, or 13550
sufficient individuals to fill fifty full-time equivalent 13551
positions. 13552

(46) Sales by a telecommunications service vendor of 900 13553
service to a subscriber. This division does not apply to 13554
information services, ~~as defined in division (FF) of section~~ 13555
~~5739.01 of the Revised Code.~~ 13556

(47) Sales of value-added non-voice data service. This 13557
division does not apply to any similar service that is not 13558
otherwise a telecommunications service. 13559

~~(48) (a) Sales of machinery, equipment, and software to a~~ 13560
~~qualified direct selling entity for use in a warehouse or~~ 13561
~~distribution center primarily for storing, transporting, or~~ 13562
~~otherwise handling inventory that is held for sale to~~ 13563
~~independent salespersons who operate as direct sellers and that~~ 13564
~~is held primarily for distribution outside this state;~~ 13565

~~(b) As used in division (B) (48) (a) of this section:~~ 13566

~~(i) "Direct seller" means a person selling consumer~~ 13567
~~products to individuals for personal or household use and not~~ 13568
~~from a fixed retail location, including selling such product at~~ 13569
~~in-home product demonstrations, parties, and other one-on-one~~ 13570
~~selling.~~ 13571

~~(ii) "Qualified direct selling entity" means an entity~~ 13572
~~selling to direct sellers at the time the entity enters into a~~ 13573
~~tax credit agreement with the tax credit authority pursuant to~~ 13574
~~section 122.17 of the Revised Code, provided that the agreement~~ 13575

~~was entered into on or after January 1, 2007. Neither~~ 13576
~~contingencies relevant to the granting of, nor later~~ 13577
~~developments with respect to, the tax credit shall impair the~~ 13578
~~status of the qualified direct selling entity under division (B)~~ 13579
~~(48) of this section after execution of the tax credit agreement~~ 13580
~~by the tax credit authority.~~ 13581

~~(c) Division (B) (48) of this section is limited to~~ 13582
~~machinery, equipment, and software first stored, used, or~~ 13583
~~consumed in this state within the period commencing June 24,~~ 13584
~~2008, and ending on the date that is five years after that date~~ 13585
Sales of feminine hygiene products. 13586

(49) Sales of materials, parts, equipment, or engines used 13587
in the repair or maintenance of aircraft or avionics systems of 13588
such aircraft, and sales of repair, remodeling, replacement, or 13589
maintenance services in this state performed on aircraft or on 13590
an aircraft's avionics, engine, or component materials or parts. 13591
As used in division (B) (49) of this section, "aircraft" means 13592
aircraft of more than six thousand pounds maximum certified 13593
takeoff weight or used exclusively in general aviation. 13594

(50) Sales of full flight simulators that are used for 13595
pilot or flight-crew training, sales of repair or replacement 13596
parts or components, and sales of repair or maintenance services 13597
for such full flight simulators. "Full flight simulator" means a 13598
replica of a specific type, or make, model, and series of 13599
aircraft cockpit. It includes the assemblage of equipment and 13600
computer programs necessary to represent aircraft operations in 13601
ground and flight conditions, a visual system providing an out- 13602
of-the-cockpit view, and a system that provides cues at least 13603
equivalent to those of a three-degree-of-freedom motion system, 13604
and has the full range of capabilities of the systems installed 13605

in the device as described in appendices A and B of part 60 of 13606
chapter 1 of title 14 of the Code of Federal Regulations. 13607

(51) Any transfer or lease of tangible personal property 13608
between the state and JobsOhio in accordance with section 13609
4313.02 of the Revised Code. 13610

(52) (a) Sales to a qualifying corporation. 13611

(b) As used in division (B) (52) of this section: 13612

(i) "Qualifying corporation" means a nonprofit corporation 13613
organized in this state that leases from an eligible county 13614
land, buildings, structures, fixtures, and improvements to the 13615
land that are part of or used in a public recreational facility 13616
used by a major league professional athletic team or a class A 13617
to class AAA minor league affiliate of a major league 13618
professional athletic team for a significant portion of the 13619
team's home schedule, provided the following apply: 13620

(I) The facility is leased from the eligible county 13621
pursuant to a lease that requires substantially all of the 13622
revenue from the operation of the business or activity conducted 13623
by the nonprofit corporation at the facility in excess of 13624
operating costs, capital expenditures, and reserves to be paid 13625
to the eligible county at least once per calendar year. 13626

(II) Upon dissolution and liquidation of the nonprofit 13627
corporation, all of its net assets are distributable to the 13628
board of commissioners of the eligible county from which the 13629
corporation leases the facility. 13630

(ii) "Eligible county" has the same meaning as in section 13631
307.695 of the Revised Code. 13632

(53) Sales to or by a cable service provider, video 13633

service provider, or radio or television broadcast station 13634
regulated by the federal government of cable service or 13635
programming, video service or programming, audio service or 13636
programming, or electronically transferred digital audiovisual 13637
or audio work. As used in division (B) (53) of this section, 13638
"cable service" and "cable service provider" have the same 13639
meanings as in section 1332.01 of the Revised Code, and "video 13640
service," "video service provider," and "video programming" have 13641
the same meanings as in section 1332.21 of the Revised Code. 13642

(54) Sales of a digital audio work electronically 13643
transferred for delivery through use of a machine, such as a 13644
juke box, that does all of the following: 13645

(a) Accepts direct payments to operate; 13646

(b) Automatically plays a selected digital audio work for 13647
a single play upon receipt of a payment described in division 13648
(B) (54) (a) of this section; 13649

(c) Operates exclusively for the purpose of playing 13650
digital audio works in a commercial establishment. 13651

(55) (a) Sales of the following occurring on the first 13652
Friday of August and the following Saturday and Sunday of each 13653
year, beginning in 2018: 13654

(i) An item of clothing, the price of which is seventy- 13655
five dollars or less; 13656

(ii) An item of school supplies, the price of which is 13657
twenty dollars or less; 13658

(iii) An item of school instructional material, the price 13659
of which is twenty dollars or less. 13660

(b) As used in division (B) (55) of this section: 13661

(i) "Clothing" means all human wearing apparel suitable 13662
for general use. "Clothing" includes, but is not limited to, 13663
aprons, household and shop; athletic supporters; baby receiving 13664
blankets; bathing suits and caps; beach capes and coats; belts 13665
and suspenders; boots; coats and jackets; costumes; diapers, 13666
children and adult, including disposable diapers; earmuffs; 13667
footlets; formal wear; garters and garter belts; girdles; gloves 13668
and mittens for general use; hats and caps; hosiery; insoles for 13669
shoes; lab coats; neckties; overshoes; pantyhose; rainwear; 13670
rubber pants; sandals; scarves; shoes and shoe laces; slippers; 13671
sneakers; socks and stockings; steel-toed shoes; underwear; 13672
uniforms, athletic and nonathletic; and wedding apparel. 13673
"Clothing" does not include items purchased for use in a trade 13674
or business; clothing accessories or equipment; protective 13675
equipment; sports or recreational equipment; belt buckles sold 13676
separately; costume masks sold separately; patches and emblems 13677
sold separately; sewing equipment and supplies including, but 13678
not limited to, knitting needles, patterns, pins, scissors, 13679
sewing machines, sewing needles, tape measures, and thimbles; 13680
and sewing materials that become part of "clothing" including, 13681
but not limited to, buttons, fabric, lace, thread, yarn, and 13682
zippers. 13683

(ii) "School supplies" means items commonly used by a 13684
student in a course of study. "School supplies" includes only 13685
the following items: binders; book bags; calculators; cellophane 13686
tape; blackboard chalk; compasses; composition books; crayons; 13687
erasers; folders, expandable, pocket, plastic, and manila; glue, 13688
paste, and paste sticks; highlighters; index cards; index card 13689
boxes; legal pads; lunch boxes; markers; notebooks; paper, 13690
loose-leaf ruled notebook paper, copy paper, graph paper, 13691
tracing paper, manila paper, colored paper, poster board, and 13692

construction paper; pencil boxes and other school supply boxes; 13693
pencil sharpeners; pencils; pens; protractors; rulers; scissors; 13694
and writing tablets. "School supplies" does not include any item 13695
purchased for use in a trade or business. 13696

(iii) "School instructional material" means written 13697
material commonly used by a student in a course of study as a 13698
reference and to learn the subject being taught. "School 13699
instructional material" includes only the following items: 13700
reference books, reference maps and globes, textbooks, and 13701
workbooks. "School instructional material" does not include any 13702
material purchased for use in a trade or business. 13703

(56) (a) Sales of diapers or incontinence underpads sold 13704
pursuant to a prescription, for the benefit of a medicaid 13705
recipient with a diagnosis of incontinence, and by a medicaid 13706
provider that maintains a valid provider agreement under section 13707
5164.30 of the Revised Code with the department of medicaid, 13708
provided that the medicaid program covers diapers or 13709
incontinence underpads as an incontinence garment. 13710

(b) As used in division (B) (56) (a) of this section: 13711

(i) "Diaper" means an absorbent garment worn by humans who 13712
are incapable of, or have difficulty, controlling their bladder 13713
or bowel movements. 13714

(ii) "Incontinence underpad" means an absorbent product, 13715
not worn on the body, designed to protect furniture or other 13716
tangible personal property from soiling or damage due to human 13717
incontinence. 13718

~~(57) Sales of feminine hygiene products.~~ 13719

(C) For the purpose of the proper administration of this 13720
chapter, and to prevent the evasion of the tax, it is presumed 13721

that all sales made in this state are subject to the tax until 13722
the contrary is established. 13723

~~(D) The levy of this tax on retail sales of recreation and 13724
sports club service shall not prevent a municipal corporation 13725
from levying any tax on recreation and sports club dues or on 13726
any income generated by recreation and sports club dues. 13727~~

~~(E)~~ The tax collected by the vendor from the consumer 13728
under this chapter is not part of the price, but is a tax 13729
collection for the benefit of the state, and of counties levying 13730
an additional sales tax pursuant to section 5739.021 or 5739.026 13731
of the Revised Code and of transit authorities levying an 13732
additional sales tax pursuant to section 5739.023 of the Revised 13733
Code. Except for the discount authorized under section 5739.12 13734
of the Revised Code and the effects of any rounding pursuant to 13735
section 5703.055 of the Revised Code, no person other than the 13736
state or such a county or transit authority shall derive any 13737
benefit from the collection or payment of the tax levied by this 13738
section or section 5739.021, 5739.023, or 5739.026 of the 13739
Revised Code. 13740

Sec. 5739.021. (A) For the purpose of providing additional 13741
general revenues for the county, supporting criminal and 13742
administrative justice services in the county, funding a 13743
regional transportation improvement project under section 13744
5595.06 of the Revised Code, or any combination of the 13745
foregoing, and to pay the expenses of administering such levy, 13746
any county may levy a tax at the rate of not more than one per 13747
cent upon every retail sale made in the county, except sales of 13748
watercraft and outboard motors required to be titled pursuant to 13749
Chapter 1548. of the Revised Code and sales of motor vehicles, 13750
and may increase the rate of an existing tax to not more than 13751

one per cent. The rate of any tax levied pursuant to this 13752
section shall be a multiple of one-twentieth of one per cent. 13753
The rate levied under this section in any county other than a 13754
county that adopted a charter under Article X, Section 3, Ohio 13755
Constitution, may exceed one per cent, but may not exceed one 13756
and one-half per cent minus the amount by which the rate levied 13757
under section 5739.023 of the Revised Code by the county transit 13758
authority exceeds one per cent. 13759

The tax shall be levied and the rate increased pursuant to 13760
a resolution of the board of county commissioners. The 13761
resolution shall state the purpose for which the tax is to be 13762
levied and the number of years for which the tax is to be 13763
levied, or that it is for a continuing period of time. If the 13764
tax is to be levied for the purpose of providing additional 13765
general revenues and for the purpose of supporting criminal and 13766
administrative justice services, the resolution shall state the 13767
rate or amount of the tax to be apportioned to each such 13768
purpose. The rate or amount may be different for each year the 13769
tax is to be levied, but the rates or amounts actually 13770
apportioned each year shall not be different from that stated in 13771
the resolution for that year. Any amount by which the rate of 13772
the tax exceeds one per cent shall be apportioned exclusively 13773
for the construction, acquisition, equipping, or repair of a 13774
detention facility in the county. 13775

If the resolution is adopted as an emergency measure 13776
necessary for the immediate preservation of the public peace, 13777
health, or safety, it must receive an affirmative vote of all of 13778
the members of the board of county commissioners and shall state 13779
the reasons for such necessity. The board shall deliver a 13780
certified copy of the resolution to the tax commissioner, not 13781
later than the sixty-fifth day prior to the date on which the 13782

tax is to become effective, which shall be the first day of the 13783
calendar quarter. A resolution proposing to levy a tax at a rate 13784
that would cause the rate levied under this section to exceed 13785
one per cent may not be adopted as an emergency measure. 13786

Prior to the adoption of any resolution under this 13787
section, the board of county commissioners shall conduct two 13788
public hearings on the resolution, the second hearing to be not 13789
less than three nor more than ten days after the first. Notice 13790
of the date, time, and place of the hearings shall be given by 13791
publication in a newspaper of general circulation in the county, 13792
or as provided in section 7.16 of the Revised Code, once a week 13793
on the same day of the week for two consecutive weeks, the 13794
second publication being not less than ten nor more than thirty 13795
days prior to the first hearing. 13796

Except as provided in division (B)(1) or (3) of this 13797
section, the resolution shall be subject to a referendum as 13798
provided in sections 305.31 to 305.41 of the Revised Code. 13799

If a petition for a referendum is filed, the county 13800
auditor with whom the petition was filed shall, within five 13801
days, notify the board of county commissioners and the tax 13802
commissioner of the filing of the petition by certified mail. If 13803
the board of elections with which the petition was filed 13804
declares the petition invalid, the board of elections, within 13805
five days, shall notify the board of county commissioners and 13806
the tax commissioner of that declaration by certified mail. If 13807
the petition is declared to be invalid, the effective date of 13808
the tax or increased rate of tax levied by this section shall be 13809
the first day of a calendar quarter following the expiration of 13810
sixty-five days from the date the commissioner receives notice 13811
from the board of elections that the petition is invalid. 13812

(B) (1) A resolution that is not adopted as an emergency 13813
measure may direct the board of elections to submit the question 13814
of levying the tax or increasing the rate of tax to the electors 13815
of the county at a special election held on the date specified 13816
by the board of county commissioners in the resolution, provided 13817
that the election occurs not less than ninety days after a 13818
certified copy of such resolution is transmitted to the board of 13819
elections and the election is not held in ~~February or~~ August of 13820
any year. A resolution proposing to levy a tax at a rate that 13821
would cause the rate levied under this section to exceed one per 13822
cent may not go into effect unless the question is submitted to 13823
electors under this division. Upon transmission of the 13824
resolution to the board of elections, the board of county 13825
commissioners shall notify the tax commissioner in writing of 13826
the levy question to be submitted to the electors. No resolution 13827
adopted under this division shall go into effect unless approved 13828
by a majority of those voting upon it, and, except as provided 13829
in division (B) (3) of this section, shall become effective on 13830
the first day of a calendar quarter following the expiration of 13831
sixty-five days from the date the tax commissioner receives 13832
notice from the board of elections of the affirmative vote. 13833

(2) A resolution that is adopted as an emergency measure 13834
shall go into effect as provided in division (A) of this 13835
section, but may direct the board of elections to submit the 13836
question of repealing the tax or increase in the rate of the tax 13837
to the electors of the county at the next general election in 13838
the county occurring not less than ninety days after a certified 13839
copy of the resolution is transmitted to the board of elections. 13840
Upon transmission of the resolution to the board of elections, 13841
the board of county commissioners shall notify the tax 13842
commissioner in writing of the levy question to be submitted to 13843

the electors. The ballot question shall be the same as that 13844
prescribed in section 5739.022 of the Revised Code. The board of 13845
elections shall notify the board of county commissioners and the 13846
tax commissioner of the result of the election immediately after 13847
the result has been declared. If a majority of the qualified 13848
electors voting on the question of repealing the tax or increase 13849
in the rate of the tax vote for repeal of the tax or repeal of 13850
the increase, the board of county commissioners, on the first 13851
day of a calendar quarter following the expiration of sixty-five 13852
days after the date the board and tax commissioner receive 13853
notice of the result of the election, shall, in the case of a 13854
repeal of the tax, cease to levy the tax, or, in the case of a 13855
repeal of an increase in the rate of the tax, cease to levy the 13856
increased rate and levy the tax at the rate at which it was 13857
imposed immediately prior to the increase in rate. 13858

(3) If a vendor makes a sale in this state by printed 13859
catalog and the consumer computed the tax on the sale based on 13860
local rates published in the catalog, any tax levied or repealed 13861
or rate changed under this section shall not apply to such a 13862
sale until the first day of a calendar quarter following the 13863
expiration of one hundred twenty days from the date of notice by 13864
the tax commissioner pursuant to division (H) of this section. 13865

(C) If a resolution is rejected at a referendum or if a 13866
resolution adopted after January 1, 1982, as an emergency 13867
measure is repealed by the electors pursuant to division (B) (2) 13868
of this section or section 5739.022 of the Revised Code, then 13869
for one year after the date of the election at which the 13870
resolution was rejected or repealed the board of county 13871
commissioners may not adopt any resolution authorized by this 13872
section as an emergency measure. 13873

(D) The board of county commissioners, at any time while a tax levied under this section is in effect, may by resolution reduce the rate at which the tax is levied to a lower rate authorized by this section. Any reduction in the rate at which the tax is levied shall be made effective on the first day of a calendar quarter next following the sixty-fifth day after a certified copy of the resolution is delivered to the tax commissioner.

(E) The tax on every retail sale subject to a tax levied pursuant to this section shall be in addition to the tax levied by section 5739.02 of the Revised Code and any tax levied pursuant to section 5739.023 or 5739.026 of the Revised Code.

A county that levies a tax pursuant to this section shall levy a tax at the same rate pursuant to section 5741.021 of the Revised Code.

The additional tax levied by the county shall be collected pursuant to section 5739.025 of the Revised Code. If the additional tax or some portion thereof is levied for the purpose of criminal and administrative justice services or specifically for the purpose of constructing, acquiring, equipping, or repairing a detention facility, the revenue from the tax, or the amount or rate apportioned to that purpose, shall be credited to one or more special funds created in the county treasury for receipt of that revenue.

Any tax levied pursuant to this section is subject to the exemptions provided in section 5739.02 of the Revised Code and in addition shall not be applicable to sales not within the taxing power of a county under the Constitution of the United States or the Ohio Constitution.

(F) For purposes of this section, a copy of a resolution
is "certified" when it contains a written statement attesting
that the copy is a true and exact reproduction of the original
resolution.

(G) If a board of commissioners intends to adopt a
resolution to levy a tax in whole or in part for the purpose of
criminal and administrative justice services, the board shall
prepare and make available at the first public hearing at which
the resolution is considered a statement containing the
following information:

(1) For each of the two preceding fiscal years, the amount
of expenditures made by the county from the county general fund
for the purpose of criminal and administrative justice services;

(2) For the fiscal year in which the resolution is
adopted, the board's estimate of the amount of expenditures to
be made by the county from the county general fund for the
purpose of criminal and administrative justice services;

(3) For each of the two fiscal years after the fiscal year
in which the resolution is adopted, the board's preliminary plan
for expenditures to be made from the county general fund for the
purpose of criminal and administrative justice services, both
under the assumption that the tax will be imposed for that
purpose and under the assumption that the tax would not be
imposed for that purpose, and for expenditures to be made from
the special fund created under division (E) of this section
under the assumption that the tax will be imposed for that
purpose.

The board shall prepare the statement and the preliminary
plan using the best information available to the board at the

time the statement is prepared. Neither the statement nor the 13932
preliminary plan shall be used as a basis to challenge the 13933
validity of the tax in any court of competent jurisdiction, nor 13934
shall the statement or preliminary plan limit the authority of 13935
the board to appropriate, pursuant to section 5705.38 of the 13936
Revised Code, an amount different from that specified in the 13937
preliminary plan. 13938

(H) Upon receipt from a board of county commissioners of a 13939
certified copy of a resolution required by division (A) or (D) 13940
of this section, or from the board of elections of a notice of 13941
the results of an election required by division (A) or (B) (1) or 13942
(2) of this section, the tax commissioner shall provide notice 13943
of a tax rate change in a manner that is reasonably accessible 13944
to all affected vendors. The commissioner shall provide this 13945
notice at least sixty days prior to the effective date of the 13946
rate change. The commissioner, by rule, may establish the method 13947
by which notice will be provided. 13948

(I) As used in this section: 13949

(1) "Criminal and administrative justice services" means 13950
the exercise by the county sheriff of all powers and duties 13951
vested in that office by law; the exercise by the county 13952
prosecuting attorney of all powers and duties vested in that 13953
office by law; the exercise by any court in the county of all 13954
powers and duties vested in that court; the exercise by the 13955
clerk of the court of common pleas, any clerk of a municipal 13956
court having jurisdiction throughout the county, or the clerk of 13957
any county court of all powers and duties vested in the clerk by 13958
law except, in the case of the clerk of the court of common 13959
pleas, the titling of motor vehicles or watercraft pursuant to 13960
Chapter 1548. or 4505. of the Revised Code; the exercise by the 13961

county coroner of all powers and duties vested in that office by 13962
law; making payments to any other public agency or a private, 13963
nonprofit agency, the purposes of which in the county include 13964
the diversion, adjudication, detention, or rehabilitation of 13965
criminals or juvenile offenders; the operation and maintenance 13966
of any detention facility; and the construction, acquisition, 13967
equipping, or repair of such a detention facility. 13968

(2) "Detention facility" has the same meaning as in 13969
section 2921.01 of the Revised Code. 13970

(3) "Construction, acquisition, equipping, or repair" of a 13971
detention facility includes the payment of any debt charges 13972
incurred in the issuance of securities pursuant to Chapter 133. 13973
of the Revised Code for the purpose of constructing, acquiring, 13974
equipping, or repairing such a facility. 13975

Sec. 5739.028. As used in this section "sports facility" 13976
and "constructing" have the same meanings as in division (A)(8) 13977
of section 5739.026 of the Revised Code. 13978

This section applies only to taxes levied pursuant to 13979
sections 5739.023 and 5741.022 of the Revised Code by a regional 13980
transit authority created under section 306.31 of the Revised 13981
Code for a continuing period of time and at an aggregate rate, 13982
~~on the effective date of this section July 19, 1995,~~ greater 13983
than one-half of one per cent on every retail sale made in the 13984
territory of the transit authority. 13985

The board of county commissioners of the most populous 13986
county in the territory of a regional transit authority levying 13987
a tax to which this section applies may adopt a resolution not 13988
later than one hundred eighty days after ~~the effective date of~~ 13989
~~this section July 19, 1995,~~ proposing to reduce the rate of such 13990

a tax and to increase by the same extent the rate of tax levied 13991
under sections 5739.026 and 5741.023 of the Revised Code for the 13992
purpose of constructing or renovating a sports facility. The 13993
total reduction in the rate of taxes levied by a transit 13994
authority and the increase in the rate of tax levied for the 13995
purpose of constructing or renovating a sports facility shall 13996
not exceed one-tenth of one per cent upon retail sales made in 13997
the territory of the transit authority; provided, the amount of 13998
taxes received by the county for the purpose of constructing or 13999
renovating a sports facility under this section shall not exceed 14000
four million five hundred thousand dollars in any calendar year. 14001
Any amounts received by a county in a calendar year in excess of 14002
four million five hundred thousand dollars pursuant to this 14003
section shall be paid to the transit authority by the county 14004
within forty-five days following receipt by the county. 14005

The resolution shall specify that the rate of tax levied 14006
by the transit authority will be reduced and that a tax will be 14007
levied at the same rate for the purpose of constructing or 14008
renovating a sports facility; the rate by which the tax levied 14009
by the transit authority will be reduced and by which the tax 14010
levied for the purpose of constructing or renovating a sports 14011
facility will be increased; the date the rates levied for those 14012
purposes will be reduced and increased, respectively; and the 14013
number of years the rate levied by a transit authority will be 14014
reduced and the rate levied for constructing or renovating a 14015
sports facility will be increased. The date the rate levied by 14016
the transit authority will be reduced and the rate levied for 14017
the purpose of constructing or renovating a sports facility will 14018
be increased shall not be earlier than the first day of the 14019
month that begins at least sixty days after the day the election 14020
on the question is conducted unless the board of county 14021

commissioners levies a tax under one or more of sections 14022
307.697, 4301.421, 5743.024, and 5743.323 of the Revised Code on 14023
~~the effective date of this section~~ July 19, 1995, in which case 14024
the date the rate levied by the transit authority will be 14025
reduced and the rate levied for the purpose of constructing or 14026
renovating a sports facility will be increased shall not be 14027
earlier than the first day following the latest day on which any 14028
of the taxes levied under one of those sections on ~~the effective~~ 14029
~~date of this amendment~~ July 19, 1995, may be levied as 14030
prescribed by the resolution levying that tax. The number of 14031
years the rate of the existing tax may be reduced and the rate 14032
of tax may be levied for constructing or renovating a sports 14033
facility may be any number of years as specified in the 14034
resolution, or for a continuing period of time if so specified 14035
in the resolution. 14036

Before a resolution adopted under this section may take 14037
effect, the board of county commissioners shall submit the 14038
resolution to the approval of the electors of the county, and 14039
the resolution shall be approved by a majority of voters voting 14040
on the question. Upon adoption of the resolution, the board of 14041
county commissioners shall certify a copy of the resolution to 14042
the board of elections of the county and to the tax 14043
commissioner, and the board of elections shall submit the 14044
question at a special election held on the date specified by the 14045
board of county commissioners in the resolution, provided that 14046
the election occurs not less than seventy-five days after the 14047
resolution is certified to the board of elections and the 14048
election is not held in ~~February or~~ August of any year. The 14049
board of county commissioners shall certify the copy of the 14050
resolution to the board of elections in the manner prescribed 14051
under section 3505.071 of the Revised Code. The board of 14052

elections shall certify the results of the election to the board 14053
of county commissioners and to the tax commissioner. If the 14054
question is approved by a majority of electors voting on the 14055
question, the rate of tax imposed under sections 5739.023 and 14056
5741.022 of the Revised Code shall be reduced, and the rate of 14057
tax levied for constructing or renovating a sports facility 14058
under sections 5739.026 and 5741.023 of the Revised Code shall 14059
be increased by the same amount, on the date specified in the 14060
resolution. 14061

If revenue from a tax levied under sections 5739.023 and 14062
5741.022 of the Revised Code and subject to reduction under this 14063
section is pledged to the payment of bonds, notes, or notes in 14064
anticipation of bonds, the board of county commissioners 14065
adopting a resolution under this section shall provide 14066
sufficient revenue from the tax for the repayment of debt 14067
charges on those bonds or notes, unless an adequate substitute 14068
for payment of those charges is provided by the transit 14069
authority. 14070

Sec. 5739.03. (A) Except as provided in section 5739.05 or 14071
section 5739.051 of the Revised Code, the tax imposed by or 14072
pursuant to section 5739.02, 5739.021, 5739.023, or 5739.026 of 14073
the Revised Code shall be paid by the consumer to the vendor, 14074
and each vendor shall collect from the consumer, as a trustee 14075
for the state of Ohio, the full and exact amount of the tax 14076
payable on each taxable sale, in the manner and at the times 14077
provided as follows: 14078

(1) If the price is, at or prior to the provision of the 14079
service or the delivery of possession of the thing sold to the 14080
consumer, paid in currency passed from hand to hand by the 14081
consumer or the consumer's agent to the vendor or the vendor's 14082

agent, the vendor or the vendor's agent shall collect the tax 14083
with and at the same time as the price; 14084

(2) If the price is otherwise paid or to be paid, the 14085
vendor or the vendor's agent shall, at or prior to the provision 14086
of the service or the delivery of possession of the thing sold 14087
to the consumer, charge the tax imposed by or pursuant to 14088
section 5739.02, 5739.021, 5739.023, or 5739.026 of the Revised 14089
Code to the account of the consumer, which amount shall be 14090
collected by the vendor from the consumer in addition to the 14091
price. Such sale shall be reported on and the amount of the tax 14092
applicable thereto shall be remitted with the return for the 14093
period in which the sale is made, and the amount of the tax 14094
shall become a legal charge in favor of the vendor and against 14095
the consumer. 14096

(B) (1) (a) If any sale is claimed to be exempt under 14097
division (E) of section 5739.01 of the Revised Code or under 14098
section 5739.02 of the Revised Code, with the exception of 14099
divisions (B) (1) to (11), (28), (48), or (55), ~~or (57)~~ of 14100
section 5739.02 of the Revised Code, or if the consumer claims 14101
the transaction is not a taxable sale due to one or more of the 14102
exclusions provided under divisions (JJ) (1) to (5) of section 14103
5739.01 of the Revised Code, the consumer must provide to the 14104
vendor, and the vendor must obtain from the consumer, a 14105
certificate specifying the reason that the sale is not legally 14106
subject to the tax. The certificate shall be in such form, and 14107
shall be provided either in a hard copy form or electronic form, 14108
as the tax commissioner prescribes. 14109

(b) A vendor that obtains a fully completed exemption 14110
certificate from a consumer is relieved of liability for 14111
collecting and remitting tax on any sale covered by that 14112

certificate. If it is determined the exemption was improperly 14113
claimed, the consumer shall be liable for any tax due on that 14114
sale under section 5739.02, 5739.021, 5739.023, or 5739.026 or 14115
Chapter 5741. of the Revised Code. Relief under this division 14116
from liability does not apply to any of the following: 14117

(i) A vendor that fraudulently fails to collect tax; 14118

(ii) A vendor that solicits consumers to participate in 14119
the unlawful claim of an exemption; 14120

(iii) A vendor that accepts an exemption certificate from 14121
a consumer that claims an exemption based on who purchases or 14122
who sells property or a service, when the subject of the 14123
transaction sought to be covered by the exemption certificate is 14124
actually received by the consumer at a location operated by the 14125
vendor in this state, and this state has posted to its web site 14126
an exemption certificate form that clearly and affirmatively 14127
indicates that the claimed exemption is not available in this 14128
state; 14129

(iv) A vendor that accepts an exemption certificate from a 14130
consumer who claims a multiple points of use exemption under 14131
division (D) of section 5739.033 of the Revised Code, if the 14132
item purchased is tangible personal property, other than 14133
prewritten computer software. 14134

(2) The vendor shall maintain records, including exemption 14135
certificates, of all sales on which a consumer has claimed an 14136
exemption, and provide them to the tax commissioner on request. 14137

(3) The tax commissioner may establish an identification 14138
system whereby the commissioner issues an identification number 14139
to a consumer that is exempt from payment of the tax. The 14140
consumer must present the number to the vendor, if any sale is 14141

claimed to be exempt as provided in this section. 14142

(4) If no certificate is provided or obtained within 14143
ninety days after the date on which such sale is consummated, it 14144
shall be presumed that the tax applies. Failure to have so 14145
provided or obtained a certificate shall not preclude a vendor, 14146
within one hundred twenty days after the tax commissioner gives 14147
written notice of intent to levy an assessment, from either 14148
establishing that the sale is not subject to the tax, or 14149
obtaining, in good faith, a fully completed exemption 14150
certificate. 14151

(5) Certificates need not be obtained nor provided where 14152
the identity of the consumer is such that the transaction is 14153
never subject to the tax imposed or where the item of tangible 14154
personal property sold or the service provided is never subject 14155
to the tax imposed, regardless of use, or when the sale is in 14156
interstate commerce. 14157

(6) If a transaction is claimed to be exempt under 14158
division (B) (13) of section 5739.02 of the Revised Code, the 14159
contractor shall obtain certification of the claimed exemption 14160
from the contractee. This certification shall be in addition to 14161
an exemption certificate provided by the contractor to the 14162
vendor. A contractee that provides a certification under this 14163
division shall be deemed to be the consumer of all items 14164
purchased by the contractor under the claim of exemption, if it 14165
is subsequently determined that the exemption is not properly 14166
claimed. The certification shall be in such form as the tax 14167
commissioner prescribes. 14168

(C) As used in this division, "contractee" means a person 14169
who seeks to enter or enters into a contract or agreement with a 14170
contractor or vendor for the construction of real property or 14171

for the sale and installation onto real property of tangible 14172
personal property. 14173

Any contractor or vendor may request from any contractee a 14174
certification of what portion of the property to be transferred 14175
under such contract or agreement is to be incorporated into the 14176
realty and what portion will retain its status as tangible 14177
personal property after installation is completed. The 14178
contractor or vendor shall request the certification by 14179
certified mail delivered to the contractee, return receipt 14180
requested. Upon receipt of such request and prior to entering 14181
into the contract or agreement, the contractee shall provide to 14182
the contractor or vendor a certification sufficiently detailed 14183
to enable the contractor or vendor to ascertain the resulting 14184
classification of all materials purchased or fabricated by the 14185
contractor or vendor and transferred to the contractee. This 14186
requirement applies to a contractee regardless of whether the 14187
contractee holds a direct payment permit under section 5739.031 14188
of the Revised Code or provides to the contractor or vendor an 14189
exemption certificate as provided under this section. 14190

For the purposes of the taxes levied by this chapter and 14191
Chapter 5741. of the Revised Code, the contractor or vendor may 14192
in good faith rely on the contractee's certification. 14193
Notwithstanding division (B) of section 5739.01 of the Revised 14194
Code, if the tax commissioner determines that certain property 14195
certified by the contractee as tangible personal property 14196
pursuant to this division is, in fact, real property, the 14197
contractee shall be considered to be the consumer of all 14198
materials so incorporated into that real property and shall be 14199
liable for the applicable tax, and the contractor or vendor 14200
shall be excused from any liability on those materials. 14201

If a contractee fails to provide such certification upon 14202
the request of the contractor or vendor, the contractor or 14203
vendor shall comply with the provisions of this chapter and 14204
Chapter 5741. of the Revised Code without the certification. If 14205
the tax commissioner determines that such compliance has been 14206
performed in good faith and that certain property treated as 14207
tangible personal property by the contractor or vendor is, in 14208
fact, real property, the contractee shall be considered to be 14209
the consumer of all materials so incorporated into that real 14210
property and shall be liable for the applicable tax, and the 14211
construction contractor or vendor shall be excused from any 14212
liability on those materials. 14213

This division does not apply to any contract or agreement 14214
where the tax commissioner determines as a fact that a 14215
certification under this division was made solely on the 14216
decision or advice of the contractor or vendor. 14217

(D) Notwithstanding division (B) of section 5739.01 of the 14218
Revised Code, whenever the total rate of tax imposed under this 14219
chapter is increased after the date after a construction 14220
contract is entered into, the contractee shall reimburse the 14221
construction contractor for any additional tax paid on tangible 14222
property consumed or services received pursuant to the contract. 14223

(E) A vendor who files a petition for reassessment 14224
contesting the assessment of tax on sales for which the vendor 14225
obtained no valid exemption certificates and for which the 14226
vendor failed to establish that the sales were properly not 14227
subject to the tax during the one-hundred-twenty-day period 14228
allowed under division (B) of this section, may present to the 14229
tax commissioner additional evidence to prove that the sales 14230
were properly subject to a claim of exception or exemption. The 14231

vendor shall file such evidence within ninety days of the 14232
receipt by the vendor of the notice of assessment, except that, 14233
upon application and for reasonable cause, the period for 14234
submitting such evidence shall be extended thirty days. 14235

The commissioner shall consider such additional evidence 14236
in reaching the final determination on the assessment and 14237
petition for reassessment. 14238

(F) Whenever a vendor refunds the price, minus any 14239
separately stated delivery charge, of an item of tangible 14240
personal property on which the tax imposed under this chapter 14241
has been paid, the vendor shall also refund the amount of tax 14242
paid, minus the amount of tax attributable to the delivery 14243
charge. 14244

Sec. 5739.034. (A) As used in this section: 14245

(1) "Air-to-ground radiotelephone service" means a radio 14246
service, as defined in 47 C.F.R. 22.99, in which common carriers 14247
are authorized to offer and provide radio telecommunications 14248
service for hire to subscribers in aircraft. 14249

(2) "Call-by-call basis" means any method of charging for 14250
telecommunications services where the price is measured by 14251
individual calls. 14252

(3) "Customer" means the person or entity that contracts 14253
with a seller of telecommunications service. If the end user of 14254
telecommunications service is not the contracting party, the end 14255
user of the telecommunications service is the customer of the 14256
telecommunications service. "Customer" does not include a 14257
reseller of telecommunications service or of mobile 14258
telecommunications service of a serving carrier under an 14259
agreement to serve the customer outside the home service 14260

provider's licensed service area. 14261

(4) "End user" means the person who utilizes the 14262
telecommunications service. In the case of a person other than 14263
an individual, "end user" means the individual who utilizes the 14264
service on behalf of the person. 14265

(5) "Home service provider" has the same meaning as in the 14266
"Mobile Telecommunications Sourcing Act," Pub. L. No. 106-252, 14267
114 Stat. 631 (2000), 4 U.S.C. 124(5), as amended. 14268

(6) "Place of primary use" means the street address 14269
representative of where the customer's use of the 14270
telecommunications service primarily occurs, which must be the 14271
residential street address or the primary business street 14272
address of the customer. In the case of mobile 14273
telecommunications services, "place of primary use" must be 14274
within the licensed service area of the home service provider. 14275

(7) "Post-paid calling service" means the 14276
telecommunications service obtained by making a payment on a 14277
call-by-call basis either through the use of a credit card or 14278
payment mechanism such as a bank card, travel card, credit card, 14279
or debit card, or by charge made to a telephone number that is 14280
not associated with the origination or termination of the 14281
telecommunications service. "Post-paid calling service" includes 14282
a telecommunications service, except a prepaid wireless calling 14283
service, that would be a prepaid calling service, but for the 14284
fact that it is not exclusively a telecommunications service. 14285

(8) ~~"Prepaid calling service" and "prepaid wireless~~ 14286
~~calling service" have the same meanings as in section 5739.01 of~~ 14287
~~the Revised Code.~~ 14288

~~(9) "Service address" means:~~ 14289

(a) The location of the telecommunications equipment to 14290
which a customer's call is charged and from which the call 14291
originates or terminates, regardless of where the call is billed 14292
or paid. 14293

(b) If the location in division (A) ~~(9)~~ (8) (a) of this 14294
section is not known, "service address" means the origination 14295
point of the signal of the telecommunications service first 14296
identified by either the seller's telecommunications system or 14297
in information received by the seller from its service provider, 14298
where the system used to transport such signals is not that of 14299
the seller. 14300

(c) If the locations in divisions (A) ~~(9)~~ (8) (a) and (b) of 14301
this section are not known, "service address" means the location 14302
of the customer's place of primary use. 14303

~~(10)~~ (9) "Private communication service" means a 14304
telecommunications service that entitles a customer to exclusive 14305
or priority use of a communications channel or group of channels 14306
between or among termination points, regardless of the manner in 14307
which the channel or channels are connected, and includes 14308
switching capacity, extension lines, stations, and any other 14309
associated services that are provided in connection with the use 14310
of such channel or channels. 14311

(B) The amount of tax due pursuant to sections 5739.02, 14312
5739.021, 5739.023, and 5739.026 of the Revised Code on sales of 14313
telecommunications service, information service, or mobile 14314
telecommunications service, is the sum of the taxes imposed 14315
pursuant to those sections at the sourcing location of the sale 14316
as determined under this section. 14317

(C) Except for the telecommunications services described 14318

in division (E) of this section, the sale of telecommunications 14319
service sold on a call-by-call basis shall be sourced to each 14320
level of taxing jurisdiction where the call originates and 14321
terminates in that jurisdiction, or each level of taxing 14322
jurisdiction where the call either originates or terminates and 14323
in which the service address also is located. 14324

(D) Except for the telecommunications services described 14325
in division (E) of this section, a sale of telecommunications 14326
services sold on a basis other than a call-by-call basis shall 14327
be sourced to the customer's place of primary use. 14328

(E) The sale of the following telecommunications services 14329
shall be sourced to each level of taxing jurisdiction, as 14330
follows: 14331

(1) A sale of mobile telecommunications service, other 14332
than air-to-ground radiotelephone service and prepaid calling 14333
service, shall be sourced to the customer's place of primary use 14334
as required by the Mobile Telecommunications Sourcing Act. 14335

(2) A sale of post-paid calling service shall be sourced 14336
to the origination point of the telecommunications signal as 14337
first identified by the service provider's telecommunications 14338
system, or information received by the seller from its service 14339
provider, where the system used to transport such signals is not 14340
that of the seller. 14341

(3) A sale of prepaid calling service or prepaid wireless 14342
calling service shall be sourced under division (C) of section 14343
5739.033 of the Revised Code. But in the case of prepaid 14344
wireless calling service, in lieu of sourcing the sale of the 14345
service under division (C) (5) of section 5739.033 of the Revised 14346
Code, the service provider may elect to source the sale to the 14347

location associated with the mobile telephone number. 14348

(4) A sale of a private communication service shall be 14349
sourced as follows: 14350

(a) Service for a separate charge related to a customer 14351
channel termination point shall be sourced to each level of 14352
jurisdiction in which the customer channel termination point is 14353
located; 14354

(b) Service where all customer channel termination points 14355
are located entirely within one jurisdiction or level of 14356
jurisdiction shall be sourced in the jurisdiction in which the 14357
customer channel termination points are located; 14358

(c) Service for segments of a channel between two customer 14359
channel termination points located in different jurisdictions 14360
and which segments of a channel are separately charged shall be 14361
sourced fifty per cent in each level of jurisdiction in which 14362
the customer channel termination points are located; 14363

(d) Service for segments of a channel located in more than 14364
one jurisdiction or level of jurisdiction and which segments are 14365
not separately billed shall be sourced in each jurisdiction 14366
based on the percentage determined by dividing the number of 14367
customer channel termination points in the jurisdiction by the 14368
total number of customer channel termination points. 14369

~~Sec. 5739.08. The levy of an excise tax on transactions by~~ 14370
~~which lodging by a hotel is or is to be furnished to transient~~ 14371
~~guests pursuant to section 5739.02 and division (B) of section~~ 14372
~~5739.01 of the Revised Code does not prevent any of the~~ 14373
~~following:~~ 14374

(A) A municipal corporation or township ~~from levying may~~ 14375
levy an excise tax for any lawful purpose not to exceed three 14376

per cent on transactions by which lodging by a hotel is or is to 14377
be furnished to transient guests in addition to the tax levied 14378
by section 5739.02 of the Revised Code. If a municipal 14379
corporation or township repeals a tax imposed under division (A) 14380
of this section, and a county in which the municipal corporation 14381
or township has territory has a tax imposed under division ~~(C)~~ 14382
(M) of section 5739.09 of the Revised Code in effect, the 14383
municipal corporation or township may not reimpose its tax as 14384
long as that county tax remains in effect. A municipal 14385
corporation or township in which a tax is levied under division 14386
(B) (2) of section 351.021 of the Revised Code may not increase 14387
the rate of its tax levied under division (A) of this section to 14388
any rate that would cause the total taxes levied under both of 14389
those divisions to exceed three per cent on any lodging 14390
transaction within the municipal corporation or township. 14391

~~(B) A municipal corporation or a township from levying an 14392
additional excise tax not to exceed three per cent on such 14393
transactions pursuant to division (B) of section 5739.09 of the 14394
Revised Code. Such tax is in addition to any tax imposed under 14395
division (A) of this section. 14396~~

~~(C) A county from levying an excise tax pursuant to 14397
division (A) of section 5739.09 of the Revised Code; 14398~~

~~(D) A county from levying an excise tax not to exceed 14399
three per cent of such transactions pursuant to division (C) of 14400
section 5739.09 of the Revised Code. Such a tax is in addition 14401
to any tax imposed under division (C) of this section. 14402~~

~~(E) A convention facilities authority, as defined in 14403
division (A) of section 351.01 of the Revised Code, from levying 14404
the excise taxes provided for in divisions (B) and (C) of 14405
section 351.021 of the Revised Code; 14406~~

~~(F) A county from levying an excise tax not to exceed one~~ 14407
~~and one-half per cent of such transactions pursuant to division~~ 14408
~~(D) of section 5739.09 of the Revised Code. Such tax is in~~ 14409
~~addition to any tax imposed under division (C) or (D) of this~~ 14410
~~section.~~ 14411

~~(G) A county from levying an excise tax not to exceed one~~ 14412
~~and one-half per cent of such transactions pursuant to division~~ 14413
~~(E) of section 5739.09 of the Revised Code. Such a tax is in~~ 14414
~~addition to any tax imposed under division (C), (D), or (F) of~~ 14415
~~this section.~~ 14416
The legislative authority of a municipal 14417
corporation or the board of trustees of a township that is not 14418
wholly or partly located in a county that has in effect a 14419
resolution levying an excise tax pursuant to division (A) of 14420
section 5739.09 of the Revised Code may, by ordinance or 14421
resolution, levy an additional excise tax not to exceed three 14422
per cent on transactions by which lodging by a hotel is or is to 14423
be furnished to transient guests. The legislative authority of 14424
the municipal corporation or the board of trustees of the 14425
township shall deposit at least fifty per cent of the revenue 14426
from the tax levied pursuant to this division into a separate 14427
fund, which shall be spent solely to make contributions to 14428
convention and visitors' bureaus operating within the county in 14429
which the municipal corporation or township is wholly or partly 14430
located, and the balance of that revenue shall be deposited in 14431
the general fund. The municipal corporation or township shall 14432
establish all regulations necessary to provide for the 14433
administration and allocation of the tax. The regulations may 14434
prescribe the time for payment of the tax, and may provide for 14435
the imposition of a penalty or interest, or both, for late 14436
payments, provided that the penalty does not exceed ten per cent 14437
of the amount of tax due, and the rate at which interest accrues

does not exceed the rate per annum prescribed pursuant to 14438
section 5703.47 of the Revised Code. The levy of a tax under 14439
this division is in addition to any tax imposed on the same 14440
transaction by a municipal corporation or a township under 14441
division (A) of this section. 14442

(C) (1) As used in division (C) of this section, "cost" has 14443
the same meaning as in section 351.01 of the Revised Code, and 14444
"convention center" has the same meaning as in section 307.695 14445
of the Revised Code. 14446

(2) The legislative authority of the most populous 14447
municipal corporation located wholly or partly in a county in 14448
which the board of county commissioners has levied a tax under 14449
division (D) of section 5739.09 of the Revised Code may amend, 14450
on or before September 30, 2002, that municipal corporation's 14451
ordinance or resolution that levies an excise tax on 14452
transactions by which lodging by a hotel is or is to be 14453
furnished to transient guests, to provide for all of the 14454
following: 14455

(a) That the rate of the tax shall be increased by not 14456
more than an additional one per cent on each transaction; 14457

(b) That all of the revenue from the increase in rate 14458
shall be pledged and contributed to a convention facilities 14459
authority established by the board of county commissioners under 14460
Chapter 351. of the Revised Code on or before May 15, 2002, and 14461
be used to pay costs of constructing, expanding, maintaining, 14462
operating, or promoting a convention center in the county, 14463
including paying bonds, or notes issued in anticipation of 14464
bonds, as provided by that chapter; 14465

(c) That the increase in rate shall not be subject to 14466

diminution by initiative or referendum or by law while any 14467
bonds, or notes in anticipation of bonds, issued by the 14468
authority under Chapter 351. of the Revised Code to which the 14469
revenue is pledged, remain outstanding in accordance with their 14470
terms, unless provision is made by law, by the board of county 14471
commissioners, or by the legislative authority, for an adequate 14472
substitute therefor that is satisfactory to the trustee if a 14473
trust agreement secures the bonds. 14474

(3) The legislative authority of a municipal corporation 14475
that, pursuant to division (C) (2) of this section, has amended 14476
its ordinance or resolution to increase the rate of the tax 14477
authorized by division (B) of this section may further amend the 14478
ordinance or resolution to provide that the revenue referred to 14479
in division (C) (2) (b) of this section shall be pledged and 14480
contributed both to a convention facilities authority to pay the 14481
costs of constructing, expanding, maintaining, or operating one 14482
or more convention centers in the county, including paying 14483
bonds, or notes issued in anticipation of bonds, as provided in 14484
Chapter 351. of the Revised Code, and to a convention and 14485
visitors' bureau to pay the costs of promoting one or more 14486
convention centers in the county. 14487

(D) As used in division (D) of this section, "eligible 14488
municipal corporation" means a municipal corporation that, on 14489
September 29, 2017, levied a tax under division (B) of this 14490
section at a rate of three per cent and that is located in a 14491
county that, on that date, levied a tax under division (A) of 14492
section 5739.09 of the Revised Code at a rate of three per cent 14493
and that has, according to the most recent federal decennial 14494
census, a population exceeding three hundred thousand but not 14495
greater than three hundred fifty thousand. 14496

The legislative authority of an eligible municipal 14497
corporation may amend, on or before December 31, 2017, that 14498
municipal corporation's ordinance or resolution that levies an 14499
excise tax on transactions by which lodging by a hotel is or is 14500
to be furnished to transient guests, to provide for the 14501
following: 14502

(1) That the rate of the tax shall be increased by not 14503
more than an additional three per cent on each transaction; 14504

(2) That all of the revenue from the increase in rate 14505
shall be used by the municipal corporation for economic 14506
development and tourism-related purposes. 14507

Sec. 5739.09. (A) (1) A board of county commissioners may, 14508
by resolution adopted by a majority of the members of the board, 14509
levy an excise tax not to exceed three per cent on transactions 14510
by which lodging by a hotel is or is to be furnished to 14511
transient guests. The board shall establish all regulations 14512
necessary to provide for the administration and allocation of 14513
the tax. The regulations may prescribe the time for payment of 14514
the tax, and may provide for the imposition of a penalty or 14515
interest, or both, for late payments, provided that the penalty 14516
does not exceed ten per cent of the amount of tax due, and the 14517
rate at which interest accrues does not exceed the rate per 14518
annum prescribed pursuant to section 5703.47 of the Revised 14519
Code. Except as otherwise provided in ~~divisions (A) (2), (3),~~ 14520
~~(4), (5), (6), (7), (8), (9), (10), (11), and (12)~~ of this 14521
section, the regulations shall provide, after deducting the real 14522
and actual costs of administering the tax, for the return to 14523
each municipal corporation or township that does not levy an 14524
excise tax on the transactions, a uniform percentage of the tax 14525
collected in the municipal corporation or in the unincorporated 14526

portion of the township from each transaction, not to exceed 14527
thirty-three and one-third per cent. ~~The~~ Except as provided in 14528
this section, the remainder of the revenue arising from the tax 14529
shall be deposited in a separate fund and shall be spent solely 14530
to make contributions to the convention and visitors' bureau 14531
operating within the county, including a pledge and contribution 14532
of any portion of the remainder pursuant to an agreement 14533
authorized by section 307.678 or 307.695 of the Revised Code, ~~—~~ 14534
~~provided that if .~~ 14535

(2) If the board of county commissioners of an eligible 14536
county as defined in section 307.678 or 307.695 of the Revised 14537
Code adopts a resolution amending a resolution levying a tax 14538
under ~~this division~~ (A) of this section to provide that revenue 14539
from the tax shall be used by the board as described in either 14540
division (D) of section 307.678 or division (H) of section 14541
307.695 of the Revised Code, the remainder of the revenue shall 14542
be used as described in the resolution making that amendment. 14543
~~Except—~~ 14544

(3) ~~Except as provided in division (A) (2), (3), (4), (5),~~ 14545
~~(6), (7), (8), (9), (10), or (11) (B), (C), (D), (E), (F), (G),~~ 14546
(H), (I), (J), (K), or (H) (Q) of this section, on and after May 14547
10, 1994, a board of county commissioners may not levy an excise 14548
tax pursuant to ~~this division~~ (A) of this section in any 14549
municipal corporation or township located wholly or partly 14550
within the county that has in effect an ordinance or resolution 14551
levying an excise tax pursuant to division (B) of ~~this section~~ 14552
5739.08 of the Revised Code. The ~~—~~ 14553

(4) ~~The~~ board of a county that has levied a tax under 14554
division ~~(C)~~ (M) of this section may, by resolution adopted 14555
within ninety days after July 15, 1985, by a majority of the 14556

members of the board, amend the resolution levying a tax under 14557
~~this division~~ (A) of this section to provide for a portion of 14558
that tax to be pledged and contributed in accordance with an 14559
agreement entered into under section 307.695 of the Revised 14560
Code. A tax, any revenue from which is pledged pursuant to such 14561
an agreement, shall remain in effect at the rate at which it is 14562
imposed for the duration of the period for which the revenue 14563
from the tax has been so pledged. 14564

(5) The board of county commissioners of an eligible 14565
county as defined in section 307.695 of the Revised Code may, by 14566
resolution adopted by a majority of the members of the board, 14567
amend a resolution levying a tax under ~~this division~~ (A) of this 14568
section to provide that the revenue from the tax shall be used 14569
by the board as described in division (H) of section 307.695 of 14570
the Revised Code, in which case the tax shall remain in effect 14571
at the rate at which it was imposed for the duration of any 14572
agreement entered into by the board under section 307.695 of the 14573
Revised Code, the duration during which any securities issued by 14574
the board under that section are outstanding, or the duration of 14575
the period during which the board owns a project as defined in 14576
section 307.695 of the Revised Code, whichever duration is 14577
longest. 14578

(6) The board of county commissioners of an eligible 14579
county as defined in section 307.678 of the Revised Code may, by 14580
resolution, amend a resolution levying a tax under ~~this division~~ 14581
(A) of this section to provide that revenue from the tax, not to 14582
exceed five hundred thousand dollars each year, may be used as 14583
described in division (E) of section 307.678 of the Revised 14584
Code. 14585

(7) Notwithstanding division ~~(A) (1)~~ (A) of this section, 14586

the board of county commissioners of a county described in 14587
division ~~(A) (8) (a)~~ (H) (1) of this section may, by resolution, 14588
amend a resolution levying a tax under ~~this~~ division (A) of this 14589
section to provide that all or a portion of the revenue from the 14590
tax, including any revenue otherwise required to be returned to 14591
townships or municipal corporations under ~~this~~ that division, 14592
may be used or pledged for the payment of debt service on 14593
securities issued to pay the costs of constructing, operating, 14594
and maintaining sports facilities described in division ~~(A) (8)~~ 14595
~~(b)~~ (H) (2) of this section. 14596

(8) The board of county commissioners of a county 14597
described in division ~~(A) (9) (I)~~ of this section may, by 14598
resolution, amend a resolution levying a tax under ~~this~~ division 14599
(A) of this section to provide that all or a portion of the 14600
revenue from the tax may be used for the purposes described in 14601
section 307.679 of the Revised Code. 14602

~~(2)~~ (B) A board of county commissioners that levies an 14603
excise tax under division ~~(A) (1) (A)~~ of this section on June 30, 14604
1997, at a rate of three per cent, and that has pledged revenue 14605
from the tax to an agreement entered into under section 307.695 14606
of the Revised Code or, in the case of the board of county 14607
commissioners of an eligible county as defined in section 14608
307.695 of the Revised Code, has amended a resolution levying a 14609
tax under division ~~(C) (M)~~ of this section to provide that 14610
proceeds from the tax shall be used by the board as described in 14611
division (H) of section 307.695 of the Revised Code, may, at any 14612
time by a resolution adopted by a majority of the members of the 14613
board, amend the resolution levying a tax under division ~~(A) (1)~~ 14614
(A) of this section to provide for an increase in the rate of 14615
that tax up to seven per cent on each transaction; to provide 14616
that revenue from the increase in the rate shall be used as 14617

described in division (H) of section 307.695 of the Revised Code 14618
or be spent solely to make contributions to the convention and 14619
visitors' bureau operating within the county to be used 14620
specifically for promotion, advertising, and marketing of the 14621
region in which the county is located; and to provide that the 14622
rate in excess of the three per cent levied under division ~~(A)~~ 14623
~~(1)~~ (A) of this section shall remain in effect at the rate at 14624
which it is imposed for the duration of the period during which 14625
any agreement is in effect that was entered into under section 14626
307.695 of the Revised Code by the board of county commissioners 14627
levying a tax under division ~~(A) (1)~~ (A) of this section, the 14628
duration of the period during which any securities issued by the 14629
board under division (I) of section 307.695 of the Revised Code 14630
are outstanding, or the duration of the period during which the 14631
board owns a project as defined in section 307.695 of the 14632
Revised Code, whichever duration is longest. The amendment also 14633
shall provide that no portion of that revenue need be returned 14634
to townships or municipal corporations as would otherwise be 14635
required under division ~~(A) (1)~~ (A) of this section. 14636

~~(3)~~ (C) (1) As used in division (C) of this section, "cost" 14637
and "facility" have the same meanings as in section 351.01 of 14638
the Revised Code, and "convention center" has the same meaning 14639
as in section 307.695 of the Revised Code. 14640

(2) A board of county commissioners that levies a tax 14641
under division ~~(A) (1)~~ (A) of this section on March 18, 1999, at 14642
a rate of three per cent may, by resolution adopted not later 14643
than forty-five days after March 18, 1999, amend the resolution 14644
levying the tax to provide for all of the following: 14645

(a) That the rate of the tax shall be increased by not 14646
more than an additional four per cent on each transaction; 14647

(b) That all of the revenue from the increase in the rate
shall be pledged and contributed to a convention facilities
authority established by the board of county commissioners under
Chapter 351. of the Revised Code on or before November 15, 1998,
and used to pay costs of constructing, maintaining, operating,
and promoting a facility in the county, including paying bonds,
or notes issued in anticipation of bonds, as provided by that
chapter;

(c) That no portion of the revenue arising from the
increase in rate need be returned to municipal corporations or
townships as otherwise required under division ~~(A) (1)~~ (A) of
this section;

(d) That the increase in rate shall not be subject to
diminution by initiative or referendum or by law while any
bonds, or notes in anticipation of bonds, issued by the
authority under Chapter 351. of the Revised Code to which the
revenue is pledged, remain outstanding in accordance with their
terms, unless provision is made by law or by the board of county
commissioners for an adequate substitute therefor that is
satisfactory to the trustee if a trust agreement secures the
bonds.

(3) Division ~~(A) (3)~~ (C) of this section does not apply to
the board of county commissioners of any county in which a
convention center or facility exists or is being constructed on
November 15, 1998, or of any county in which a convention
facilities authority levies a tax pursuant to section 351.021 of
the Revised Code on that date.

~~As used in division (A) (3) of this section, "cost" and
"facility" have the same meanings as in section 351.01 of the
Revised Code, and "convention center" has the same meaning as in~~

~~section 307.695 of the Revised Code.~~ 14678

~~(4)(a)~~ (D) (1) As used in division (D) of this section, 14679
"cost" has the same meaning as in section 351.01 of the Revised 14680
Code, and "convention center" has the same meaning as in section 14681
307.695 of the Revised Code. 14682

(2) A board of county commissioners that levies a tax 14683
under division ~~(A) (1)~~ (A) of this section on June 30, 2002, at a 14684
rate of three per cent may, by resolution adopted not later than 14685
September 30, 2002, amend the resolution levying the tax to 14686
provide for all of the following: 14687

~~(i)~~ (a) That the rate of the tax shall be increased by not 14688
more than an additional three and one-half per cent on each 14689
transaction; 14690

~~(ii)~~ (b) That all of the revenue from the increase in rate 14691
shall be pledged and contributed to a convention facilities 14692
authority established by the board of county commissioners under 14693
Chapter 351. of the Revised Code on or before May 15, 2002, and 14694
be used to pay costs of constructing, expanding, maintaining, 14695
operating, or promoting a convention center in the county, 14696
including paying bonds, or notes issued in anticipation of 14697
bonds, as provided by that chapter; 14698

~~(iii)~~ (c) That no portion of the revenue arising from the 14699
increase in rate need be returned to municipal corporations or 14700
townships as otherwise required under division ~~(A) (1)~~ (A) of 14701
this section; 14702

~~(iv)~~ (d) That the increase in rate shall not be subject to 14703
diminution by initiative or referendum or by law while any 14704
bonds, or notes in anticipation of bonds, issued by the 14705
authority under Chapter 351. of the Revised Code to which the 14706

revenue is pledged, remain outstanding in accordance with their 14707
terms, unless provision is made by law or by the board of county 14708
commissioners for an adequate substitute therefor that is 14709
satisfactory to the trustee if a trust agreement secures the 14710
bonds. 14711

~~(b)~~ (3) Any board of county commissioners that, pursuant 14712
to division ~~(A) (4) (a)~~ (D) (2) of this section, has amended a 14713
resolution levying the tax authorized by division ~~(A) (1)~~ (A) of 14714
this section may further amend the resolution to provide that 14715
the revenue referred to in division ~~(A) (4) (a) (ii)~~ (D) (2) (b) of 14716
this section shall be pledged and contributed both to a 14717
convention facilities authority to pay the costs of 14718
constructing, expanding, maintaining, or operating one or more 14719
convention centers in the county, including paying bonds, or 14720
notes issued in anticipation of bonds, as provided in Chapter 14721
351. of the Revised Code, and to a convention and visitors' 14722
bureau to pay the costs of promoting one or more convention 14723
centers in the county. 14724

~~As used in division (A) (4) of this section, "cost" has the~~ 14725
~~same meaning as in section 351.01 of the Revised Code, and~~ 14726
~~"convention center" has the same meaning as in section 307.695~~ 14727
~~of the Revised Code.~~ 14728

~~(5) (a)~~ (E) (1) As used in division ~~(A) (5)~~ (E) of this 14729
section: 14730

~~(i)~~ (a) "Port authority" means a port authority created 14731
under Chapter 4582. of the Revised Code. 14732

~~(ii)~~ (b) "Port authority military-use facility" means port 14733
authority facilities on which or adjacent to which is located an 14734
installation of the armed forces of the United States, a reserve 14735

component thereof, or the national guard and at least part of 14736
which is made available for use, for consideration, by the armed 14737
forces of the United States, a reserve component thereof, or the 14738
national guard. 14739

~~(b)~~ (2) For the purpose of contributing revenue to pay 14740
operating expenses of a port authority that operates a port 14741
authority military-use facility, the board of county 14742
commissioners of a county that created, participated in the 14743
creation of, or has joined such a port authority may do one or 14744
both of the following: 14745

~~(i)~~ (a) Amend a resolution previously adopted under 14746
division ~~(A) (1)~~ (A) of this section to designate some or all of 14747
the revenue from the tax levied under the resolution to be used 14748
for that purpose, notwithstanding that division; 14749

~~(ii)~~ (b) Amend a resolution previously adopted under 14750
division ~~(A) (1)~~ (A) of this section to increase the rate of the 14751
tax by not more than an additional two per cent and use the 14752
revenue from the increase exclusively for that purpose. 14753

~~(e)~~ (3) If a board of county commissioners amends a 14754
resolution to increase the rate of a tax as authorized in 14755
division ~~(A) (5) (b) (ii)~~ (E) (2) (b) of this section, the board also 14756
may amend the resolution to specify that the increase in rate of 14757
the tax does not apply to "hotels," as otherwise defined in 14758
section 5739.01 of the Revised Code, having fewer rooms used for 14759
the accommodation of guests than a number of rooms specified by 14760
the board. 14761

~~(6)~~ (F) (1) A board of county commissioners of a county 14762
organized under a county charter adopted pursuant to Article X, 14763
Section 3, Ohio Constitution, and that levies an excise tax 14764

under division ~~(A)(1)~~ (A) of this section at a rate of three per cent and levies an additional excise tax under division ~~(E)~~ (O) of this section at a rate of one and one-half per cent may, by resolution adopted not later than January 1, 2008, by a majority of the members of the board, amend the resolution levying a tax under division ~~(A)(1)~~ (A) of this section to provide for an increase in the rate of that tax by not more than an additional one per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. Notwithstanding divisions ~~(A)(1)~~ (A) and ~~(E)~~ (O) of this section, the resolution shall provide that all of the revenue from the increase in rate, after deducting the real and actual costs of administering the tax, shall be used to pay the costs of improving, expanding, equipping, financing, or operating a convention center by a convention and visitors' bureau in the county. ~~The~~

(2) The increase in rate shall remain in effect for the period specified in the resolution, not to exceed ten years, and may be extended for an additional period of time not to exceed ten years thereafter by a resolution adopted by a majority of the members of the board. ~~The~~

(3) The increase in rate shall be subject to the regulations adopted under division ~~(A)(1)~~ (A) of this section, except that the resolution may provide that no portion of the revenue from the increase in the rate shall be returned to townships or municipal corporations as would otherwise be required under that division.

~~(7)~~ (G) (1) Division ~~(A)(7)~~ (G) of this section applies only to a county with a population greater than sixty-five thousand and less than seventy thousand according to the most recent federal decennial census and in which, on December 31,

2006, an excise tax is levied under division ~~(A)(1)~~ (A) of this 14795
section at a rate not less than and not greater than three per 14796
cent, and in which the most recent increase in the rate of that 14797
tax was enacted or took effect in November 1984. 14798

(2) The board of county commissioners of a county to which 14799
~~this division~~ (G) of this section applies, by resolution adopted 14800
by a majority of the members of the board, may increase the rate 14801
of the tax by not more than one per cent on transactions by 14802
which lodging by a hotel is or is to be furnished to transient 14803
guests. The increase in rate shall be for the purpose of paying 14804
expenses deemed necessary by the convention and visitors' bureau 14805
operating in the county to promote travel and tourism. ~~The~~ 14806

(3) ~~The~~ increase in rate shall remain in effect for the 14807
period specified in the resolution, not to exceed twenty years, 14808
provided that the increase in rate may not continue beyond the 14809
time when the purpose for which the increase is levied ceases to 14810
exist. If revenue from the increase in rate is pledged to the 14811
payment of debt charges on securities, the increase in rate is 14812
not subject to diminution by initiative or referendum or by law 14813
for so long as the securities are outstanding, unless provision 14814
is made by law or by the board of county commissioners for an 14815
adequate substitute for that revenue that is satisfactory to the 14816
trustee if a trust agreement secures payment of the debt 14817
charges. ~~The~~ 14818

(4) ~~The~~ increase in rate shall be subject to the 14819
regulations adopted under division ~~(A)(1)~~ (A) of this section, 14820
except that the resolution may provide that no portion of the 14821
revenue from the increase in the rate shall be returned to 14822
townships or municipal corporations as would otherwise be 14823
required under division ~~(A)(1)~~ (A) of this section. ~~A~~ 14824

(5) A resolution adopted under division ~~(A) (7)~~ (G) of this 14825
section is subject to referendum under sections 305.31 to 305.99 14826
of the Revised Code. 14827

~~(8) (a)~~ (H) (1) Division ~~(A) (8)~~ (H) of this section applies 14828
only to a county satisfying all of the following: 14829

~~(i)~~ (a) The population of the county is greater than one 14830
hundred seventy-five thousand and less than two hundred twenty- 14831
five thousand according to the most recent federal decennial 14832
census. 14833

~~(ii)~~ (b) An amusement park with an average yearly 14834
attendance in excess of two million guests is located in the 14835
county. 14836

~~(iii)~~ (c) On December 31, 2014, an excise tax was levied 14837
in the county under division ~~(A) (1)~~ (A) of this section at a 14838
rate of three per cent. 14839

~~(b)~~ (2) The board of county commissioners of a county to 14840
which ~~this~~ division (H) of this section applies, by resolution 14841
adopted by a majority of the members of the board, may increase 14842
the rate of the tax by not more than one per cent on 14843
transactions by which lodging by a hotel is or is to be 14844
furnished to transient guests. The increase in rate shall be 14845
used to pay the costs of constructing and maintaining facilities 14846
owned by the county or by a port authority created under Chapter 14847
4582. of the Revised Code, and designed to host sporting events 14848
and expenses deemed necessary by the convention and visitors' 14849
bureau operating in the county to promote travel and tourism 14850
with reference to the sports facilities, and to pay or pledge to 14851
the payment of debt service on securities issued to pay the 14852
costs of constructing, operating, and maintaining the sports 14853

facilities. ~~The~~ 14854

(3) The increase in rate shall remain in effect for the 14855
period specified in the resolution. If revenue from the increase 14856
in rate is pledged to the payment of debt charges on securities, 14857
the increase in rate is not subject to diminution by initiative 14858
or referendum or by law for so long as the securities are 14859
outstanding, unless provision is made by law or by the board of 14860
county commissioners for an adequate substitute for that revenue 14861
that is satisfactory to the trustee if a trust agreement secures 14862
payment of the debt charges. ~~The~~ 14863

(4) The increase in rate shall be subject to the 14864
regulations adopted under division ~~(A)(1)~~ (A) of this section, 14865
except that the resolution may provide that no portion of the 14866
revenue from the increase in the rate shall be returned to 14867
townships or municipal corporations as would otherwise be 14868
required under division ~~(A)(1)~~ (A) of this section. 14869

~~(9)~~ (I)(1) The board of county commissioners of a county 14870
with a population greater than seventy-five thousand and less 14871
than seventy-eight thousand, by resolution adopted by a majority 14872
of the members of the board not later than October 15, 2015, may 14873
increase the rate of the tax by not more than one per cent on 14874
transactions by which lodging by a hotel is or is to be 14875
furnished to transient guests. The increase in rate shall be for 14876
the purposes described in section 307.679 of the Revised Code or 14877
for the promotion of travel and tourism in the county, including 14878
travel and tourism to sports facilities. ~~The~~ 14879

(2) The increase in rate shall remain in effect for the 14880
period specified in the resolution and as necessary to fulfill 14881
the county's obligations under a cooperative agreement entered 14882
into under section 307.679 of the Revised Code. If the 14883

resolution is adopted by the board before September 29, 2015, 14884
but after that enactment becomes law, the increase in rate shall 14885
become effective beginning on September 29, 2015. If revenue 14886
from the increase in rate is pledged to the payment of debt 14887
charges on securities, or to substitute for other revenues 14888
pledged to the payment of such debt, the increase in rate is not 14889
subject to diminution by initiative or referendum or by law for 14890
so long as the securities are outstanding, unless provision is 14891
made by law or by the board of county commissioners for an 14892
adequate substitute for that revenue that is satisfactory to the 14893
trustee if a trust agreement secures payment of the debt 14894
charges. ~~The~~ 14895

(3) The increase in rate shall be subject to the 14896
regulations adopted under division ~~(A)(1)~~ (A) of this section, 14897
except that no portion of the revenue from the increase in the 14898
rate shall be returned to townships or municipal corporations as 14899
would otherwise be required under division ~~(A)(1)~~ (A) of this 14900
section. 14901

~~(10)~~ (J)(1) Division ~~(A)(10)~~ (J) of this section applies 14902
only to counties satisfying either of the following: 14903

(a) A county that, on July 1, 2015, does not levy an 14904
excise tax under division ~~(A)(1)~~ (A) of this section and that 14905
has a population of at least thirty-nine thousand but not more 14906
than forty thousand according to the 2010 federal decennial 14907
census; 14908

(b) A county that, on July 1, 2015, levies an excise tax 14909
under division ~~(A)(1)~~ (A) of this section at a rate of three per 14910
cent and that has a population of at least seventy-one thousand 14911
but not more than seventy-five thousand according to 2010 14912
federal decennial census. 14913

(2) The board of county commissioners of a county to which 14914
division ~~(A) (10)~~ (J) of this section applies, by resolution 14915
adopted by a majority of the members of the board, may levy an 14916
excise tax at a rate not to exceed three per cent on 14917
transactions by which lodging by a hotel is or is to be 14918
furnished to transient guests for the purpose of acquiring, 14919
constructing, equipping, or repairing permanent improvements, as 14920
defined in section 133.01 of the Revised Code. ~~If~~ 14921

(3) ~~If~~ the board does not levy a tax under division ~~(A) (1)~~ 14922
(A) of this section, the board shall establish regulations 14923
necessary to provide for the administration of the tax, which 14924
may prescribe the time for payment of the tax and the imposition 14925
of penalty or interest subject to the limitations on penalty and 14926
interest provided in division ~~(A) (1)~~ (A) of this section. No 14927
portion of the revenue shall be returned to townships or 14928
municipal corporations in the county unless otherwise provided 14929
by resolution of the board. ~~The~~ 14930

(4) The tax shall apply throughout the territory of the 14931
county, including in any township or municipal corporation 14932
levying an excise tax under ~~division (B) of this section or~~ 14933
division (A) or (B) of section 5739.08 of the Revised Code. The 14934
levy of the tax is subject to referendum as provided under 14935
section 305.31 of the Revised Code. 14936

(5) The tax shall remain in effect for the period 14937
specified in the resolution. If revenue from the increase in 14938
rate is pledged to the payment of debt charges on securities, 14939
the increase in rate is not subject to diminution by initiative 14940
or referendum or by law for so long as the securities are 14941
outstanding unless provision is made by law or by the board for 14942
an adequate substitute for that revenue that is satisfactory to 14943

the trustee if a trust agreement secures payment of the debt 14944
charges. 14945

~~(11)~~ (K) (1) The board of county commissioners of an 14946
eligible county, as defined in section 307.678 of the Revised 14947
Code, that levies an excise tax under division ~~(A) (1)~~ (A) of 14948
this section on July 1, 2017, at a rate of three per cent may, 14949
by resolution adopted by a majority of the members of the board, 14950
amend the resolution levying the tax to increase the rate of the 14951
tax by not more than an additional three per cent on each 14952
transaction. ~~No~~ 14953

(2) ~~No~~ portion of the revenue shall be returned to 14954
townships or municipal corporations in the county unless 14955
otherwise provided by resolution of the board. Otherwise, the 14956
revenue from the increase in the rate shall be distributed and 14957
used in the same manner described under division ~~(A) (1)~~ (A) of 14958
this section or distributed or used to provide credit 14959
enhancement facilities as authorized under section 307.678 of 14960
the Revised Code. ~~The~~ 14961

(3) ~~The~~ increase in rate shall remain in effect for the 14962
period specified in the resolution. If revenue from the increase 14963
in rate is pledged to the payment of debt charges on securities, 14964
the increase in rate is not subject to diminution by initiative 14965
or referendum or by law for so long as the securities are 14966
outstanding unless provision is made by law or by the board for 14967
an adequate substitute for that revenue that is satisfactory to 14968
the trustee if a trust agreement secures payment of the debt 14969
charges. 14970

~~(12) (a)~~ (L) (1) As used in ~~this~~ division (L) of this 14971
section: 14972

~~(i)-(a)~~ "Eligible county" means a county that has a 14973
population greater than one hundred ninety thousand and less 14974
than two hundred thousand according to the 2010 federal 14975
decennial census and that levies an excise tax under division 14976
~~(A)(1)-(A)~~ of this section at a rate of three per cent. 14977

~~(ii)-(b)~~ "Professional sports facility" means a sports 14978
facility that is intended to house major or minor league 14979
professional athletic teams, including a stadium, together with 14980
all parking facilities, walkways, and other auxiliary 14981
facilities, real and personal property, property rights, 14982
easements, and interests that may be appropriate for, or used in 14983
connection with, the operation of the facility. 14984

~~(b)-(2)~~ Subject to division ~~(A)(12)(c)-(L)(3)~~ of this 14985
section, the board of county commissioners of an eligible 14986
county, by resolution adopted by a majority of the members of 14987
the board, may increase the rate of the tax by not more than one 14988
per cent on transactions by which lodging by a hotel is or is to 14989
be furnished to transient guests. Revenue from the increase in 14990
rate shall be used for the purposes of paying the costs of 14991
constructing, improving, and maintaining a professional sports 14992
facility in the county and paying expenses considered necessary 14993
by the convention and visitors' bureau operating in the county 14994
to promote travel and tourism with respect to that professional 14995
sports facility. The tax shall take effect only after the 14996
convention and visitors' bureau enters into a contract for the 14997
construction, improvement, or maintenance of a professional 14998
sports facility that is or will be located on property acquired, 14999
in whole or in part, with revenue from the increased rate, and 15000
thereafter shall remain in effect for the period specified in 15001
the resolution. If revenue from the increase in rate is pledged 15002
to the payment of debt charges on securities, the increase in 15003

rate is not subject to diminution by initiative or referendum or 15004
by law for so long as the securities are outstanding, unless a 15005
provision is made by law or by the board of county commissioners 15006
for an adequate substitute for that revenue that is satisfactory 15007
to the trustee if a trust agreement secures payment of the debt 15008
charges. The increase in rate shall be subject to the 15009
regulations adopted under division ~~(A) (1)~~ (A) of this section, 15010
except that the resolution may provide that no portion of the 15011
revenue from the increase in the rate shall be returned to 15012
townships or municipal corporations as would otherwise be 15013
required under division ~~(A) (1)~~ (A) of this section. 15014

~~(e)~~ (3) If, on December 31, 2019, the convention and 15015
visitors' bureau has not entered into a contract for the 15016
construction, improvement, or maintenance of a professional 15017
sports facility that is or will be located on property acquired, 15018
in whole or in part, with revenue from the increased rate, the 15019
authority to levy the tax under division ~~(A) (12) (b)~~ (L) (2) of 15020
this section is hereby repealed on that date. 15021

~~(B) (1) The legislative authority of a municipal~~ 15022
~~corporation or the board of trustees of a township that is not~~ 15023
~~wholly or partly located in a county that has in effect a~~ 15024
~~resolution levying an excise tax pursuant to division (A) (1) of~~ 15025
~~this section may, by ordinance or resolution, levy an excise tax~~ 15026
~~not to exceed three per cent on transactions by which lodging by~~ 15027
~~a hotel is or is to be furnished to transient guests. The~~ 15028
~~legislative authority of the municipal corporation or the board~~ 15029
~~of trustees of the township shall deposit at least fifty per~~ 15030
~~cent of the revenue from the tax levied pursuant to this~~ 15031
~~division into a separate fund, which shall be spent solely to~~ 15032
~~make contributions to convention and visitors' bureaus operating~~ 15033
~~within the county in which the municipal corporation or township~~ 15034

~~is wholly or partly located, and the balance of that revenue~~ 15035
~~shall be deposited in the general fund. The municipal~~ 15036
~~corporation or township shall establish all regulations~~ 15037
~~necessary to provide for the administration and allocation of~~ 15038
~~the tax. The regulations may prescribe the time for payment of~~ 15039
~~the tax, and may provide for the imposition of a penalty or~~ 15040
~~interest, or both, for late payments, provided that the penalty~~ 15041
~~does not exceed ten per cent of the amount of tax due, and the~~ 15042
~~rate at which interest accrues does not exceed the rate per~~ 15043
~~annum prescribed pursuant to section 5703.47 of the Revised~~ 15044
~~Code. The levy of a tax under this division is in addition to~~ 15045
~~any tax imposed on the same transaction by a municipal~~ 15046
~~corporation or a township as authorized by division (A) of~~ 15047
~~section 5739.08 of the Revised Code.~~ 15048

~~(2) (a) The legislative authority of the most populous~~ 15049
~~municipal corporation located wholly or partly in a county in~~ 15050
~~which the board of county commissioners has levied a tax under~~ 15051
~~division (A) (4) of this section may amend, on or before~~ 15052
~~September 30, 2002, that municipal corporation's ordinance or~~ 15053
~~resolution that levies an excise tax on transactions by which~~ 15054
~~lodging by a hotel is or is to be furnished to transient guests,~~ 15055
~~to provide for all of the following:~~ 15056

~~(i) That the rate of the tax shall be increased by not~~ 15057
~~more than an additional one per cent on each transaction;~~ 15058

~~(ii) That all of the revenue from the increase in rate~~ 15059
~~shall be pledged and contributed to a convention facilities~~ 15060
~~authority established by the board of county commissioners under~~ 15061
~~Chapter 351. of the Revised Code on or before May 15, 2002, and~~ 15062
~~be used to pay costs of constructing, expanding, maintaining,~~ 15063
~~operating, or promoting a convention center in the county,~~ 15064

~~including paying bonds, or notes issued in anticipation of~~ 15065
~~bonds, as provided by that chapter;~~ 15066

~~(iii) That the increase in rate shall not be subject to~~ 15067
~~diminution by initiative or referendum or by law while any~~ 15068
~~bonds, or notes in anticipation of bonds, issued by the~~ 15069
~~authority under Chapter 351. of the Revised Code to which the~~ 15070
~~revenue is pledged, remain outstanding in accordance with their~~ 15071
~~terms, unless provision is made by law, by the board of county~~ 15072
~~commissioners, or by the legislative authority, for an adequate~~ 15073
~~substitute therefor that is satisfactory to the trustee if a~~ 15074
~~trust agreement secures the bonds.~~ 15075

~~(b) The legislative authority of a municipal corporation~~ 15076
~~that, pursuant to division (B) (2) (a) of this section, has~~ 15077
~~amended its ordinance or resolution to increase the rate of the~~ 15078
~~tax authorized by division (B) (1) of this section may further~~ 15079
~~amend the ordinance or resolution to provide that the revenue~~ 15080
~~referred to in division (B) (2) (a) (ii) of this section shall be~~ 15081
~~pledged and contributed both to a convention facilities~~ 15082
~~authority to pay the costs of constructing, expanding,~~ 15083
~~maintaining, or operating one or more convention centers in the~~ 15084
~~county, including paying bonds, or notes issued in anticipation~~ 15085
~~of bonds, as provided in Chapter 351. of the Revised Code, and~~ 15086
~~to a convention and visitors' bureau to pay the costs of~~ 15087
~~promoting one or more convention centers in the county.~~ 15088

~~As used in division (B) (2) of this section, "cost" has the~~ 15089
~~same meaning as in section 351.01 of the Revised Code, and~~ 15090
~~"convention center" has the same meaning as in section 307.695-~~ 15091
~~of the Revised Code.~~ 15092

~~(3) The legislative authority of an eligible municipal~~ 15093
~~corporation may amend, on or before December 31, 2017, that~~ 15094

~~municipal corporation's ordinance or resolution that levies an~~ 15095
~~excise tax on transactions by which lodging by a hotel is or is~~ 15096
~~to be furnished to transient guests, to provide for the~~ 15097
~~following:—~~ 15098

~~(a) That the rate of the tax shall be increased by not~~ 15099
~~more than an additional three per cent on each transaction;—~~ 15100

~~(b) That all of the revenue from the increase in rate~~ 15101
~~shall be used by the municipal corporation for economic~~ 15102
~~development and tourism related purposes.—~~ 15103

~~As used in division (B) (3) of this section, "eligible~~ 15104
~~municipal corporation" means a municipal corporation that, on~~ 15105
~~the effective date of the amendment of this section by H.B. 49~~ 15106
~~of the 132nd general assembly, September 29, 2017, levied a tax~~ 15107
~~under division (B) (1) of this section at a rate of three per~~ 15108
~~cent and that is located in a county that, on that date, levied~~ 15109
~~a tax under division (A) of this section at a rate of three per~~ 15110
~~cent and that has, according to the most recent federal~~ 15111
~~decennial census, a population exceeding three hundred thousand~~ 15112
~~but not greater than three hundred fifty thousand.—~~ 15113

~~(C)~~ (M) (1) For the purposes described in section 307.695 15114
of the Revised Code and to cover the costs of administering the 15115
tax, a board of county commissioners of a county where a tax 15116
imposed under division ~~(A) (1)~~ (A) of this section is in effect 15117
may, by resolution adopted within ninety days after July 15, 15118
1985, by a majority of the members of the board, levy an 15119
additional excise tax not to exceed three per cent on 15120
transactions by which lodging by a hotel is or is to be 15121
furnished to transient guests. The tax authorized by ~~this~~ 15122
division (M) of this section shall be in addition to any tax 15123
that is levied pursuant to ~~division~~ divisions (A) to (L) of this 15124

section, but it shall not apply to transactions subject to a tax 15125
levied by a municipal corporation or township pursuant to ~~the~~ 15126
~~authorization granted by division (A) of~~ section 5739.08 of the 15127
Revised Code. ~~The~~ 15128

(2) The board shall establish all regulations necessary to 15129
provide for the administration and allocation of the tax. The 15130
regulations may prescribe the time for payment of the tax, and 15131
may provide for the imposition of a penalty or interest, or 15132
both, for late payments, provided that the penalty does not 15133
exceed ten per cent of the amount of tax due, and the rate at 15134
which interest accrues does not exceed the rate per annum 15135
prescribed pursuant to section 5703.47 of the Revised Code. ~~All~~ 15136

(3) All revenues arising from the tax shall be expended in 15137
accordance with section 307.695 of the Revised Code. The board 15138
of county commissioners of an eligible county as defined in 15139
section 307.695 of the Revised Code may, by resolution adopted 15140
by a majority of the members of the board, amend the resolution 15141
levying a tax under this division to provide that the revenue 15142
from the tax shall be used by the board as described in division 15143
(H) of section 307.695 of the Revised Code. ~~A~~ 15144

(4) A tax imposed under this division shall remain in 15145
effect at the rate at which it is imposed for the duration of 15146
the period during which any agreement entered into by the board 15147
under section 307.695 of the Revised Code is in effect, the 15148
duration of the period during which any securities issued by the 15149
board under division (I) of section 307.695 of the Revised Code 15150
are outstanding, or the duration of the period during which the 15151
board owns a project as defined in section 307.695 of the 15152
Revised Code, whichever duration is longest. 15153

~~(D)~~ (N) (1) For the purpose of providing contributions 15154

under division (B) (1) of section 307.671 of the Revised Code to 15155
enable the acquisition, construction, and equipping of a port 15156
authority educational and cultural facility in the county and, 15157
to the extent provided for in the cooperative agreement 15158
authorized by that section, for the purpose of paying debt 15159
service charges on bonds, or notes in anticipation of bonds, 15160
described in division (B) (1) (b) of that section, a board of 15161
county commissioners, by resolution adopted within ninety days 15162
after December 22, 1992, by a majority of the members of the 15163
board, may levy an additional excise tax not to exceed one and 15164
one-half per cent on transactions by which lodging by a hotel is 15165
or is to be furnished to transient guests. The excise tax 15166
authorized by ~~this~~ division (N) of this section shall be in 15167
addition to any tax that is levied pursuant to divisions (A), ~~—~~ 15168
~~(B), and (C)~~ to (M) of this section, to any excise tax levied 15169
pursuant to section 5739.08 of the Revised Code, and to any 15170
excise tax levied pursuant to section 351.021 of the Revised 15171
Code. ~~The~~ 15172

(2) The board of county commissioners shall establish all 15173
regulations necessary to provide for the administration and 15174
allocation of the tax that are not inconsistent with this 15175
section or section 307.671 of the Revised Code. The regulations 15176
may prescribe the time for payment of the tax, and may provide 15177
for the imposition of a penalty or interest, or both, for late 15178
payments, provided that the penalty does not exceed ten per cent 15179
of the amount of tax due, and the rate at which interest accrues 15180
does not exceed the rate per annum prescribed pursuant to 15181
section 5703.47 of the Revised Code. ~~All~~ 15182

(3) All revenues arising from the tax shall be expended in 15183
accordance with section 307.671 of the Revised Code and division 15184
~~(D)~~ (N) of this section. The levy of a tax imposed under ~~this~~ 15185

division (N) of this section may not commence prior to the first 15186
day of the month next following the execution of the cooperative 15187
agreement authorized by section 307.671 of the Revised Code by 15188
all parties to that agreement. ~~The~~ 15189

(4) The tax shall remain in effect at the rate at which it 15190
is imposed for the period of time described in division (C) of 15191
section 307.671 of the Revised Code for which the revenue from 15192
the tax has been pledged by the county to the corporation 15193
pursuant to that section, but, to any extent provided for in the 15194
cooperative agreement, for no lesser period than the period of 15195
time required for payment of the debt service charges on bonds, 15196
or notes in anticipation of bonds, described in division (B)(1) 15197
(b) of that section. 15198

~~(E)-(O) (1)~~ For the purpose of paying the costs of 15199
acquiring, constructing, equipping, and improving a municipal 15200
educational and cultural facility, including debt service 15201
charges on bonds provided for in division (B) of section 307.672 15202
of the Revised Code, and for any additional purposes determined 15203
by the county in the resolution levying the tax or amendments to 15204
the resolution, including subsequent amendments providing for 15205
paying costs of acquiring, constructing, renovating, 15206
rehabilitating, equipping, and improving a port authority 15207
educational and cultural performing arts facility, as defined in 15208
section 307.674 of the Revised Code, and including debt service 15209
charges on bonds provided for in division (B) of section 307.674 15210
of the Revised Code, the legislative authority of a county, by 15211
resolution adopted within ninety days after June 30, 1993, by a 15212
majority of the members of the legislative authority, may levy 15213
an additional excise tax not to exceed one and one-half per cent 15214
on transactions by which lodging by a hotel is or is to be 15215
furnished to transient guests. The excise tax authorized by ~~this~~ 15216

division (O) of this section shall be in addition to any tax 15217
that is levied pursuant to divisions (A), ~~(B)~~, ~~(C)~~, and ~~(D)~~ to 15218
(N) of this section, to any excise tax levied pursuant to 15219
section 5739.08 of the Revised Code, and to any excise tax 15220
levied pursuant to section 351.021 of the Revised Code. ~~The~~ 15221

(2) The legislative authority of the county shall 15222
establish all regulations necessary to provide for the 15223
administration and allocation of the tax. The regulations may 15224
prescribe the time for payment of the tax, and may provide for 15225
the imposition of a penalty or interest, or both, for late 15226
payments, provided that the penalty does not exceed ten per cent 15227
of the amount of tax due, and the rate at which interest accrues 15228
does not exceed the rate per annum prescribed pursuant to 15229
section 5703.47 of the Revised Code. ~~All~~ 15230

(3) All revenues arising from the tax shall be expended in 15231
accordance with section 307.672 of the Revised Code and this 15232
division. The levy of a tax imposed under this division shall 15233
not commence prior to the first day of the month next following 15234
the execution of the cooperative agreement authorized by section 15235
307.672 of the Revised Code by all parties to that agreement. 15236
The tax shall remain in effect at the rate at which it is 15237
imposed for the period of time determined by the legislative 15238
authority of the county. That period of time shall not exceed 15239
fifteen years, except that the legislative authority of a county 15240
with a population of less than two hundred fifty thousand 15241
according to the most recent federal decennial census, by 15242
resolution adopted by a majority of its members before the 15243
original tax expires, may extend the duration of the tax for an 15244
additional period of time. The additional period of time by 15245
which a legislative authority extends a tax levied under ~~this~~ 15246
division (O) of this section shall not exceed fifteen years. 15247

~~(F)~~ (P) (1) The legislative authority of a county that has 15248
levied a tax under division ~~(E)~~ (O) of this section may, by 15249
resolution adopted within one hundred eighty days after January 15250
4, 2001, by a majority of the members of the legislative 15251
authority, amend the resolution levying a tax under that 15252
division to provide for the use of the proceeds of that tax, to 15253
the extent that it is no longer needed for its original purpose 15254
as determined by the parties to a cooperative agreement 15255
amendment pursuant to division (D) of section 307.672 of the 15256
Revised Code, to pay costs of acquiring, constructing, 15257
renovating, rehabilitating, equipping, and improving a port 15258
authority educational and cultural performing arts facility, 15259
including debt service charges on bonds provided for in division 15260
(B) of section 307.674 of the Revised Code, and to pay all 15261
obligations under any guaranty agreements, reimbursement 15262
agreements, or other credit enhancement agreements described in 15263
division (C) of section 307.674 of the Revised Code. ~~The~~ 15264

(2) The resolution may also provide for the extension of 15265
the tax at the same rate for the longer of the period of time 15266
determined by the legislative authority of the county, but not 15267
to exceed an additional twenty-five years, or the period of time 15268
required to pay all debt service charges on bonds provided for 15269
in division (B) of section 307.672 of the Revised Code and on 15270
port authority revenue bonds provided for in division (B) of 15271
section 307.674 of the Revised Code. ~~All~~ 15272

(3) All revenues arising from the amendment and extension 15273
of the tax shall be expended in accordance with section 307.674 15274
of the Revised Code, ~~this division,~~ and ~~division (E)~~ divisions 15275
(O) and (P) of this section. 15276

~~(G) For purposes of a tax levied by a county, township, or~~ 15277

~~municipal corporation under this section or section 5739.08 of~~ 15278
~~the Revised Code, a board of county commissioners, board of~~ 15279
~~township trustees, or the legislative authority of a municipal~~ 15280
~~corporation may adopt a resolution or ordinance at any time~~ 15281
~~specifying that "hotel," as otherwise defined in section 5739.01~~ 15282
~~of the Revised Code, includes the following:—~~ 15283

~~(1) Establishments in which fewer than five rooms are used~~ 15284
~~for the accommodation of guests.—~~ 15285

~~(2) Establishments at which rooms are used for the~~ 15286
~~accommodation of guests regardless of whether each room is~~ 15287
~~accessible through its own keyed entry or several rooms are~~ 15288
~~accessible through the same keyed entry; and, in determining the~~ 15289
~~number of rooms, all rooms are included regardless of the number~~ 15290
~~of structures in which the rooms are situated or the number of~~ 15291
~~parcels of land on which the structures are located if the~~ 15292
~~structures are under the same ownership and the structures are~~ 15293
~~not identified in advertisements of the accommodations as~~ 15294
~~distinct establishments. For the purposes of division (C) (2) of~~ 15295
~~this section, two or more structures are under the same~~ 15296
~~ownership if they are owned by the same person, or if they are~~ 15297
~~owned by two or more persons the majority of the ownership~~ 15298
~~interests of which are owned by the same person.—~~ 15299

~~The resolution or ordinance may apply to a tax imposed~~ 15300
~~pursuant to this section prior to the adoption of the resolution~~ 15301
~~or ordinance if the resolution or ordinance so states, but the~~ 15302
~~tax shall not apply to transactions by which lodging by such an~~ 15303
~~establishment is provided to transient guests prior to the~~ 15304
~~adoption of the resolution or ordinance.—~~ 15305

~~(H) (1) (Q) (1) As used in this division (Q) of this~~ 15306
~~section:~~ 15307

(a) "Convention facilities authority" has the same meaning 15308
as in section 351.01 of the Revised Code. 15309

(b) "Convention center" has the same meaning as in section 15310
307.695 of the Revised Code. 15311

(2) Notwithstanding any contrary provision of division ~~(D)~~ 15312
(N) of this section, the legislative authority of a county with 15313
a population of one million or more according to the most recent 15314
federal decennial census that has levied a tax under division 15315
~~(D)~~ (N) of this section may, by resolution adopted by a majority 15316
of the members of the legislative authority, provide for the 15317
extension of such levy and may provide that the proceeds of that 15318
tax, to the extent that they are no longer needed for their 15319
original purpose as defined by a cooperative agreement entered 15320
into under section 307.671 of the Revised Code, shall be 15321
deposited into the county general revenue fund. The resolution 15322
shall provide for the extension of the tax at a rate not to 15323
exceed the rate specified in division ~~(D)~~ (N) of this section 15324
for a period of time determined by the legislative authority of 15325
the county, but not to exceed an additional forty years. 15326

(3) The legislative authority of a county with a 15327
population of one million or more that has levied a tax under 15328
division ~~(A)(1)~~ (A) of this section may, by resolution adopted 15329
by a majority of the members of the legislative authority, 15330
increase the rate of the tax levied by such county under 15331
division ~~(A)(1)~~ (A) of this section to a rate not to exceed five 15332
per cent on transactions by which lodging by a hotel is or is to 15333
be furnished to transient guests. Notwithstanding any contrary 15334
provision of division ~~(A)(1)~~ (A) of this section, the resolution 15335
may provide that all collections resulting from the rate levied 15336
in excess of three per cent, after deducting the real and actual 15337

costs of administering the tax, shall be deposited in the county 15338
general fund. 15339

(4) The legislative authority of a county with a 15340
population of one million or more that has levied a tax under 15341
division ~~(A)(1)~~ (A) of this section may, by resolution adopted 15342
on or before August 30, 2004, by a majority of the members of 15343
the legislative authority, provide that all or a portion of the 15344
proceeds of the tax levied under division ~~(A)(1)~~ (A) of this 15345
section, after deducting the real and actual costs of 15346
administering the tax and the amounts required to be returned to 15347
townships and municipal corporations with respect to the first 15348
three per cent levied under division ~~(A)(1)~~ (A) of this section, 15349
shall be deposited in the county general fund, provided that 15350
such proceeds shall be used to satisfy any pledges made in 15351
connection with an agreement entered into under section 307.695 15352
of the Revised Code. 15353

(5) No amount collected from a tax levied, extended, or 15354
required to be deposited in the county general fund under 15355
division ~~(H)~~ (Q) of this section shall be contributed to a 15356
convention facilities authority, corporation, or other entity 15357
created after July 1, 2003, for the principal purpose of 15358
constructing, improving, expanding, equipping, financing, or 15359
operating a convention center unless the mayor of the municipal 15360
corporation in which the convention center is to be operated by 15361
that convention facilities authority, corporation, or other 15362
entity has consented to the creation of that convention 15363
facilities authority, corporation, or entity. Notwithstanding 15364
any contrary provision of section 351.04 of the Revised Code, if 15365
a tax is levied by a county under division ~~(H)~~ (Q) of this 15366
section, the board of county commissioners of that county may 15367
determine the manner of selection, the qualifications, the 15368

number, and terms of office of the members of the board of 15369
directors of any convention facilities authority, corporation, 15370
or other entity described in division ~~(H) (5)~~ (Q) (5) of this 15371
section. 15372

(6) (a) No amount collected from a tax levied, extended, or 15373
required to be deposited in the county general fund under 15374
division ~~(H)~~ (Q) of this section may be used for any purpose 15375
other than paying the direct and indirect costs of constructing, 15376
improving, expanding, equipping, financing, or operating a 15377
convention center and for the real and actual costs of 15378
administering the tax, unless, prior to the adoption of the 15379
resolution of the legislative authority of the county 15380
authorizing the levy, extension, increase, or deposit, the 15381
county and the mayor of the most populous municipal corporation 15382
in that county have entered into an agreement as to the use of 15383
such amounts, provided that such agreement has been approved by 15384
a majority of the mayors of the other municipal corporations in 15385
that county. The agreement shall provide that the amounts to be 15386
used for purposes other than paying the convention center or 15387
administrative costs described in division ~~(H) (6) (a)~~ (Q) (6) (a) 15388
of this section be used only for the direct and indirect costs 15389
of capital improvements, including the financing of capital 15390
improvements. 15391

(b) If the county in which the tax is levied has an 15392
association of mayors and city managers, the approval of that 15393
association of an agreement described in division ~~(H) (6) (a)~~ (Q) 15394
(6) (a) of this section shall be considered to be the approval of 15395
the majority of the mayors of the other municipal corporations 15396
for purposes of that division. 15397

(7) Each year, the auditor of state shall conduct an audit 15398

of the uses of any amounts collected from taxes levied, 15399
extended, or deposited under division ~~(H)~~ (Q) of this section 15400
and shall prepare a report of the auditor of state's findings. 15401
The auditor of state shall submit the report to the legislative 15402
authority of the county that has levied, extended, or deposited 15403
the tax, the speaker of the house of representatives, the 15404
president of the senate, and the leaders of the minority parties 15405
of the house of representatives and the senate. 15406

~~(I)~~ ~~(1)~~ (R) (1) As used in ~~this~~ division (R) of this 15407
section: 15408

(a) "Convention facilities authority" has the same meaning 15409
as in section 351.01 of the Revised Code. 15410

(b) "Convention center" has the same meaning as in section 15411
307.695 of the Revised Code. 15412

(2) Notwithstanding any contrary provision of division ~~(D)~~ 15413
(N) of this section, the legislative authority of a county with 15414
a population of one million two hundred thousand or more 15415
according to the most recent federal decennial census or the 15416
most recent annual population estimate published or released by 15417
the United States census bureau at the time the resolution is 15418
adopted placing the levy on the ballot, that has levied a tax 15419
under division ~~(D)~~ (N) of this section may, by resolution 15420
adopted by a majority of the members of the legislative 15421
authority, provide for the extension of such levy and may 15422
provide that the proceeds of that tax, to the extent that the 15423
proceeds are no longer needed for their original purpose as 15424
defined by a cooperative agreement entered into under section 15425
307.671 of the Revised Code and after deducting the real and 15426
actual costs of administering the tax, shall be used for paying 15427
the direct and indirect costs of constructing, improving, 15428

expanding, equipping, financing, or operating a convention 15429
center. The resolution shall provide for the extension of the 15430
tax at a rate not to exceed the rate specified in division ~~(D)~~ 15431
(N) of this section for a period of time determined by the 15432
legislative authority of the county, but not to exceed an 15433
additional forty years. 15434

(3) The legislative authority of a county with a 15435
population of one million two hundred thousand or more that has 15436
levied a tax under division ~~(A)(1)~~ (A) of this section may, by 15437
resolution adopted by a majority of the members of the 15438
legislative authority, increase the rate of the tax levied by 15439
such county under division ~~(A)(1)~~ (A) of this section to a rate 15440
not to exceed five per cent on transactions by which lodging by 15441
a hotel is or is to be furnished to transient guests. 15442
Notwithstanding any contrary provision of division ~~(A)(1)~~ (A) of 15443
this section, the resolution shall provide that all collections 15444
resulting from the rate levied in excess of three per cent, 15445
after deducting the real and actual costs of administering the 15446
tax, shall be used for paying the direct and indirect costs of 15447
constructing, improving, expanding, equipping, financing, or 15448
operating a convention center. 15449

(4) The legislative authority of a county with a 15450
population of one million two hundred thousand or more that has 15451
levied a tax under division ~~(A)(1)~~ (A) of this section may, by 15452
resolution adopted on or before July 1, 2008, by a majority of 15453
the members of the legislative authority, provide that all or a 15454
portion of the proceeds of the tax levied under division ~~(A)(1)~~ 15455
(A) of this section, after deducting the real and actual costs 15456
of administering the tax and the amounts required to be returned 15457
to townships and municipal corporations with respect to the 15458
first three per cent levied under division ~~(A)(1)~~ (A) of this 15459

section, shall be used to satisfy any pledges made in connection 15460
with an agreement entered into under section 307.695 of the 15461
Revised Code or shall otherwise be used for paying the direct 15462
and indirect costs of constructing, improving, expanding, 15463
equipping, financing, or operating a convention center. 15464

(5) Any amount collected from a tax levied or extended 15465
under division ~~(I)~~(R) of this section may be contributed to a 15466
convention facilities authority created before July 1, 2005, but 15467
no amount collected from a tax levied or extended under division 15468
~~(I)~~(R) of this section may be contributed to a convention 15469
facilities authority, corporation, or other entity created after 15470
July 1, 2005, unless the mayor of the municipal corporation in 15471
which the convention center is to be operated by that convention 15472
facilities authority, corporation, or other entity has consented 15473
to the creation of that convention facilities authority, 15474
corporation, or entity. 15475

~~(J)(1) Except as provided in division (J)(2) of this 15476
section, money collected by a county and distributed under this 15477
section to a convention and visitors' bureau in existence as of 15478
June 30, 2013, the effective date of H.B. 59 of the 130th 15479
general assembly, except for any such money pledged, as of that 15480
effective date, to the payment of debt service charges on bonds, 15481
notes, securities, or lease agreements, shall be used solely for 15482
tourism sales, marketing and promotion, and their associated 15483
costs, including, but not limited to, operational and 15484
administrative costs of the bureau, sales and marketing, and 15485
maintenance of the physical bureau structure. 15486~~

~~(2) A convention and visitors' bureau that has entered 15487
into an agreement under section 307.678 of the Revised Code may 15488
use revenue it receives from a tax levied under division (A)(1) 15489~~

~~of this section as described in division (E) of section 307.678—~~ 15490
~~of the Revised Code.—~~ 15491

~~(K)~~ (S) As used in division (S) of this section, 15492
"soldiers' memorial" means a memorial constructed and funded 15493
under Chapter 345. of the Revised Code. 15494

The board of county commissioners of a county with a 15495
population between one hundred three thousand and one hundred 15496
seven thousand according to the most recent federal decennial 15497
census, by resolution adopted by a majority of the members of 15498
the board within six months after September 15, 2014, ~~the~~ 15499
~~effective date of H.B. 483 of the 130th general assembly,~~ may 15500
levy a tax not to exceed three per cent on transactions by which 15501
a hotel is or is to be furnished to transient guests. The 15502
purpose of the tax shall be to pay the costs of expanding, 15503
maintaining, or operating a soldiers' memorial and the costs of 15504
administering the tax. All revenue arising from the tax shall be 15505
credited to one or more special funds in the county treasury and 15506
shall be spent solely for the purposes of paying those costs. 15507
~~The—~~ 15508

The board of county commissioners shall adopt all rules 15509
necessary to provide for the administration of the tax subject 15510
to the same limitations on imposing penalty or interest under 15511
division ~~(A)(1)~~ (A) of this section. 15512

~~As used in this division "soldiers' memorial" means a~~ 15513
~~memorial constructed and funded under Chapter 345. of the~~ 15514
~~Revised Code.—~~ 15515

~~(I)~~ (T) As used in division (T) of this section, "eligible 15516
county" means a county in which a county agricultural society or 15517
independent agricultural society is organized under section 15518

1711.01 or 1711.02 of the Revised Code, provided the 15519
agricultural society owns a facility or site in the county at 15520
which an annual harness horse race is conducted where one-day 15521
attendance equals at least forty thousand attendees. 15522

A board of county commissioners of an eligible county, by 15523
resolution adopted by a majority of the members of the board, 15524
may levy an excise tax at the rate of up to three per cent on 15525
transactions by which lodging by a hotel is or is to be 15526
furnished to transient guests for the purpose of paying the 15527
costs of permanent improvements at sites at which one or more 15528
agricultural societies conduct fairs or exhibits, paying the 15529
costs of maintaining or operating such permanent improvements, 15530
and paying the costs of administering the tax. ~~A-~~ 15531

A resolution adopted under ~~this~~ division (T) of this 15532
section, other than a resolution that only extends the period of 15533
time for which the tax is levied, shall direct the board of 15534
elections to submit the question of the proposed lodging tax to 15535
the electors of the county at a special election held on the 15536
date specified by the board in the resolution, provided that the 15537
election occurs not less than ninety days after a certified copy 15538
of the resolution is transmitted to the board of elections. A 15539
resolution submitted to the electors under ~~this~~ division (T) of 15540
this section shall not go into effect unless it is approved by a 15541
majority of those voting upon it. The resolution takes effect on 15542
the date the board of county commissioners receives notification 15543
from the board of elections of an affirmative vote. 15544

The tax shall remain in effect for the period specified in 15545
the resolution, not to exceed five years, and may be extended 15546
for an additional period of time not to exceed fifteen years 15547
thereafter by a resolution adopted by a majority of the members 15548

of the board. A resolution extending the period of time for 15549
which the tax is in effect is not subject to approval of the 15550
electors of the county, but is subject to referendum under 15551
sections 305.31 to 305.99 of the Revised Code. All revenue 15552
arising from the tax shall be credited to one or more special 15553
funds in the county treasury and shall be spent solely for the 15554
purposes of paying the costs of such permanent improvements and 15555
maintaining or operating the improvements. Revenue allocated for 15556
the use of a county agricultural society may be credited to the 15557
county agricultural society fund created in section 1711.16 of 15558
the Revised Code upon appropriation by the board. If revenue is 15559
credited to that fund, it shall be expended only as provided in 15560
that section. 15561

The board of county commissioners shall adopt all rules 15562
necessary to provide for the administration of the tax. The 15563
rules may prescribe the time for payment of the tax, and may 15564
provide for the imposition or penalty or interest, or both, for 15565
late payments, provided that the penalty does not exceed ten per 15566
cent of the amount of tax due, and the rate at which interest 15567
accrues does not exceed the rate per annum prescribed in section 15568
5703.47 of the Revised Code. 15569

~~As used in this division, "eligible county" means a county~~ 15570
~~in which a county agricultural society or independent~~ 15571
~~agricultural society is organized under section 1711.01 or~~ 15572
~~1711.02 of the Revised Code, provided the agricultural society~~ 15573
~~owns a facility or site in the county at which an annual harness~~ 15574
~~horse race is conducted where one-day attendance equals at least~~ 15575
~~forty thousand attendees.~~ 15576

~~(M)~~ (U) As used in ~~this division~~ (U) of this section, 15577
"eligible county" means a county in which a tax is levied under 15578

division (A) of this section at a rate of three per cent and 15579
whose territory includes a part of Lake Erie the shoreline of 15580
which represents at least fifty per cent of the linear length of 15581
the county's border with other counties of this state. 15582

The board of county commissioners of an eligible county 15583
that has entered into an agreement with a port authority in the 15584
county under section 4582.56 of the Revised Code may levy an 15585
additional lodging tax on transactions by which lodging by a 15586
hotel is or is to be furnished to transient guests for the 15587
purpose of financing lakeshore improvement projects constructed 15588
or financed by the port authority under that section. The 15589
resolution levying the tax shall specify the purpose of the tax, 15590
the rate of the tax, which shall not exceed two per cent, and 15591
the number of years the tax will be levied or that it will be 15592
levied for a continuing period of time. The tax shall be 15593
administered pursuant to the regulations adopted by the board 15594
under division (A) of this section, except that all the proceeds 15595
of the tax levied under this division shall be pledged to the 15596
payment of the costs, including debt charges, of lakeshore 15597
improvements undertaken by a port authority pursuant to the 15598
agreement under section 4582.56 of the Revised Code. No revenue 15599
from the tax may be used to pay the current expenses of the port 15600
authority. 15601

A resolution levying a tax under ~~this~~ division (U) of this 15602
section is subject to referendum under sections 305.31 to 305.41 15603
and 305.99 of the Revised Code. 15604

~~(N) (1) (a) — (V) (1)~~ As used in division (V) of this section: 15605

(a) "Tourism development district" means a district 15606
designated by a municipal corporation under section 715.014 of 15607
the Revised Code or by a township under section 503.56 of the 15608

Revised Code. 15609

(b) "Lodging tax" means a tax levied pursuant to this 15610
section or section 5739.08 of the Revised Code. 15611

(c) "Tourism development district lodging tax proceeds" 15612
means all proceeds of a lodging tax derived from transactions by 15613
which lodging by a hotel located in a tourism development 15614
district is or is to be provided to transient guests. 15615

(d) "Eligible county" has the same meaning as in section 15616
307.678 of the Revised Code. 15617

(2) (a) Notwithstanding division (A) of this section, the 15618
board of county commissioners, board of township trustees, or 15619
legislative authority of any county, township, or municipal 15620
corporation that levies a lodging tax on September 29, 2017, and 15621
in which any part of a tourism development district is located 15622
on or after that date shall amend the ordinance or resolution 15623
levying the tax to require either of the following: 15624

(i) In the case of a tax levied by a county, that all 15625
tourism development district lodging tax proceeds from that tax 15626
be used exclusively to foster and develop tourism in the tourism 15627
development district; 15628

(ii) In the case of a tax levied by a township or 15629
municipal corporation, that all tourism development district 15630
lodging tax proceeds from that tax be used exclusively to foster 15631
and develop tourism in the tourism development district. 15632

(b) Notwithstanding division (A) of this section, any 15633
ordinance or resolution levying a lodging tax adopted on or 15634
after September 29, 2017, by a county, township, or municipal 15635
corporation in which any part of a tourism development district 15636
is located on or after that date shall require that all tourism 15637

development district lodging tax proceeds from that tax be used 15638
exclusively to foster and develop tourism in the tourism 15639
development district. 15640

(c) A county shall not use any of the proceeds described 15641
in division ~~(N) (1) (a) (i)~~ (V) (2) (a) (i) or ~~(N) (1) (b)~~ (V) (2) (b) of 15642
this section unless the convention and visitors' bureau 15643
operating within the county approves the manner in which such 15644
proceeds are used to foster and develop tourism in the tourism 15645
development district. Upon obtaining such approval, the county 15646
may pay such proceeds to the bureau to use for the agreed-upon 15647
purpose. 15648

A municipal corporation or township shall not use any of 15649
the proceeds described in division ~~(N) (1) (a) (ii)~~ (V) (2) (a) (ii) 15650
or ~~(N) (1) (b)~~ (V) (2) (b) of this section unless the convention and 15651
visitors' bureau operating within the municipal corporation or 15652
township approves the manner in which such proceeds are used to 15653
foster and develop tourism in the tourism development district. 15654
Upon obtaining such approval, the municipal corporation or 15655
township may pay such proceeds to the bureau to use for the 15656
agreed-upon purpose. 15657

~~(2) (a)~~ (3) (a) Notwithstanding division (A) of this 15658
section, the board of county commissioners of an eligible county 15659
that levies a lodging tax on March 23, 2018, may amend the 15660
resolution levying that tax to require that all or a portion of 15661
the proceeds of that tax otherwise required to be spent solely 15662
to make contributions to the convention and visitors' bureau 15663
operating within the county shall be used to foster and develop 15664
tourism in a tourism development district. 15665

(b) Notwithstanding division (A) of this section, the 15666
board of county commissioners of an eligible county that adopts 15667

a resolution levying a lodging tax on or after March 23, 2018, 15668
may require that all or a portion of the proceeds of that tax 15669
otherwise required to be spent solely to make contributions to 15670
the convention and visitors' bureau operating within the county 15671
pursuant to division (A) of this section shall be used to foster 15672
and develop tourism in a tourism development district. 15673

(c) A county shall not use any of the proceeds in the 15674
manner described in division ~~(N) (2) (a)~~ (V) (3) (a) or (b) of this 15675
section unless the convention and visitors' bureau operating 15676
within the county approves the manner in which such proceeds are 15677
used to foster and develop tourism in the tourism development 15678
district. Upon obtaining such approval, the county may pay such 15679
proceeds to the bureau to use for the agreed upon purpose. 15680

~~(3) As used in division (N) of this section:—~~ 15681

~~(a) "Tourism development district" means a district 15682
designated by a municipal corporation under section 715.014 of 15683
the Revised Code or by a township under section 503.56 of the 15684
Revised Code.— 15685~~

~~(b) "Lodging tax" means a tax levied pursuant to this 15686
section or section 5739.08 of the Revised Code.— 15687~~

~~(c) "Tourism development district lodging tax proceeds" 15688
means all proceeds of a lodging tax derived from transactions by 15689
which lodging by a hotel located in a tourism development 15690
district is or is to be provided to transient guests.— 15691~~

~~(d) "Eligible county" has the same meaning as in section 15692
307.678 of the Revised Code.— 15693~~

Sec. 5739.091. (A) For the purposes of a tax levied by a 15694
county, township, or municipal corporation under section 5739.08 15695
or 5739.09 of the Revised Code, a board of county commissioners, 15696

board of township trustees, or the legislative authority of a 15697
municipal corporation may adopt a resolution or ordinance at any 15698
time specifying that "hotel," as otherwise defined in section 15699
5739.01 of the Revised Code, includes the following: 15700

(1) Establishments in which fewer than five rooms are used 15701
for the accommodation of guests; 15702

(2) Establishments at which rooms are used for the 15703
accommodation of guests regardless of whether each room is 15704
accessible through its own keyed entry or several rooms are 15705
accessible through the same keyed entry; and, in determining the 15706
number of rooms, all rooms are included regardless of the number 15707
of structures in which the rooms are situated or the number of 15708
parcels of land on which the structures are located if the 15709
structures are under the same ownership and the structures are 15710
not identified in advertisements of the accommodations as 15711
distinct establishments. For the purposes of division (A) (2) of 15712
this section, two or more structures are under the same 15713
ownership if they are owned by the same person, or if they are 15714
owned by two or more persons the majority of the ownership 15715
interests of which are owned by the same person. 15716

(B) The resolution or ordinance may apply to a tax imposed 15717
pursuant to section 5739.08 or 5739.09 of the Revised Code prior 15718
to the adoption of the resolution or ordinance if the resolution 15719
or ordinance so states, but the tax shall not apply to 15720
transactions by which lodging by such an establishment is 15721
provided to transient guests prior to the adoption of the 15722
resolution or ordinance. 15723

Sec. 5739.092. (A) Except as provided in division (B) of 15724
this section, money collected by a county and distributed under 15725
section 5739.09 of the Revised Code to a convention and 15726

visitors' bureau in existence as of June 30, 2013, except for 15727
any such money pledged, as of that date, to the payment of debt 15728
service charges on bonds, notes, securities, or lease 15729
agreements, shall be used solely for tourism sales, marketing 15730
and promotion, and their associated costs, including operational 15731
and administrative costs of the bureau, sales and marketing, and 15732
maintenance of the physical bureau structure. 15733

(B) A convention and visitors' bureau that has entered 15734
into an agreement under section 307.678 of the Revised Code may 15735
use revenue it receives from a tax levied under division (A) of 15736
section 5739.09 of the Revised Code as described in division (E) 15737
of section 307.678 of the Revised Code. 15738

Sec. 5739.21. (A) One hundred per cent of all money 15739
deposited into the state treasury under sections 5739.01 to 15740
5739.31 of the Revised Code that is not required to be 15741
distributed as provided in section 5739.102 of the Revised Code 15742
or division (B) of this section shall be credited to the general 15743
revenue fund. 15744

(B) (1) In any case where any county or transit authority 15745
has levied a tax or taxes pursuant to section 5739.021, 15746
5739.023, or 5739.026 of the Revised Code, the tax commissioner 15747
shall, within forty-five days after the end of each month, 15748
determine and certify to the director of budget and management 15749
the amount of the proceeds of such tax or taxes received during 15750
that month from billings and assessments, or associated with tax 15751
returns or reports filed during that month, to be returned to 15752
the county or transit authority levying the tax or taxes. The 15753
amount to be returned to each county and transit authority shall 15754
be a fraction of the aggregate amount of money collected with 15755
respect to each area in which one or more of such taxes are 15756

concurrently in effect with the tax levied by section 5739.02 of 15757
the Revised Code. The numerator of the fraction is the rate of 15758
the tax levied by the county or transit authority and the 15759
denominator of the fraction is the aggregate rate of such taxes 15760
applicable to such area. The amount to be returned to each 15761
county or transit authority shall be reduced by the amount of 15762
any refunds of county or transit authority tax paid pursuant to 15763
section 5739.07 of the Revised Code during the same month, or 15764
transfers made pursuant to division (B)(2) of section 5703.052 15765
of the Revised Code. 15766

(2) On a periodic basis, using the best information 15767
available, the tax commissioner shall distribute any amount of a 15768
county or transit authority tax that cannot be distributed under 15769
division (B)(1) of this section. Through audit or other means, 15770
the commissioner shall attempt to obtain the information 15771
necessary to make the distribution as provided under that 15772
division and, on receipt of that information, shall make 15773
adjustments to distributions previously made under this 15774
division. 15775

(3) ~~Beginning July 1, 2008, eight~~ Eight and thirty-three 15776
one-hundredths of one per cent of the revenue collected from the 15777
tax due under division (A) of section 5739.029 of the Revised 15778
Code shall be distributed to the county where the sale of the 15779
motor vehicle is sitused under section ~~5739.035~~ 5739.033 of the 15780
Revised Code. The amount to be so distributed to the county 15781
shall be apportioned on the basis of the rates of taxes the 15782
county levies pursuant to sections 5739.021 and 5739.026 of the 15783
Revised Code, as applicable, and shall be credited to the funds 15784
of the county as provided in divisions (A) and (B) of section 15785
5739.211 of the Revised Code. 15786

(C) The aggregate amount to be returned to any county or transit authority shall be reduced by one per cent, which shall be certified directly to the credit of the local sales tax administrative fund, which is hereby created in the state treasury. For the purpose of determining the amount to be returned to a county and transit authority in which the rate of tax imposed by the transit authority has been reduced under section 5739.028 of the Revised Code, the tax commissioner shall use the respective rates of tax imposed by the county or transit authority that results from the change in the rates authorized under that section.

(D) The director of budget and management shall transfer, from the same funds and in the same proportions specified in division (A) of this section, to the permissive tax distribution fund created by division (B) (1) of section 4301.423 of the Revised Code and to the local sales tax administrative fund, the amounts certified by the tax commissioner. The tax commissioner shall then, on or before the twentieth day of the month in which such certification is made, provide for payment of such respective amounts to the county treasurer and to the fiscal officer of the transit authority levying the tax or taxes. The amount transferred to the local sales tax administrative fund is for use by the tax commissioner in defraying costs incurred in administering such taxes levied by a county or transit authority.

Sec. 5740.02. (A) (1) The state of Ohio shall participate in discussions with other states regarding the development of a streamlined sales and use tax system to reduce the burden and cost for all sellers to collect this state's sales and use taxes.

(2) Subject to division (B) of this section, the state
also shall participate in meetings of the implementing states or
the governing board of the agreement to review, amend, or
administer the terms of the agreement to simplify and modernize
sales and use tax administration that embodies the requirements
set forth in section 5740.05 of the Revised Code. For purposes
of these meetings, the state shall be represented by three
delegates. The tax commissioner or the commissioner's designee
shall be the chairperson of the delegation. The other delegates
shall be one delegate chosen by the speaker of the house of
representatives and one delegate chosen by the president of the
senate. In all matters where voting by the member states or the
governing board is required to amend the agreement, the
chairperson, based on the votes of the majority of the
delegation, shall cast this state's vote.

(B) The state shall not participate in the meetings of the
implementing states or the governing board referred to in
division (A) (2) of this section unless the meetings are
conducted in accordance with requirements substantially similar
to those described in divisions (C) and (F) of section 121.22 of
the Revised Code, as if the participants of the meetings were a
public body as defined in that section, except such meetings may
be closed during any discussion pertaining to proprietary
information of a person if the person so requests, personnel
matters, competitive bidding, certification of service
providers, or matters substantially similar to those described
~~in divisions~~ division (G) (2), (3), or (5) of section 121.22 of
the Revised Code. The state may participate in teleconferences,
special meetings, meetings of working groups, committees, or
steering committees if they are conducted in accordance with the
public participation rules applicable to such meetings, as

established by the implementing states entitled to participate 15848
in discussions to finalize the agreement, or the governing 15849
board. 15850

(C) As used in this section: 15851

(1) "Meetings of the implementing states" means meetings 15852
of the entire body of the states that are entitled to 15853
participate in discussions to finalize the agreement because 15854
they have enacted legislation based on the uniform sales and use 15855
tax administration act, approved January 24, 2001, or the 15856
simplified sales and use tax administration act, approved 15857
January 27, 2001. 15858

(2) "Governing board" means the board that, under the 15859
terms of the agreement, is responsible for the administration 15860
and operation of the agreement. 15861

Sec. 5743.05. The tax commissioner shall sell all stamps 15862
provided for by section 5743.03 of the Revised Code. The stamps 15863
shall be sold at their face value, except the commissioner 15864
shall, by rule, authorize the sale of stamps to wholesale 15865
dealers in this state, or to wholesale dealers outside this 15866
state, at a discount of not less than one and eight-tenths per 15867
cent or more than ten per cent of their face value, as a 15868
commission for affixing and canceling the stamps. 15869

The commissioner, by rule, shall authorize the delivery of 15870
stamps to wholesale dealers in this state and to wholesale 15871
dealers outside this state on credit. If such a dealer has not 15872
been in good credit standing with this state for five 15873
consecutive years preceding the purchase, the commissioner shall 15874
require the dealer to file with the commissioner a bond to the 15875
state in the amount and in the form prescribed by the 15876

commissioner, with surety to the satisfaction of the 15877
commissioner, conditioned on payment to the treasurer of state 15878
or the commissioner within thirty days or the following twenty- 15879
third day of June, whichever comes first for stamps delivered 15880
within that time. If such a dealer has been in good credit 15881
standing with this state for five consecutive years preceding 15882
the purchase, the commissioner shall not require that the dealer 15883
file such a bond but shall require payment for the stamps within 15884
thirty days after purchase of the stamps or the following 15885
twenty-third day of June, whichever comes first. Stamps sold to 15886
a dealer not required to file a bond shall be sold at face 15887
value. The maximum amount that may be sold on credit to a dealer 15888
not required to file a bond shall equal one hundred ten per cent 15889
of the dealer's average monthly purchases over the preceding 15890
calendar year. The maximum amount shall be adjusted to reflect 15891
any changes in the tax rate and may be adjusted, upon 15892
application to the commissioner by the dealer, to reflect 15893
changes in the business operations of the dealer. The maximum 15894
amount shall be applicable to the period between the first day 15895
of July to the following twenty-third day of June. Payment by a 15896
dealer not required to file a bond shall be remitted by 15897
electronic funds transfer as prescribed by section 5743.051 of 15898
the Revised Code. If a dealer not required to file a bond fails 15899
to make the payment in full within the required payment period, 15900
the commissioner shall not thereafter sell stamps to that dealer 15901
until the dealer pays the outstanding amount, including penalty 15902
and interest on that amount as prescribed in this chapter, and 15903
the commissioner thereafter may require the dealer to file a 15904
bond until the dealer is restored to good standing. The 15905
commissioner shall limit delivery of stamps on credit to the 15906
period running from the first day of July of the fiscal year 15907
until the twenty-third day of the following June. Any discount 15908

allowed as a commission for affixing and canceling stamps shall 15909
be allowed with respect to sales of stamps on credit. 15910

The commissioner shall redeem and pay for any destroyed, 15911
unused, or spoiled tax stamps at their net value, and shall 15912
refund to wholesale dealers the net amount of state and county 15913
taxes paid erroneously or paid on cigarettes that have been sold 15914
in interstate or foreign commerce or that have become unsalable, 15915
and the net amount of county taxes that were paid on cigarettes 15916
that have been sold at retail or for retail sale outside a 15917
taxing county. 15918

An application for a refund of tax shall be filed with the 15919
commissioner, on the form prescribed by the commissioner for 15920
that purpose, within three years from the date the tax stamps 15921
are destroyed or spoiled, from the date of the erroneous 15922
payment, or from the date that cigarettes on which taxes have 15923
been paid have been sold in interstate or foreign commerce or 15924
have become unsalable. 15925

On the filing of the application, the commissioner shall 15926
determine the amount of refund to which the applicant is 15927
entitled, payable from receipts of the state tax, and, if 15928
applicable, payable from receipts of a county tax. If the amount 15929
is not less than that claimed, the commissioner shall certify 15930
the amount to the director of budget and management and 15931
treasurer of state for payment from the tax refund fund created 15932
by section 5703.052 of the Revised Code. If the amount is less 15933
than that claimed, the commissioner shall proceed in accordance 15934
with section 5703.70 of the Revised Code. 15935

If a refund is granted for payment of an illegal or 15936
erroneous assessment issued by the department, the refund shall 15937
include interest on the amount of the refund from the date of 15938

the overpayment. The interest shall be computed at the rate per 15939
annum prescribed by section 5703.47 of the Revised Code. 15940

Sec. 5743.08. Whenever the tax commissioner discovers any 15941
cigarettes which are being shipped, or which have been shipped, 15942
or transported in violation of section 2927.023 of the Revised 15943
Code, or discovers cigarettes, subject to the taxes levied under 15944
section 5743.02, 5743.021, 5743.024, or 5743.026 of the Revised 15945
Code, and upon which the taxes have not been paid or that are 15946
held for sale or distribution in violation of any other 15947
provision of this chapter, the commissioner may seize and take 15948
possession of such cigarettes, which shall thereupon be 15949
forfeited to the state, and the commissioner, within a 15950
reasonable time thereafter shall sell or destroy the forfeited 15951
cigarettes. If the commissioner takes ~~possession~~ possession of 15952
cigarettes seized pursuant to section 3739.11 of the Revised 15953
Code, such cigarettes shall be forfeited to the state, and the 15954
commissioner shall destroy such cigarettes, except prior to the 15955
destruction of any such cigarettes, the true holder of the 15956
trademark rights in the cigarette brand shall be permitted to 15957
inspect the cigarettes. If the commissioner sells cigarettes 15958
under this section, the commissioner shall use proceeds from the 15959
sale to pay the costs incurred in the proceedings. Any proceeds 15960
remaining after all costs have been paid shall be considered 15961
revenue arising from the taxes levied under this chapter. 15962
Seizure and sale shall not be deemed to relieve any person from 15963
the fine or imprisonment provided for violation of sections 15964
5743.01 to 5743.20 of the Revised Code or from a civil penalty 15965
under section 3739.99 of the Revised Code. A sale shall be made 15966
where it is most convenient and economical. The tax commissioner 15967
may order the destruction of the forfeited cigarettes if the 15968
quantity or quality of the cigarettes is not sufficient to 15969

warrant their sale.

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Sec. 5743.33. Except as provided in section ~~5747.331~~
5743.331 of the Revised Code, every person who has acquired
cigarettes for use, storage, or other consumption subject to the
tax levied under section 5743.32, 5743.321, 5743.323, or
5743.324 of the Revised Code, shall, on or before the fifteenth
day of the month following receipt of such cigarettes, file with
the tax commissioner a return showing the amount of cigarettes
acquired, together with remittance of the tax thereon. No such
person shall transport within this state, cigarettes that have a
wholesale value in excess of three hundred dollars, unless that
person has obtained consent to transport the cigarettes from the
department of taxation prior to such transportation. Such
consent shall not be required if the applicable taxes levied
under sections 5743.02, 5743.021, 5743.024, and 5743.026 of the
Revised Code have been paid. Application for the consent shall
be in the form prescribed by the tax commissioner.

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Every person transporting such cigarettes shall possess
the consent while transporting or possessing the cigarettes
within this state and shall produce the consent upon request of
any law enforcement officer or authorized agent of the tax
commissioner.

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Any person transporting such cigarettes without the
consent required by this section, shall be subject to the
provisions of this chapter, including the applicable taxes
imposed under sections 5743.02, 5743.021, 5743.024, and 5743.026
of the Revised Code.

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Sec. 5743.65. No person required by division ~~(B)~~ (C) of
section 5743.62 or division (B) of section 5743.63 of the
Revised Code to file a return with the tax commissioner shall

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fail to make the return or fail to pay the applicable taxes 16000
levied under section 5743.62 or 5743.63 of the Revised Code or 16001
fail to pay any lawful assessment issued by the tax 16002
commissioner. 16003

Sec. 5745.14. (A) If any of the facts, figures, 16004
computations, or attachments required in a taxpayer's report to 16005
determine the tax due a municipal corporation must be altered as 16006
the result of an adjustment to the taxpayer's federal income tax 16007
return, whether the adjustment is initiated by the taxpayer, the 16008
internal revenue service, or the tax commissioner, and such 16009
alteration affects the taxpayer's tax liability to a municipal 16010
corporation, the taxpayer shall file an amended report with the 16011
tax commissioner in such form as the commissioner requires. The 16012
amended report shall be filed not later than one year after the 16013
adjustment has been agreed to or finally determined. 16014

(B) In the case of an underpayment, the amended report 16015
shall be accompanied by payment of an additional tax and 16016
interest due and is a report subject to assessment under section 16017
5745.12 of the Revised Code for the purpose of assessing any 16018
additional tax due under this division, together with any 16019
applicable penalty and interest. It shall not reopen those 16020
facts, figures, computations, or attachments from a previously 16021
filed report no longer subject to assessment that are not 16022
affected, either directly or indirectly, by the adjustment to 16023
the taxpayer's federal income tax return. 16024

(C) In the case of an overpayment, an application for 16025
refund may be filed under section 5745.11 of the Revised Code 16026
within the one-year period prescribed for filing the amended 16027
report even if it is filed beyond the period prescribed by that 16028
section, if it otherwise conforms to the requirements of such 16029

section. An application filed under this division shall claim 16030
refund of overpayments resulting from alterations to only those 16031
facts, figures, computations, or attachments required in the 16032
taxpayer's report that are affected, either directly or 16033
indirectly, by the adjustment to the taxpayer's federal income 16034
tax return unless it is also filed within the time prescribed by 16035
section 5745.11 of the Revised Code. It shall not reopen those 16036
facts, figures, computations, or attachments that are not 16037
affected, either directly or indirectly, by the adjustment to 16038
the taxpayer's federal income tax return. 16039

Sec. 5747.01. Except as otherwise expressly provided or 16040
clearly appearing from the context, any term used in this 16041
chapter that is not otherwise defined in this section has the 16042
same meaning as when used in a comparable context in the laws of 16043
the United States relating to federal income taxes or if not 16044
used in a comparable context in those laws, has the same meaning 16045
as in section 5733.40 of the Revised Code. Any reference in this 16046
chapter to the Internal Revenue Code includes other laws of the 16047
United States relating to federal income taxes. 16048

As used in this chapter: 16049

(A) "Adjusted gross income" or "Ohio adjusted gross 16050
income" means federal adjusted gross income, as defined and used 16051
in the Internal Revenue Code, adjusted as provided in this 16052
section: 16053

(1) Add interest or dividends on obligations or securities 16054
of any state or of any political subdivision or authority of any 16055
state, other than this state and its subdivisions and 16056
authorities. 16057

(2) Add interest or dividends on obligations of any 16058

authority, commission, instrumentality, territory, or possession 16059
of the United States to the extent that the interest or 16060
dividends are exempt from federal income taxes but not from 16061
state income taxes. 16062

(3) Deduct interest or dividends on obligations of the 16063
United States and its territories and possessions or of any 16064
authority, commission, or instrumentality of the United States 16065
to the extent that the interest or dividends are included in 16066
federal adjusted gross income but exempt from state income taxes 16067
under the laws of the United States. 16068

(4) Deduct disability and survivor's benefits to the 16069
extent included in federal adjusted gross income. 16070

(5) Deduct benefits under Title II of the Social Security 16071
Act and tier 1 railroad retirement benefits to the extent 16072
included in federal adjusted gross income under section 86 of 16073
the Internal Revenue Code. 16074

~~(6) In the case of a taxpayer who is a beneficiary of a 16075~~
~~trust that makes an accumulation distribution as defined in 16076~~
~~section 665 of the Internal Revenue Code, add, for the 16077~~
~~beneficiary's taxable years beginning before 2002, the portion, 16078~~
~~if any, of such distribution that does not exceed the 16079~~
~~undistributed net income of the trust for the three taxable 16080~~
~~years preceding the taxable year in which the distribution is 16081~~
~~made to the extent that the portion was not included in the 16082~~
~~trust's taxable income for any of the trust's taxable years 16083~~
~~beginning in 2002 or thereafter. "Undistributed net income of a 16084~~
~~trust" means the taxable income of the trust increased by (a) (i) 16085~~
~~the additions to adjusted gross income required under division 16086~~
~~(A) of this section and (ii) the personal exemptions allowed to 16087~~
~~the trust pursuant to section 642(b) of the Internal Revenue 16088~~

Code, and decreased by (b) (i) the deductions to adjusted gross income required under division (A) of this section, (ii) the amount of federal income taxes attributable to such income, and (iii) the amount of taxable income that has been included in the adjusted gross income of a beneficiary by reason of a prior accumulation distribution. Any undistributed net income included in the adjusted gross income of a beneficiary shall reduce the undistributed net income of the trust commencing with the earliest years of the accumulation period.

~~(7)~~ Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal adjusted gross income for the taxable year, had the targeted jobs credit allowed and determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect.

~~(8)~~ (7) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent that the interest or interest equivalent is included in federal adjusted gross income.

~~(9)~~ (8) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent that the loss has been deducted or the gain has been included in computing federal adjusted gross income.

~~(10)~~ (9) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions to variable college savings program accounts made or tuition units purchased pursuant to Chapter 3334. of the Revised Code.

~~(11)~~ ~~(a)~~ (10) (a) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or

Ohio adjusted gross income for the taxable year, the amount the
taxpayer paid during the taxable year for medical care insurance
and qualified long-term care insurance for the taxpayer, the
taxpayer's spouse, and dependents. No deduction for medical care
insurance under division ~~(A) (11) (a)~~ (A) (10) (a) of this section
shall be allowed either to any taxpayer who is eligible to
participate in any subsidized health plan maintained by any
employer of the taxpayer or of the taxpayer's spouse, or to any
taxpayer who is entitled to, or on application would be entitled
to, benefits under part A of Title XVIII of the "Social Security
Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended. For the
purposes of division ~~(A) (11) (a)~~ (A) (10) (a) of this section,
"subsidized health plan" means a health plan for which the
employer pays any portion of the plan's cost. The deduction
allowed under division ~~(A) (11) (a)~~ (A) (10) (a) of this section
shall be the net of any related premium refunds, related premium
reimbursements, or related insurance premium dividends received
during the taxable year.

(b) Deduct, to the extent not otherwise deducted or
excluded in computing federal or Ohio adjusted gross income
during the taxable year, the amount the taxpayer paid during the
taxable year, not compensated for by any insurance or otherwise,
for medical care of the taxpayer, the taxpayer's spouse, and
dependents, to the extent the expenses exceed seven and one-half
per cent of the taxpayer's federal adjusted gross income.

~~(c) Deduct, to the extent not otherwise deducted or
excluded in computing federal or Ohio adjusted gross income, any
amount included in federal adjusted gross income under section
105 or not excluded under section 106 of the Internal Revenue
Code solely because it relates to an accident and health plan
for a person who otherwise would be a "qualifying relative" and~~

~~thus a "dependent" under section 152 of the Internal Revenue~~ 16149
~~Code but for the fact that the person fails to meet the income~~ 16150
~~and support limitations under section 152(d)(1)(B) and (C) of~~ 16151
~~the Internal Revenue Code.~~ 16152

~~(d)~~ For purposes of division ~~(A)(11)~~ (A)(10) of this 16153
section, "medical care" has the meaning given in section 213 of 16154
the Internal Revenue Code, subject to the special rules, 16155
limitations, and exclusions set forth therein, and "qualified 16156
long-term care" has the same meaning given in section 7702B(c) 16157
of the Internal Revenue Code. Solely for purposes of ~~divisions~~ 16158
~~(A)(11)(a) and (c)~~ division (A)(10)(a) of this section, 16159
"dependent" includes a person who otherwise would be a 16160
"qualifying relative" and thus a "dependent" under section 152 16161
of the Internal Revenue Code but for the fact that the person 16162
fails to meet the income and support limitations under section 16163
152(d)(1)(B) and (C) of the Internal Revenue Code. 16164

~~(12)(a)~~ (11)(a) Deduct any amount included in federal 16165
adjusted gross income solely because the amount represents a 16166
reimbursement or refund of expenses that in any year the 16167
taxpayer had deducted as an itemized deduction pursuant to 16168
section 63 of the Internal Revenue Code and applicable United 16169
States department of the treasury regulations. The deduction 16170
otherwise allowed under division ~~(A)(12)(a)~~ (A)(11)(a) of this 16171
section shall be reduced to the extent the reimbursement is 16172
attributable to an amount the taxpayer deducted under this 16173
section in any taxable year. 16174

(b) Add any amount not otherwise included in Ohio adjusted 16175
gross income for any taxable year to the extent that the amount 16176
is attributable to the recovery during the taxable year of any 16177
amount deducted or excluded in computing federal or Ohio 16178

adjusted gross income in any taxable year. 16179

~~(13)~~ (12) Deduct any portion of the deduction described in 16180
section 1341(a) (2) of the Internal Revenue Code, for repaying 16181
previously reported income received under a claim of right, that 16182
meets both of the following requirements: 16183

(a) It is allowable for repayment of an item that was 16184
included in the taxpayer's adjusted gross income for a prior 16185
taxable year and did not qualify for a credit under division (A) 16186
or (B) of section 5747.05 of the Revised Code for that year; 16187

(b) It does not otherwise reduce the taxpayer's adjusted 16188
gross income for the current or any other taxable year. 16189

~~(14)~~ (13) Deduct an amount equal to the deposits made to, 16190
and net investment earnings of, a medical savings account during 16191
the taxable year, in accordance with section 3924.66 of the 16192
Revised Code. The deduction allowed by division ~~(A) (14)~~ (A) (13) 16193
of this section does not apply to medical savings account 16194
deposits and earnings otherwise deducted or excluded for the 16195
current or any other taxable year from the taxpayer's federal 16196
adjusted gross income. 16197

~~(15) (a)~~ (14) (a) Add an amount equal to the funds withdrawn 16198
from a medical savings account during the taxable year, and the 16199
net investment earnings on those funds, when the funds withdrawn 16200
were used for any purpose other than to reimburse an account 16201
holder for, or to pay, eligible medical expenses, in accordance 16202
with section 3924.66 of the Revised Code; 16203

(b) Add the amounts distributed from a medical savings 16204
account under division (A) (2) of section 3924.68 of the Revised 16205
Code during the taxable year. 16206

~~(16)~~ (15) Add any amount claimed as a credit under section 16207

5747.059 of the Revised Code to the extent that such amount 16208
satisfies either of the following: 16209

(a) The amount was deducted or excluded from the 16210
computation of the taxpayer's federal adjusted gross income as 16211
required to be reported for the taxpayer's taxable year under 16212
the Internal Revenue Code; 16213

(b) The amount resulted in a reduction of the taxpayer's 16214
federal adjusted gross income as required to be reported for any 16215
of the taxpayer's taxable years under the Internal Revenue Code. 16216

~~(17)~~ (16) Deduct the amount contributed by the taxpayer to 16217
an individual development account program established by a 16218
county department of job and family services pursuant to 16219
sections 329.11 to 329.14 of the Revised Code for the purpose of 16220
matching funds deposited by program participants. On request of 16221
the tax commissioner, the taxpayer shall provide any information 16222
that, in the tax commissioner's opinion, is necessary to 16223
establish the amount deducted under division ~~(A) (17)~~ (A) (16) of 16224
this section. 16225

~~(18) Beginning in taxable year 2001 but not for any 16226
taxable year beginning after December 31, 2005, if the taxpayer 16227
is married and files a joint return and the combined federal 16228
adjusted gross income of the taxpayer and the taxpayer's spouse 16229
for the taxable year does not exceed one hundred thousand 16230
dollars, or if the taxpayer is single and has a federal adjusted 16231
gross income for the taxable year not exceeding fifty thousand 16232
dollars, deduct amounts paid during the taxable year for 16233
qualified tuition and fees paid to an eligible institution for 16234
the taxpayer, the taxpayer's spouse, or any dependent of the 16235
taxpayer, who is a resident of this state and is enrolled in or 16236
attending a program that culminates in a degree or diploma at an 16237~~

~~eligible institution. The deduction may be claimed only to the extent that qualified tuition and fees are not otherwise deducted or excluded for any taxable year from federal or Ohio adjusted gross income. The deduction may not be claimed for educational expenses for which the taxpayer claims a credit under section 5747.27 of the Revised Code.~~

~~(19) Add any reimbursement received during the taxable year of any amount the taxpayer deducted under division (A) (18) of this section in any previous taxable year to the extent the amount is not otherwise included in Ohio adjusted gross income.~~

~~(20) (a) (i)~~ (17) (a) (i) Subject to divisions ~~(A) (20) (a) (iii)~~ (A) (17) (a) (iii), (iv), and (v) of this section, add five-sixths of the amount of depreciation expense allowed by subsection (k) of section 168 of the Internal Revenue Code, including the taxpayer's proportionate or distributive share of the amount of depreciation expense allowed by that subsection to a pass-through entity in which the taxpayer has a direct or indirect ownership interest.

(ii) Subject to divisions ~~(A) (20) (a) (iii)~~ (A) (17) (a) (iii), (iv), and (v) of this section, add five-sixths of the amount of qualifying section 179 depreciation expense, including the taxpayer's proportionate or distributive share of the amount of qualifying section 179 depreciation expense allowed to any pass-through entity in which the taxpayer has a direct or indirect ownership interest.

(iii) Subject to division ~~(A) (20) (a) (v)~~ (A) (17) (a) (v) of this section, for taxable years beginning in 2012 or thereafter, if the increase in income taxes withheld by the taxpayer is equal to or greater than ten per cent of income taxes withheld by the taxpayer during the taxpayer's immediately preceding

taxable year, "two-thirds" shall be substituted for "five- 16268
sixths" for the purpose of divisions ~~(A) (20) (a) (i)~~ (A) (17) (a) (i) 16269
and (ii) of this section. 16270

(iv) Subject to division ~~(A) (20) (a) (v)~~ (A) (17) (a) (v) of 16271
this section, for taxable years beginning in 2012 or thereafter, 16272
a taxpayer is not required to add an amount under division ~~(A)~~ 16273
~~(20)~~ (A) (17) of this section if the increase in income taxes 16274
withheld by the taxpayer and by any pass-through entity in which 16275
the taxpayer has a direct or indirect ownership interest is 16276
equal to or greater than the sum of (I) the amount of qualifying 16277
section 179 depreciation expense and (II) the amount of 16278
depreciation expense allowed to the taxpayer by subsection (k) 16279
of section 168 of the Internal Revenue Code, and including the 16280
taxpayer's proportionate or distributive shares of such amounts 16281
allowed to any such pass-through entities. 16282

(v) If a taxpayer directly or indirectly incurs a net 16283
operating loss for the taxable year for federal income tax 16284
purposes, to the extent such loss resulted from depreciation 16285
expense allowed by subsection (k) of section 168 of the Internal 16286
Revenue Code and by qualifying section 179 depreciation expense, 16287
"the entire" shall be substituted for "five-sixths of the" for 16288
the purpose of divisions ~~(A) (20) (a) (i)~~ (A) (17) (a) (i) and (ii) of 16289
this section. 16290

The tax commissioner, under procedures established by the 16291
commissioner, may waive the add-backs related to a pass-through 16292
entity if the taxpayer owns, directly or indirectly, less than 16293
five per cent of the pass-through entity. 16294

(b) Nothing in division ~~(A) (20)~~ (A) (17) of this section 16295
shall be construed to adjust or modify the adjusted basis of any 16296
asset. 16297

(c) To the extent the add-back required under division ~~(A)~~
~~(20)(a)~~ (A)(17)(a) of this section is attributable to property
generating nonbusiness income or loss allocated under section
5747.20 of the Revised Code, the add-back shall be situated to
the same location as the nonbusiness income or loss generated by
the property for the purpose of determining the credit under
division (A) of section 5747.05 of the Revised Code. Otherwise,
the add-back shall be apportioned, subject to one or more of the
four alternative methods of apportionment enumerated in section
5747.21 of the Revised Code.

(d) For the purposes of division ~~(A)(20)(a)(v)~~ (A)(17)(a)
(v) of this section, net operating loss carryback and
carryforward shall not include the allowance of any net
operating loss deduction carryback or carryforward to the
taxable year to the extent such loss resulted from depreciation
allowed by section 168(k) of the Internal Revenue Code and by
the qualifying section 179 depreciation expense amount.

(e) For the purposes of divisions ~~(A)(20)~~ (A)(17) and ~~(21)~~
(18) of this section:

(i) "Income taxes withheld" means the total amount
withheld and remitted under sections 5747.06 and 5747.07 of the
Revised Code by an employer during the employer's taxable year.

(ii) "Increase in income taxes withheld" means the amount
by which the amount of income taxes withheld by an employer
during the employer's current taxable year exceeds the amount of
income taxes withheld by that employer during the employer's
immediately preceding taxable year.

(iii) "Qualifying section 179 depreciation expense" means
the difference between (I) the amount of depreciation expense

directly or indirectly allowed to a taxpayer under section 179 16327
of the Internal Revised Code, and (II) the amount of 16328
depreciation expense directly or indirectly allowed to the 16329
taxpayer under section 179 of the Internal Revenue Code as that 16330
section existed on December 31, 2002. 16331

~~(21)(a)~~ (18)(a) If the taxpayer was required to add an 16332
amount under division ~~(A)(20)(a)~~ (A)(17)(a) of this section for 16333
a taxable year, deduct one of the following: 16334

(i) One-fifth of the amount so added for each of the five 16335
succeeding taxable years if the amount so added was five-sixths 16336
of qualifying section 179 depreciation expense or depreciation 16337
expense allowed by subsection (k) of section 168 of the Internal 16338
Revenue Code; 16339

(ii) One-half of the amount so added for each of the two 16340
succeeding taxable years if the amount so added was two-thirds 16341
of such depreciation expense; 16342

(iii) One-sixth of the amount so added for each of the six 16343
succeeding taxable years if the entire amount of such 16344
depreciation expense was so added. 16345

(b) If the amount deducted under division ~~(A)(21)(a)~~ (A) 16346
(18)(a) of this section is attributable to an add-back allocated 16347
under division ~~(A)(20)(c)~~ (A)(17)(c) of this section, the amount 16348
deducted shall be situated to the same location. Otherwise, the 16349
add-back shall be apportioned using the apportionment factors 16350
for the taxable year in which the deduction is taken, subject to 16351
one or more of the four alternative methods of apportionment 16352
enumerated in section 5747.21 of the Revised Code. 16353

(c) No deduction is available under division ~~(A)(21)(a)~~ 16354
(A)(18)(a) of this section with regard to any depreciation 16355

allowed by section 168(k) of the Internal Revenue Code and by 16356
the qualifying section 179 depreciation expense amount to the 16357
extent that such depreciation results in or increases a federal 16358
net operating loss carryback or carryforward. If no such 16359
deduction is available for a taxable year, the taxpayer may 16360
carry forward the amount not deducted in such taxable year to 16361
the next taxable year and add that amount to any deduction 16362
otherwise available under division ~~(A) (21) (a)~~ (A) (18) (a) of this 16363
section for that next taxable year. The carryforward of amounts 16364
not so deducted shall continue until the entire addition 16365
required by division ~~(A) (20) (a)~~ (A) (17) (a) of this section has 16366
been deducted. 16367

~~(d) No refund shall be allowed as a result of adjustments~~ 16368
~~made by division (A) (21) of this section.~~ 16369

~~(22)~~ (19) Deduct, to the extent not otherwise deducted or 16370
excluded in computing federal or Ohio adjusted gross income for 16371
the taxable year, the amount the taxpayer received during the 16372
taxable year as reimbursement for life insurance premiums under 16373
section 5919.31 of the Revised Code. 16374

~~(23)~~ (20) Deduct, to the extent not otherwise deducted or 16375
excluded in computing federal or Ohio adjusted gross income for 16376
the taxable year, the amount the taxpayer received during the 16377
taxable year as a death benefit paid by the adjutant general 16378
under section 5919.33 of the Revised Code. 16379

~~(24)~~ (21) Deduct, to the extent included in federal 16380
adjusted gross income and not otherwise allowable as a deduction 16381
or exclusion in computing federal or Ohio adjusted gross income 16382
for the taxable year, military pay and allowances received by 16383
the taxpayer during the taxable year for active duty service in 16384
the United States army, air force, navy, marine corps, or coast 16385

guard or reserve components thereof or the national guard. The 16386
deduction may not be claimed for military pay and allowances 16387
received by the taxpayer while the taxpayer is stationed in this 16388
state. 16389

~~(25)~~ (22) Deduct, to the extent not otherwise allowable as 16390
a deduction or exclusion in computing federal or Ohio adjusted 16391
gross income for the taxable year and not otherwise compensated 16392
for by any other source, the amount of qualified organ donation 16393
expenses incurred by the taxpayer during the taxable year, not 16394
to exceed ten thousand dollars. A taxpayer may deduct qualified 16395
organ donation expenses only once for all taxable years 16396
beginning with taxable years beginning in 2007. 16397

For the purposes of division ~~(A) (25)~~ (A) (22) of this 16398
section: 16399

(a) "Human organ" means all or any portion of a human 16400
liver, pancreas, kidney, intestine, or lung, and any portion of 16401
human bone marrow. 16402

(b) "Qualified organ donation expenses" means travel 16403
expenses, lodging expenses, and wages and salary forgone by a 16404
taxpayer in connection with the taxpayer's donation, while 16405
living, of one or more of the taxpayer's human organs to another 16406
human being. 16407

~~(26)~~ (23) Deduct, to the extent not otherwise deducted or 16408
excluded in computing federal or Ohio adjusted gross income for 16409
the taxable year, amounts received by the taxpayer as retired 16410
personnel pay for service in the uniformed services or reserve 16411
components thereof, or the national guard, or received by the 16412
surviving spouse or former spouse of such a taxpayer under the 16413
survivor benefit plan on account of such a taxpayer's death. If 16414

the taxpayer receives income on account of retirement paid under 16415
the federal civil service retirement system or federal employees 16416
retirement system, or under any successor retirement program 16417
enacted by the congress of the United States that is established 16418
and maintained for retired employees of the United States 16419
government, and such retirement income is based, in whole or in 16420
part, on credit for the taxpayer's uniformed service, the 16421
deduction allowed under this division shall include only that 16422
portion of such retirement income that is attributable to the 16423
taxpayer's uniformed service, to the extent that portion of such 16424
retirement income is otherwise included in federal adjusted 16425
gross income and is not otherwise deducted under this section. 16426
Any amount deducted under division ~~(A) (26)~~ (A) (23) of this 16427
section is not included in a taxpayer's adjusted gross income 16428
for the purposes of section 5747.055 of the Revised Code. No 16429
amount may be deducted under division ~~(A) (26)~~ (A) (23) of this 16430
section on the basis of which a credit was claimed under section 16431
5747.055 of the Revised Code. 16432

~~(27)~~ (24) Deduct, to the extent not otherwise deducted or 16433
excluded in computing federal or Ohio adjusted gross income for 16434
the taxable year, the amount the taxpayer received during the 16435
taxable year from the military injury relief fund created in 16436
section 5902.05 of the Revised Code. 16437

~~(28)~~ (25) Deduct, to the extent not otherwise deducted or 16438
excluded in computing federal or Ohio adjusted gross income for 16439
the taxable year, the amount the taxpayer received as a veterans 16440
bonus during the taxable year from the Ohio department of 16441
veterans services as authorized by Section 2r of Article VIII, 16442
Ohio Constitution. 16443

~~(29)~~ (26) Deduct, to the extent not otherwise deducted or 16444

excluded in computing federal or Ohio adjusted gross income for 16445
the taxable year, any income derived from a transfer agreement 16446
or from the enterprise transferred under that agreement under 16447
section 4313.02 of the Revised Code. 16448

~~(30)~~ (27) Deduct, to the extent not otherwise deducted or 16449
excluded in computing federal or Ohio adjusted gross income for 16450
the taxable year, Ohio college opportunity or federal Pell grant 16451
amounts received by the taxpayer or the taxpayer's spouse or 16452
dependent pursuant to section 3333.122 of the Revised Code or 20 16453
U.S.C. 1070a, et seq., and used to pay room or board furnished 16454
by the educational institution for which the grant was awarded 16455
at the institution's facilities, including meal plans 16456
administered by the institution. For the purposes of this 16457
division, receipt of a grant includes the distribution of a 16458
grant directly to an educational institution and the crediting 16459
of the grant to the enrollee's account with the institution. 16460

~~(31)~~ (28) Deduct from the portion of an individual's 16461
federal adjusted gross income that is business income, to the 16462
extent not otherwise deducted or excluded in computing federal 16463
adjusted gross income for the taxable year, one hundred twenty- 16464
five thousand dollars for each spouse if spouses file separate 16465
returns under section 5747.08 of the Revised Code or two hundred 16466
fifty thousand dollars for all other individuals. 16467

~~(32)~~ (29) Deduct, as provided under section 5747.78 of the 16468
Revised Code, contributions to ABLE savings accounts made in 16469
accordance with sections 113.50 to 113.56 of the Revised Code. 16470

~~(33)~~ ~~(a)~~ (30) (a) Deduct, to the extent not otherwise 16471
deducted or excluded in computing federal or Ohio adjusted gross 16472
income during the taxable year, all of the following: 16473

(i) Compensation paid to a qualifying employee described 16474
in division (A) (14) (a) of section 5703.94 of the Revised Code to 16475
the extent such compensation is for disaster work conducted in 16476
this state during a disaster response period pursuant to a 16477
qualifying solicitation received by the employee's employer; 16478

(ii) Compensation paid to a qualifying employee described 16479
in division (A) (14) (b) of section 5703.94 of the Revised Code to 16480
the extent such compensation is for disaster work conducted in 16481
this state by the employee during the disaster response period 16482
on critical infrastructure owned or used by the employee's 16483
employer; 16484

(iii) Income received by an out-of-state disaster business 16485
for disaster work conducted in this state during a disaster 16486
response period, or, if the out-of-state disaster business is a 16487
pass-through entity, a taxpayer's distributive share of the 16488
pass-through entity's income from the business conducting 16489
disaster work in this state during a disaster response period, 16490
if, in either case, the disaster work is conducted pursuant to a 16491
qualifying solicitation received by the business. 16492

(b) All terms used in division ~~(A) (33)~~ (A) (30) of this 16493
section have the same meanings as in section 5703.94 of the 16494
Revised Code. 16495

~~(34)~~ (31) For a taxpayer who is a qualifying Ohio 16496
educator, deduct, to the extent not otherwise deducted or 16497
excluded in computing federal or Ohio adjusted gross income for 16498
the taxable year, the lesser of two hundred fifty dollars or the 16499
amount of expenses described in subsections (a) (2) (D) (i) and 16500
(ii) of section 62 of the Internal Revenue Code paid or incurred 16501
by the taxpayer during the taxpayer's taxable year in excess of 16502
the amount the taxpayer is authorized to deduct for that taxable 16503

year under subsection (a) (2) (D) of that section. 16504

(B) "Business income" means income, including gain or 16505
loss, arising from transactions, activities, and sources in the 16506
regular course of a trade or business and includes income, gain, 16507
or loss from real property, tangible property, and intangible 16508
property if the acquisition, rental, management, and disposition 16509
of the property constitute integral parts of the regular course 16510
of a trade or business operation. "Business income" includes 16511
income, including gain or loss, from a partial or complete 16512
liquidation of a business, including, but not limited to, gain 16513
or loss from the sale or other disposition of goodwill. 16514

(C) "Nonbusiness income" means all income other than 16515
business income and may include, but is not limited to, 16516
compensation, rents and royalties from real or tangible personal 16517
property, capital gains, interest, dividends and distributions, 16518
patent or copyright royalties, or lottery winnings, prizes, and 16519
awards. 16520

(D) "Compensation" means any form of remuneration paid to 16521
an employee for personal services. 16522

(E) "Fiduciary" means a guardian, trustee, executor, 16523
administrator, receiver, conservator, or any other person acting 16524
in any fiduciary capacity for any individual, trust, or estate. 16525

(F) "Fiscal year" means an accounting period of twelve 16526
months ending on the last day of any month other than December. 16527

(G) "Individual" means any natural person. 16528

(H) "Internal Revenue Code" means the "Internal Revenue 16529
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 16530

(I) "Resident" means any of the following, ~~provided that~~ 16531

~~division (I) (3) of this section applies only to taxable years of~~ 16532
~~a trust beginning in 2002 or thereafter:~~ 16533

(1) An individual who is domiciled in this state, subject 16534
to section 5747.24 of the Revised Code; 16535

(2) The estate of a decedent who at the time of death was 16536
domiciled in this state. The domicile tests of section 5747.24 16537
of the Revised Code are not controlling for purposes of division 16538
(I) (2) of this section. 16539

(3) A trust that, in whole or part, resides in this state. 16540
If only part of a trust resides in this state, the trust is a 16541
resident only with respect to that part. 16542

For the purposes of division (I) (3) of this section: 16543

(a) A trust resides in this state for the trust's current 16544
taxable year to the extent, as described in division (I) (3) (d) 16545
of this section, that the trust consists directly or indirectly, 16546
in whole or in part, of assets, net of any related liabilities, 16547
that were transferred, or caused to be transferred, directly or 16548
indirectly, to the trust by any of the following: 16549

(i) A person, a court, or a governmental entity or 16550
instrumentality on account of the death of a decedent, but only 16551
if the trust is described in division (I) (3) (e) (i) or (ii) of 16552
this section; 16553

(ii) A person who was domiciled in this state for the 16554
purposes of this chapter when the person directly or indirectly 16555
transferred assets to an irrevocable trust, but only if at least 16556
one of the trust's qualifying beneficiaries is domiciled in this 16557
state for the purposes of this chapter during all or some 16558
portion of the trust's current taxable year; 16559

(iii) A person who was domiciled in this state for the 16560
purposes of this chapter when the trust document or instrument 16561
or part of the trust document or instrument became irrevocable, 16562
but only if at least one of the trust's qualifying beneficiaries 16563
is a resident domiciled in this state for the purposes of this 16564
chapter during all or some portion of the trust's current 16565
taxable year. If a trust document or instrument became 16566
irrevocable upon the death of a person who at the time of death 16567
was domiciled in this state for purposes of this chapter, that 16568
person is a person described in division (I) (3) (a) (iii) of this 16569
section. 16570

(b) A trust is irrevocable to the extent that the 16571
transferor is not considered to be the owner of the net assets 16572
of the trust under sections 671 to 678 of the Internal Revenue 16573
Code. 16574

(c) With respect to a trust other than a charitable lead 16575
trust, "qualifying beneficiary" has the same meaning as 16576
"potential current beneficiary" as defined in section 1361(e) (2) 16577
of the Internal Revenue Code, and with respect to a charitable 16578
lead trust "qualifying beneficiary" is any current, future, or 16579
contingent beneficiary, but with respect to any trust 16580
"qualifying beneficiary" excludes a person or a governmental 16581
entity or instrumentality to any of which a contribution would 16582
qualify for the charitable deduction under section 170 of the 16583
Internal Revenue Code. 16584

(d) For the purposes of division (I) (3) (a) of this 16585
section, the extent to which a trust consists directly or 16586
indirectly, in whole or in part, of assets, net of any related 16587
liabilities, that were transferred directly or indirectly, in 16588
whole or part, to the trust by any of the sources enumerated in 16589

that division shall be ascertained by multiplying the fair 16590
market value of the trust's assets, net of related liabilities, 16591
by the qualifying ratio, which shall be computed as follows: 16592

(i) The first time the trust receives assets, the 16593
numerator of the qualifying ratio is the fair market value of 16594
those assets at that time, net of any related liabilities, from 16595
sources enumerated in division (I) (3) (a) of this section. The 16596
denominator of the qualifying ratio is the fair market value of 16597
all the trust's assets at that time, net of any related 16598
liabilities. 16599

(ii) Each subsequent time the trust receives assets, a 16600
revised qualifying ratio shall be computed. The numerator of the 16601
revised qualifying ratio is the sum of (1) the fair market value 16602
of the trust's assets immediately prior to the subsequent 16603
transfer, net of any related liabilities, multiplied by the 16604
qualifying ratio last computed without regard to the subsequent 16605
transfer, and (2) the fair market value of the subsequently 16606
transferred assets at the time transferred, net of any related 16607
liabilities, from sources enumerated in division (I) (3) (a) of 16608
this section. The denominator of the revised qualifying ratio is 16609
the fair market value of all the trust's assets immediately 16610
after the subsequent transfer, net of any related liabilities. 16611

(iii) Whether a transfer to the trust is by or from any of 16612
the sources enumerated in division (I) (3) (a) of this section 16613
shall be ascertained without regard to the domicile of the 16614
trust's beneficiaries. 16615

(e) For the purposes of division (I) (3) (a) (i) of this 16616
section: 16617

(i) A trust is described in division (I) (3) (e) (i) of this 16618

section if the trust is a testamentary trust and the testator of 16619
that testamentary trust was domiciled in this state at the time 16620
of the testator's death for purposes of the taxes levied under 16621
Chapter 5731. of the Revised Code. 16622

(ii) A trust is described in division (I)(3)(e)(ii) of 16623
this section if the transfer is a qualifying transfer described 16624
in any of divisions (I)(3)(f)(i) to (vi) of this section, the 16625
trust is an irrevocable inter vivos trust, and at least one of 16626
the trust's qualifying beneficiaries is domiciled in this state 16627
for purposes of this chapter during all or some portion of the 16628
trust's current taxable year. 16629

(f) For the purposes of division (I)(3)(e)(ii) of this 16630
section, a "qualifying transfer" is a transfer of assets, net of 16631
any related liabilities, directly or indirectly to a trust, if 16632
the transfer is described in any of the following: 16633

(i) The transfer is made to a trust, created by the 16634
decedent before the decedent's death and while the decedent was 16635
domiciled in this state for the purposes of this chapter, and, 16636
prior to the death of the decedent, the trust became irrevocable 16637
while the decedent was domiciled in this state for the purposes 16638
of this chapter. 16639

(ii) The transfer is made to a trust to which the 16640
decedent, prior to the decedent's death, had directly or 16641
indirectly transferred assets, net of any related liabilities, 16642
while the decedent was domiciled in this state for the purposes 16643
of this chapter, and prior to the death of the decedent the 16644
trust became irrevocable while the decedent was domiciled in 16645
this state for the purposes of this chapter. 16646

(iii) The transfer is made on account of a contractual 16647

relationship existing directly or indirectly between the 16648
transferor and either the decedent or the estate of the decedent 16649
at any time prior to the date of the decedent's death, and the 16650
decedent was domiciled in this state at the time of death for 16651
purposes of the taxes levied under Chapter 5731. of the Revised 16652
Code. 16653

(iv) The transfer is made to a trust on account of a 16654
contractual relationship existing directly or indirectly between 16655
the transferor and another person who at the time of the 16656
decedent's death was domiciled in this state for purposes of 16657
this chapter. 16658

(v) The transfer is made to a trust on account of the will 16659
of a testator who was domiciled in this state at the time of the 16660
testator's death for purposes of the taxes levied under Chapter 16661
5731. of the Revised Code. 16662

(vi) The transfer is made to a trust created by or caused 16663
to be created by a court, and the trust was directly or 16664
indirectly created in connection with or as a result of the 16665
death of an individual who, for purposes of the taxes levied 16666
under Chapter 5731. of the Revised Code, was domiciled in this 16667
state at the time of the individual's death. 16668

(g) The tax commissioner may adopt rules to ascertain the 16669
part of a trust residing in this state. 16670

(J) "Nonresident" means an individual or estate that is 16671
not a resident. An individual who is a resident for only part of 16672
a taxable year is a nonresident for the remainder of that 16673
taxable year. 16674

(K) "Pass-through entity" has the same meaning as in 16675
section 5733.04 of the Revised Code. 16676

(L) "Return" means the notifications and reports required 16677
to be filed pursuant to this chapter for the purpose of 16678
reporting the tax due and includes declarations of estimated tax 16679
when so required. 16680

(M) "Taxable year" means the calendar year or the 16681
taxpayer's fiscal year ending during the calendar year, or 16682
fractional part thereof, upon which the adjusted gross income is 16683
calculated pursuant to this chapter. 16684

(N) "Taxpayer" means any person subject to the tax imposed 16685
by section 5747.02 of the Revised Code or any pass-through 16686
entity that makes the election under division (D) of section 16687
5747.08 of the Revised Code. 16688

(O) "Dependents" means one of the following: 16689

(1) For taxable years beginning on or after January 1, 16690
2018, and before January 1, 2026, dependents as defined in the 16691
Internal Revenue Code; 16692

(2) For all other taxable years, dependents as defined in 16693
the Internal Revenue Code and as claimed in the taxpayer's 16694
federal income tax return for the taxable year or which the 16695
taxpayer would have been permitted to claim had the taxpayer 16696
filed a federal income tax return. 16697

(P) "Principal county of employment" means, in the case of 16698
a nonresident, the county within the state in which a taxpayer 16699
performs services for an employer or, if those services are 16700
performed in more than one county, the county in which the major 16701
portion of the services are performed. 16702

(Q) As used in sections 5747.50 to 5747.55 of the Revised 16703
Code: 16704

(1) "Subdivision" means any county, municipal corporation,
park district, or township.

(2) "Essential local government purposes" includes all
functions that any subdivision is required by general law to
exercise, including like functions that are exercised under a
charter adopted pursuant to the Ohio Constitution.

(R) "Overpayment" means any amount already paid that
exceeds the figure determined to be the correct amount of the
tax.

(S) "Taxable income" or "Ohio taxable income" applies only
to estates and trusts, and means federal taxable income, as
defined and used in the Internal Revenue Code, adjusted as
follows:

(1) Add interest or dividends, net of ordinary, necessary,
and reasonable expenses not deducted in computing federal
taxable income, on obligations or securities of any state or of
any political subdivision or authority of any state, other than
this state and its subdivisions and authorities, but only to the
extent that such net amount is not otherwise includible in Ohio
taxable income and is described in either division (S) (1) (a) or
(b) of this section:

(a) The net amount is not attributable to the S portion of
an electing small business trust and has not been distributed to
beneficiaries for the taxable year;

(b) The net amount is attributable to the S portion of an
electing small business trust for the taxable year.

(2) Add interest or dividends, net of ordinary, necessary,
and reasonable expenses not deducted in computing federal
taxable income, on obligations of any authority, commission,

instrumentality, territory, or possession of the United States 16734
to the extent that the interest or dividends are exempt from 16735
federal income taxes but not from state income taxes, but only 16736
to the extent that such net amount is not otherwise includible 16737
in Ohio taxable income and is described in either division (S) 16738
(1)(a) or (b) of this section; 16739

(3) Add the amount of personal exemption allowed to the 16740
estate pursuant to section 642(b) of the Internal Revenue Code; 16741

(4) Deduct interest or dividends, net of related expenses 16742
deducted in computing federal taxable income, on obligations of 16743
the United States and its territories and possessions or of any 16744
authority, commission, or instrumentality of the United States 16745
to the extent that the interest or dividends are exempt from 16746
state taxes under the laws of the United States, but only to the 16747
extent that such amount is included in federal taxable income 16748
and is described in either division (S)(1)(a) or (b) of this 16749
section; 16750

(5) Deduct the amount of wages and salaries, if any, not 16751
otherwise allowable as a deduction but that would have been 16752
allowable as a deduction in computing federal taxable income for 16753
the taxable year, had the targeted jobs credit allowed under 16754
sections 38, 51, and 52 of the Internal Revenue Code not been in 16755
effect, but only to the extent such amount relates either to 16756
income included in federal taxable income for the taxable year 16757
or to income of the S portion of an electing small business 16758
trust for the taxable year; 16759

(6) Deduct any interest or interest equivalent, net of 16760
related expenses deducted in computing federal taxable income, 16761
on public obligations and purchase obligations, but only to the 16762
extent that such net amount relates either to income included in 16763

federal taxable income for the taxable year or to income of the 16764
S portion of an electing small business trust for the taxable 16765
year; 16766

(7) Add any loss or deduct any gain resulting from sale, 16767
exchange, or other disposition of public obligations to the 16768
extent that such loss has been deducted or such gain has been 16769
included in computing either federal taxable income or income of 16770
the S portion of an electing small business trust for the 16771
taxable year; 16772

(8) Except in the case of the final return of an estate, 16773
add any amount deducted by the taxpayer on both its Ohio estate 16774
tax return pursuant to section 5731.14 of the Revised Code, and 16775
on its federal income tax return in determining federal taxable 16776
income; 16777

(9) (a) Deduct any amount included in federal taxable 16778
income solely because the amount represents a reimbursement or 16779
refund of expenses that in a previous year the decedent had 16780
deducted as an itemized deduction pursuant to section 63 of the 16781
Internal Revenue Code and applicable treasury regulations. The 16782
deduction otherwise allowed under division (S) (9) (a) of this 16783
section shall be reduced to the extent the reimbursement is 16784
attributable to an amount the taxpayer or decedent deducted 16785
under this section in any taxable year. 16786

(b) Add any amount not otherwise included in Ohio taxable 16787
income for any taxable year to the extent that the amount is 16788
attributable to the recovery during the taxable year of any 16789
amount deducted or excluded in computing federal or Ohio taxable 16790
income in any taxable year, but only to the extent such amount 16791
has not been distributed to beneficiaries for the taxable year. 16792

(10) Deduct any portion of the deduction described in 16793
section 1341(a) (2) of the Internal Revenue Code, for repaying 16794
previously reported income received under a claim of right, that 16795
meets both of the following requirements: 16796

(a) It is allowable for repayment of an item that was 16797
included in the taxpayer's taxable income or the decedent's 16798
adjusted gross income for a prior taxable year and did not 16799
qualify for a credit under division (A) or (B) of section 16800
5747.05 of the Revised Code for that year. 16801

(b) It does not otherwise reduce the taxpayer's taxable 16802
income or the decedent's adjusted gross income for the current 16803
or any other taxable year. 16804

(11) Add any amount claimed as a credit under section 16805
5747.059 of the Revised Code to the extent that the amount 16806
satisfies either of the following: 16807

(a) The amount was deducted or excluded from the 16808
computation of the taxpayer's federal taxable income as required 16809
to be reported for the taxpayer's taxable year under the 16810
Internal Revenue Code; 16811

(b) The amount resulted in a reduction in the taxpayer's 16812
federal taxable income as required to be reported for any of the 16813
taxpayer's taxable years under the Internal Revenue Code. 16814

(12) Deduct any amount, net of related expenses deducted 16815
in computing federal taxable income, that a trust is required to 16816
report as farm income on its federal income tax return, but only 16817
if the assets of the trust include at least ten acres of land 16818
satisfying the definition of "land devoted exclusively to 16819
agricultural use" under section 5713.30 of the Revised Code, 16820
regardless of whether the land is valued for tax purposes as 16821

such land under sections 5713.30 to 5713.38 of the Revised Code. 16822
If the trust is a pass-through entity investor, section 5747.231 16823
of the Revised Code applies in ascertaining if the trust is 16824
eligible to claim the deduction provided by division (S) (12) of 16825
this section in connection with the pass-through entity's farm 16826
income. 16827

Except for farm income attributable to the S portion of an 16828
electing small business trust, the deduction provided by 16829
division (S) (12) of this section is allowed only to the extent 16830
that the trust has not distributed such farm income. ~~Division~~ 16831
~~(S) (12) of this section applies only to taxable years of a trust~~ 16832
~~beginning in 2002 or thereafter.~~ 16833

(13) Add the net amount of income described in section 16834
641(c) of the Internal Revenue Code to the extent that amount is 16835
not included in federal taxable income. 16836

(14) Add or deduct the amount the taxpayer would be 16837
required to add or deduct under division ~~(A) (20)~~ (A) (17) or ~~(21)~~ 16838
(18) of this section if the taxpayer's Ohio taxable income were 16839
computed in the same manner as an individual's Ohio adjusted 16840
gross income is computed under this section. ~~In the case of a~~ 16841
~~trust, division (S) (14) of this section applies only to any of~~ 16842
~~the trust's taxable years beginning in 2002 or thereafter.~~ 16843

(T) "School district income" and "school district income 16844
tax" have the same meanings as in section 5748.01 of the Revised 16845
Code. 16846

(U) As used in divisions (A) (7), (A) (8), ~~(A) (9)~~, (S) (6), 16847
and (S) (7) of this section, "public obligations," "purchase 16848
obligations," and "interest or interest equivalent" have the 16849
same meanings as in section 5709.76 of the Revised Code. 16850

(V) "Limited liability company" means any limited 16851
liability company formed under Chapter 1705. of the Revised Code 16852
or under the laws of any other state. 16853

(W) "Pass-through entity investor" means any person who, 16854
during any portion of a taxable year of a pass-through entity, 16855
is a partner, member, shareholder, or equity investor in that 16856
pass-through entity. 16857

(X) "Banking day" has the same meaning as in section 16858
1304.01 of the Revised Code. 16859

(Y) "Month" means a calendar month. 16860

(Z) "Quarter" means the first three months, the second 16861
three months, the third three months, or the last three months 16862
of the taxpayer's taxable year. 16863

(AA) (1) ~~"Eligible institution" means a state university or~~ 16864
~~state institution of higher education as defined in section~~ 16865
~~3345.011 of the Revised Code, or a private, nonprofit college,~~ 16866
~~university, or other post secondary institution located in this~~ 16867
~~state that possesses a certificate of authorization issued by~~ 16868
~~the chancellor of higher education pursuant to Chapter 1713. of~~ 16869
~~the Revised Code or a certificate of registration issued by the~~ 16870
~~state board of career colleges and schools under Chapter 3332.~~ 16871
~~of the Revised Code.~~ 16872

~~(2) "Qualified tuition and fees" means tuition and fees~~ 16873
~~imposed by an eligible institution as a condition of enrollment~~ 16874
~~or attendance, not exceeding two thousand five hundred dollars~~ 16875
~~in each of the individual's first two years of post secondary~~ 16876
~~education. If the individual is a part-time student, "qualified~~ 16877
~~tuition and fees" includes tuition and fees paid for the~~ 16878
~~academic equivalent of the first two years of post secondary~~ 16879

~~education during a maximum of five taxable years, not exceeding~~ 16880
~~a total of five thousand dollars. "Qualified tuition and fees"~~ 16881
~~does not include:~~ 16882

~~(a) Expenses for any course or activity involving sports,~~ 16883
~~games, or hobbies unless the course or activity is part of the~~ 16884
~~individual's degree or diploma program;~~ 16885

~~(b) The cost of books, room and board, student activity~~ 16886
~~fees, athletic fees, insurance expenses, or other expenses~~ 16887
~~unrelated to the individual's academic course of instruction;~~ 16888

~~(c) Tuition, fees, or other expenses paid or reimbursed~~ 16889
~~through an employer, scholarship, grant in aid, or other~~ 16890
~~educational benefit program.~~ 16891

~~(BB) (1)~~ "Modified business income" means the business 16892
income included in a trust's Ohio taxable income after such 16893
taxable income is first reduced by the qualifying trust amount, 16894
if any. 16895

(2) "Qualifying trust amount" of a trust means capital 16896
gains and losses from the sale, exchange, or other disposition 16897
of equity or ownership interests in, or debt obligations of, a 16898
qualifying investee to the extent included in the trust's Ohio 16899
taxable income, but only if the following requirements are 16900
satisfied: 16901

(a) The book value of the qualifying investee's physical 16902
assets in this state and everywhere, as of the last day of the 16903
qualifying investee's fiscal or calendar year ending immediately 16904
prior to the date on which the trust recognizes the gain or 16905
loss, is available to the trust. 16906

(b) The requirements of section 5747.011 of the Revised 16907
Code are satisfied for the trust's taxable year in which the 16908

trust recognizes the gain or loss. 16909

Any gain or loss that is not a qualifying trust amount is 16910
modified business income, qualifying investment income, or 16911
modified nonbusiness income, as the case may be. 16912

(3) "Modified nonbusiness income" means a trust's Ohio 16913
taxable income other than modified business income, other than 16914
the qualifying trust amount, and other than qualifying 16915
investment income, as defined in section 5747.012 of the Revised 16916
Code, to the extent such qualifying investment income is not 16917
otherwise part of modified business income. 16918

(4) "Modified Ohio taxable income" applies only to trusts, 16919
and means the sum of the amounts described in divisions ~~(BB) (4)~~ 16920
~~(a)~~ (AA) (4) (a) to (c) of this section: 16921

(a) The fraction, calculated under section 5747.013, and 16922
applying section 5747.231 of the Revised Code, multiplied by the 16923
sum of the following amounts: 16924

(i) The trust's modified business income; 16925

(ii) The trust's qualifying investment income, as defined 16926
in section 5747.012 of the Revised Code, but only to the extent 16927
the qualifying investment income does not otherwise constitute 16928
modified business income and does not otherwise constitute a 16929
qualifying trust amount. 16930

(b) The qualifying trust amount multiplied by a fraction, 16931
the numerator of which is the sum of the book value of the 16932
qualifying investee's physical assets in this state on the last 16933
day of the qualifying investee's fiscal or calendar year ending 16934
immediately prior to the day on which the trust recognizes the 16935
qualifying trust amount, and the denominator of which is the sum 16936
of the book value of the qualifying investee's total physical 16937

assets everywhere on the last day of the qualifying investee's 16938
fiscal or calendar year ending immediately prior to the day on 16939
which the trust recognizes the qualifying trust amount. If, for 16940
a taxable year, the trust recognizes a qualifying trust amount 16941
with respect to more than one qualifying investee, the amount 16942
described in division ~~(BB) (4) (b)~~ (AA) (4) (b) of this section 16943
shall equal the sum of the products so computed for each such 16944
qualifying investee. 16945

(c) (i) With respect to a trust or portion of a trust that 16946
is a resident as ascertained in accordance with division (I) (3) 16947
(d) of this section, its modified nonbusiness income. 16948

(ii) With respect to a trust or portion of a trust that is 16949
not a resident as ascertained in accordance with division (I) (3) 16950
(d) of this section, the amount of its modified nonbusiness 16951
income satisfying the descriptions in divisions (B) (2) to (5) of 16952
section 5747.20 of the Revised Code, except as otherwise 16953
provided in division ~~(BB) (4) (c) (ii)~~ (AA) (4) (c) (ii) of this 16954
section. With respect to a trust or portion of a trust that is 16955
not a resident as ascertained in accordance with division (I) (3) 16956
(d) of this section, the trust's portion of modified nonbusiness 16957
income recognized from the sale, exchange, or other disposition 16958
of a debt interest in or equity interest in a section 5747.212 16959
entity, as defined in section 5747.212 of the Revised Code, 16960
without regard to division (A) of that section, shall not be 16961
allocated to this state in accordance with section 5747.20 of 16962
the Revised Code but shall be apportioned to this state in 16963
accordance with division (B) of section 5747.212 of the Revised 16964
Code without regard to division (A) of that section. 16965

If the allocation and apportionment of a trust's income 16966
under divisions ~~(BB) (4) (a)~~ (AA) (4) (a) and (c) of this section do 16967

not fairly represent the modified Ohio taxable income of the 16968
trust in this state, the alternative methods described in 16969
division (C) of section 5747.21 of the Revised Code may be 16970
applied in the manner and to the same extent provided in that 16971
section. 16972

(5) (a) Except as set forth in division ~~(BB) (5) (b)~~ (AA) (5) 16973
(b) of this section, "qualifying investee" means a person in 16974
which a trust has an equity or ownership interest, or a person 16975
or unit of government the debt obligations of either of which 16976
are owned by a trust. For the purposes of division ~~(BB) (2) (a)~~ 16977
(AA) (2) (a) of this section and for the purpose of computing the 16978
fraction described in division ~~(BB) (4) (b)~~ (AA) (4) (b) of this 16979
section, all of the following apply: 16980

(i) If the qualifying investee is a member of a qualifying 16981
controlled group on the last day of the qualifying investee's 16982
fiscal or calendar year ending immediately prior to the date on 16983
which the trust recognizes the gain or loss, then "qualifying 16984
investee" includes all persons in the qualifying controlled 16985
group on such last day. 16986

(ii) If the qualifying investee, or if the qualifying 16987
investee and any members of the qualifying controlled group of 16988
which the qualifying investee is a member on the last day of the 16989
qualifying investee's fiscal or calendar year ending immediately 16990
prior to the date on which the trust recognizes the gain or 16991
loss, separately or cumulatively own, directly or indirectly, on 16992
the last day of the qualifying investee's fiscal or calendar 16993
year ending immediately prior to the date on which the trust 16994
recognizes the qualifying trust amount, more than fifty per cent 16995
of the equity of a pass-through entity, then the qualifying 16996
investee and the other members are deemed to own the 16997

proportionate share of the pass-through entity's physical assets 16998
which the pass-through entity directly or indirectly owns on the 16999
last day of the pass-through entity's calendar or fiscal year 17000
ending within or with the last day of the qualifying investee's 17001
fiscal or calendar year ending immediately prior to the date on 17002
which the trust recognizes the qualifying trust amount. 17003

(iii) For the purposes of division ~~(BB) (5) (a) (iii)~~ (AA) (5) 17004
(a) (iii) of this section, "upper level pass-through entity" 17005
means a pass-through entity directly or indirectly owning any 17006
equity of another pass-through entity, and "lower level pass- 17007
through entity" means that other pass-through entity. 17008

An upper level pass-through entity, whether or not it is 17009
also a qualifying investee, is deemed to own, on the last day of 17010
the upper level pass-through entity's calendar or fiscal year, 17011
the proportionate share of the lower level pass-through entity's 17012
physical assets that the lower level pass-through entity 17013
directly or indirectly owns on the last day of the lower level 17014
pass-through entity's calendar or fiscal year ending within or 17015
with the last day of the upper level pass-through entity's 17016
fiscal or calendar year. If the upper level pass-through entity 17017
directly and indirectly owns less than fifty per cent of the 17018
equity of the lower level pass-through entity on each day of the 17019
upper level pass-through entity's calendar or fiscal year in 17020
which or with which ends the calendar or fiscal year of the 17021
lower level pass-through entity and if, based upon clear and 17022
convincing evidence, complete information about the location and 17023
cost of the physical assets of the lower pass-through entity is 17024
not available to the upper level pass-through entity, then 17025
solely for purposes of ascertaining if a gain or loss 17026
constitutes a qualifying trust amount, the upper level pass- 17027
through entity shall be deemed as owning no equity of the lower 17028

level pass-through entity for each day during the upper level 17029
pass-through entity's calendar or fiscal year in which or with 17030
which ends the lower level pass-through entity's calendar or 17031
fiscal year. Nothing in division ~~(BB) (5) (a) (iii)~~ (AA) (5) (a) (iii) 17032
of this section shall be construed to provide for any deduction 17033
or exclusion in computing any trust's Ohio taxable income. 17034

(b) With respect to a trust that is not a resident for the 17035
taxable year and with respect to a part of a trust that is not a 17036
resident for the taxable year, "qualifying investee" for that 17037
taxable year does not include a C corporation if both of the 17038
following apply: 17039

(i) During the taxable year the trust or part of the trust 17040
recognizes a gain or loss from the sale, exchange, or other 17041
disposition of equity or ownership interests in, or debt 17042
obligations of, the C corporation. 17043

(ii) Such gain or loss constitutes nonbusiness income. 17044

(6) "Available" means information is such that a person is 17045
able to learn of the information by the due date plus 17046
extensions, if any, for filing the return for the taxable year 17047
in which the trust recognizes the gain or loss. 17048

~~(CC)~~ (BB) "Qualifying controlled group" has the same 17049
meaning as in section 5733.04 of the Revised Code. 17050

~~(DD)~~ (CC) "Related member" has the same meaning as in 17051
section 5733.042 of the Revised Code. 17052

~~(EE) (1)~~ (DD) (1) For the purposes of division ~~(EE)~~ (DD) of 17053
this section: 17054

(a) "Qualifying person" means any person other than a 17055
qualifying corporation. 17056

(b) "Qualifying corporation" means any person classified 17057
for federal income tax purposes as an association taxable as a 17058
corporation, except either of the following: 17059

(i) A corporation that has made an election under 17060
subchapter S, chapter one, subtitle A, of the Internal Revenue 17061
Code for its taxable year ending within, or on the last day of, 17062
the investor's taxable year; 17063

(ii) A subsidiary that is wholly owned by any corporation 17064
that has made an election under subchapter S, chapter one, 17065
subtitle A of the Internal Revenue Code for its taxable year 17066
ending within, or on the last day of, the investor's taxable 17067
year. 17068

(2) For the purposes of this chapter, unless expressly 17069
stated otherwise, no qualifying person indirectly owns any asset 17070
directly or indirectly owned by any qualifying corporation. 17071

~~(FF)~~ (EE) For purposes of this chapter and Chapter 5751. 17072
of the Revised Code: 17073

(1) "Trust" does not include a qualified pre-income tax 17074
trust. 17075

(2) A "qualified pre-income tax trust" is any pre-income 17076
tax trust that makes a qualifying pre-income tax trust election 17077
as described in division ~~(FF) (3)~~ (EE) (3) of this section. 17078

(3) A "qualifying pre-income tax trust election" is an 17079
election by a pre-income tax trust to subject to the tax imposed 17080
by section 5751.02 of the Revised Code the pre-income tax trust 17081
and all pass-through entities of which the trust owns or 17082
controls, directly, indirectly, or constructively through 17083
related interests, five per cent or more of the ownership or 17084
equity interests. The trustee shall notify the tax commissioner 17085

in writing of the election on or before April 15, 2006. The 17086
election, if timely made, shall be effective on and after 17087
January 1, 2006, and shall apply for all tax periods and tax 17088
years until revoked by the trustee of the trust. 17089

(4) A "pre-income tax trust" is a trust that satisfies all 17090
of the following requirements: 17091

(a) The document or instrument creating the trust was 17092
executed by the grantor before January 1, 1972; 17093

(b) The trust became irrevocable upon the creation of the 17094
trust; and 17095

(c) The grantor was domiciled in this state at the time 17096
the trust was created. 17097

~~(GG)~~ (FF) "Uniformed services" has the same meaning as in 17098
10 U.S.C. 101. 17099

~~(HH)~~ (GG) "Taxable business income" means the amount by 17100
which an individual's business income that is included in 17101
federal adjusted gross income exceeds the amount of business 17102
income the individual is authorized to deduct under division (A) 17103
(31) of this section for the taxable year. 17104

~~(II)~~ (HH) "Employer" does not include a franchisor with 17105
respect to the franchisor's relationship with a franchisee or an 17106
employee of a franchisee, unless the franchisor agrees to assume 17107
that role in writing or a court of competent jurisdiction 17108
determines that the franchisor exercises a type or degree of 17109
control over the franchisee or the franchisee's employees that 17110
is not customarily exercised by a franchisor for the purpose of 17111
protecting the franchisor's trademark, brand, or both. For 17112
purposes of this division, "franchisor" and "franchisee" have 17113
the same meanings as in 16 C.F.R. 436.1. 17114

~~(JJ)~~ (II) "Modified adjusted gross income" means Ohio
adjusted gross income plus any amount deducted under division
~~(A) (31)~~ (A) (28) of this section for the taxable year.

~~(KK)~~ (JJ) "Qualifying Ohio educator" means an individual
who, for a taxable year, qualifies as an eligible educator, as
that term is defined in section 62 of the Internal Revenue Code,
and who holds a certificate, license, or permit described in
Chapter 3319. or section 3301.071 of the Revised Code.

Sec. 5747.011. (A) As used in this section:

(1) "Qualifying closely-held C corporation" means a person
classified for federal income tax purposes as an association
taxed as a corporation and that has more than fifty per cent of
the value of its outstanding stock or equity owned, directly or
indirectly, by or for not more than five qualifying persons. For
the purposes of this division, the ownership of stock shall be
determined under the rules set forth in section 544 of the
Internal Revenue Code.

(2) "Qualifying person" means an individual; an
organization described in section 401(a), 501(c) (17), or 509(a)
of the Internal Revenue Code; or a portion of a trust
permanently set aside or to be used exclusively for the purposes
described in section 642(c) of the Internal Revenue Code or a
corresponding provision of a prior federal income tax law.

(3) "Qualifying limited liability company" means a limited
liability company that is not classified for federal income tax
purposes as an association taxed as a corporation.

(4) "Ownership interest" means the equity or ownership
interest in, or debt obligation of, a "qualifying investee" as
defined in section 5747.01 of the Revised Code.

(5) "Qualifying individual beneficiary" has the same 17144
meaning as qualifying beneficiary as used in division (I) (3) (c) 17145
of section 5747.01 of the Revised Code, but is limited to 17146
individuals. 17147

(6) "Family" of an individual means only the individual's 17148
spouse; the individual's ancestors, limited to the individual's 17149
parents, grandparents, and great grandparents; the siblings of 17150
such ancestors, whether by the whole or half blood or by legal 17151
adoption; the lineal descendants of such ancestors and siblings; 17152
persons legally adopted by such ancestors or by such siblings; 17153
and the spouses of such ancestors, siblings, legally adopted 17154
persons, and lineal descendants. 17155

(B) The requirements of this division apply for purposes 17156
of division ~~(BB)~~ (AA) (2) (b) of section 5747.01 of the Revised 17157
Code and for the purposes of division (D) of section 5747.012 of 17158
the Revised Code. Gain or loss included in a trust's Ohio 17159
taxable income is not a qualifying trust amount unless the 17160
trust's ownership interest in the qualifying investee is at 17161
least five per cent of the total outstanding ownership interests 17162
in such qualifying investee at any time during the ten-year 17163
period ending on the last day of the trust's taxable year in 17164
which the sale, exchange, or other disposition occurs. Nothing 17165
in this section negates the requirements in division ~~(BB)~~ (AA) (2) 17166
of section 5747.01 of the Revised Code. 17167

For the purpose of ascertaining whether the trust's 17168
ownership interest in a qualifying investee is at least five per 17169
cent of the total outstanding ownership interests in such 17170
qualifying investee, the following apply: 17171

(1) On each day, an ownership interest owned, directly or 17172
indirectly, by or for a qualifying closely-held C corporation, 17173

an S corporation, a partnership other than a publicly traded 17174
partnership, a qualifying limited liability company, an estate, 17175
or a trust that is irrevocable as defined in division (I) (3) (b) 17176
of section 5747.01 of the Revised Code is considered as being 17177
owned proportionately on the same day by the equity investors of 17178
such qualifying closely-held C corporation, S corporation, 17179
partnership, or qualifying limited liability company, or by the 17180
beneficiaries of such estate or trust, as the case may be. For 17181
the purposes of division (B) (1) of this section, a beneficiary's 17182
proportionate share of an ownership interest held by a trust 17183
shall be ascertained in accordance with section 544(a) (1) of the 17184
Internal Revenue Code. 17185

(2) On each day, a trust, hereinafter referred to as the 17186
first trust, is considered as owning any ownership interest 17187
owned, directly or indirectly, by or for another trust, 17188
hereinafter referred to as the second trust, if on the same day 17189
the second trust has at least one individual trustee who is 17190
either (a) a trustee of the first trust, or (b) a member of a 17191
family that includes at least one of the trustees of the first 17192
trust. 17193

(3) On each day, a trust, hereinafter referred to as the 17194
first trust, is considered as owning any ownership interest 17195
owned, directly or indirectly, by or for another trust, 17196
hereinafter referred to as the second trust, if on the same day 17197
the second trust has at least one qualifying individual 17198
beneficiary who is either (a) a qualifying individual 17199
beneficiary of the first trust or (b) a member of a family which 17200
includes a qualifying individual beneficiary of the first trust. 17201

(4) An ownership interest constructively owned by a person 17202
by reason of the application of division (B) (1) of this section 17203

shall, for the purpose of applying divisions (B) (1) to (3) of 17204
this section, be treated as actually owned by that person. 17205

(5) An ownership interest constructively owned by a trust 17206
by reason of the application of division (B) (2) or (3) of this 17207
section shall not be treated as actually owned by that trust for 17208
purposes of applying divisions (B) (1) to (3) of this section. 17209

(6) If an ownership interest may be considered as owned by 17210
a trust under division (B) (1) or (2) of this section, the 17211
ownership interest shall be considered owned by that trust under 17212
division (B) (2) of this section. 17213

(7) If an ownership interest may be considered as owned by 17214
a trust under division (B) (1) or (3) of this section, the 17215
ownership interest shall be considered owned by that trust under 17216
division (B) (3) of this section. 17217

Sec. 5747.012. This section applies for the purposes of 17218
divisions ~~(BB)~~ (AA) (3) and ~~(BB)~~ (4) (a) (ii) of section 5747.01 of 17219
the Revised Code. 17220

(A) As used in this section: 17221

(1) (a) Except as set forth in division (A) (1) (b) of this 17222
section, "qualifying investment income" means the portion of a 17223
qualifying investment pass-through entity's net income 17224
attributable to transaction fees in connection with the 17225
acquisition, ownership, or disposition of intangible property; 17226
loan fees; financing fees; consent fees; waiver fees; 17227
application fees; net management fees; dividend income; interest 17228
income; net capital gains from the sale or exchange or other 17229
disposition of intangible property; and all types and 17230
classifications of income attributable to distributive shares of 17231
income from other pass-through entities. 17232

(b) (i) Notwithstanding division (A) (1) (a) of this section, 17233
"qualifying investment income" does not include any part of the 17234
qualifying investment pass-through entity's net capital gain 17235
which, after the application of section 5747.231 of the Revised 17236
Code with respect to a trust, would also constitute a qualifying 17237
trust amount. 17238

(ii) Notwithstanding division (A) (1) (a) of this section, 17239
"qualifying investment income" does not include any part of the 17240
qualifying investment pass-through entity's net income 17241
attributable to the portion of a distributive share of income 17242
directly or indirectly from another pass-through entity to the 17243
extent such portion constitutes the other pass-through entity's 17244
net capital gain which, after the application of section 17245
5747.231 of the Revised Code with respect to a trust, would also 17246
constitute a qualifying trust amount. 17247

(2) "Qualifying investment pass-through entity" means an 17248
investment pass-through entity, as defined in section 5733.401 17249
of the Revised Code, subject to the following qualifications: 17250

(a) "Forty per cent" shall be substituted for "ninety per 17251
cent" wherever "ninety per cent" appears in section 5733.401 of 17252
the Revised Code. 17253

(b) The pass-through entity must have been formed or 17254
organized as an entity prior to June 5, 2002, and must exist as 17255
a pass-through entity for all of the taxable year of the trust. 17256

(c) The qualifying section 5747.012 trust or related 17257
persons to the qualifying section 5747.012 trust must directly 17258
or indirectly own at least five per cent of the equity of the 17259
investment pass-through entity each day of the entity's fiscal 17260
or calendar year ending within or with the last day of the 17261

qualifying section 5747.012 trust's taxable year; 17262

(d) During the investment pass-through entity's calendar 17263
or fiscal year ending within or with the last day of the 17264
qualifying section 5747.012 trust's taxable year, the qualifying 17265
section 5747.012 trust or related persons of or to the 17266
qualifying section 5747.012 trust must, on each day of the 17267
investment pass-through entity's year, own directly, or own 17268
through equity investments in other pass-through entities, more 17269
than sixty per cent of the equity of the investment pass-through 17270
entity. 17271

(B) "Qualifying section 5747.012 trust" means a trust 17272
satisfying one of the following: 17273

(1) The trust was created prior to, and was irrevocable 17274
on, June 5, 2002; or 17275

(2) If the trust was created after June 4, 2002, or if the 17276
trust became irrevocable after June 4, 2002, then at least 17277
eighty per cent of the assets transferred to the trust must have 17278
been previously owned by related persons to the trust or by a 17279
trust created prior to June 5, 2002, under which the creator did 17280
not retain the power to change beneficiaries, amend the trust, 17281
or revoke the trust. For purposes of division (B)(2) of this 17282
section, the power to substitute property of equal value shall 17283
not be considered to be a power to change beneficiaries, amend 17284
the trust, or revoke the trust. 17285

(C) For the purposes of this section, "related persons" 17286
means the family of a qualifying individual beneficiary, as 17287
defined in division (A)(5) of section 5747.011 of the Revised 17288
Code. For the purposes of this division, "family" has the same 17289
meaning as in division (A)(6) of section 5747.011 of the Revised 17290

Code. 17291

(D) For the purposes of applying divisions (A) (2) (c), (A) 17292
(2) (d), and (B) (2) of this section, the related persons or the 17293
qualifying section 5747.012 trust, as the case may be, shall be 17294
deemed to own the equity of the investment pass-through entity 17295
after the application of division (B) of section 5747.011 of the 17296
Revised Code. 17297

(E) "Irrevocable" has the same meaning as in division (I) 17298
(3) (b) of section 5747.01 of the Revised Code. 17299

(F) Nothing in this section requires any item of income, 17300
gain, or loss not satisfying the definition of qualifying 17301
investment income to be treated as modified nonbusiness income. 17302
Any item of income, gain, or loss that is not qualifying 17303
investment income is modified business income, modified 17304
nonbusiness income, or a qualifying trust amount, as the case 17305
may be. 17306

Sec. 5747.013. (A) As used in this section: 17307

(1) "Electric company," "combined company," and "telephone 17308
company" have the same meanings as in section 5727.01 of the 17309
Revised Code. 17310

(2) "Qualified research" means laboratory research, 17311
experimental research, and other similar types of research; 17312
research in developing or improving a product; or research in 17313
developing or improving the means of producing a product. It 17314
does not include market research, consumer surveys, efficiency 17315
surveys, management studies, ordinary testing or inspection of 17316
material or products for quality control, historical research, 17317
or literary research. "Product," as used in this paragraph, does 17318
not include services or intangible property. 17319

(B) The fraction to be used in calculating a trust's 17320
modified Ohio taxable income under division ~~(BB)~~ (AA) (4) (a) of 17321
section 5747.01 of the Revised Code shall be determined as 17322
follows: The numerator of the fraction is the sum of the 17323
following products: the property factor multiplied by twenty, 17324
the payroll factor multiplied by twenty, and the sales factor 17325
multiplied by sixty. The denominator of the fraction is one 17326
hundred, provided that the denominator shall be reduced by 17327
twenty if the property factor has a denominator of zero, by 17328
twenty if the payroll factor has a denominator of zero, and by 17329
sixty if the sales factor has a denominator of zero. 17330

The property, payroll, and sales factors shall be 17331
determined as follows: 17332

(1) The property factor is a fraction the numerator of 17333
which is the average value of the trust's real and tangible 17334
personal property owned or rented and used in the trade or 17335
business in this state during the taxable year, and the 17336
denominator of which is the average value of all the trust's 17337
real and tangible personal property owned or rented and used in 17338
the trade or business everywhere during such year. Real and 17339
tangible personal property that is owned but leased to a lessee 17340
to be used in the lessee's trade or business shall not be 17341
included in the property factor of the owner. There shall be 17342
excluded from the numerator and denominator of the fraction the 17343
original cost of all of the following property within Ohio: 17344
property with respect to which a "pollution control facility" 17345
certificate has been issued pursuant to section 5709.21 of the 17346
Revised Code; property with respect to which an "industrial 17347
water pollution control certificate" has been issued pursuant to 17348
that section or former section 6111.31 of the Revised Code; and 17349
property used exclusively during the taxable year for qualified 17350

research. 17351

(a) Property owned by the trust is valued at its original 17352
cost. Property rented by the trust is valued at eight times the 17353
net annual rental rate. "Net annual rental rate" means the 17354
annual rental rate paid by the trust less any annual rental rate 17355
received by the trust from subrentals. 17356

(b) The average value of property shall be determined by 17357
averaging the values at the beginning and the end of the taxable 17358
year, but the tax commissioner may require the averaging of 17359
monthly values during the taxable year, if reasonably required 17360
to reflect properly the average value of the trust's property. 17361

(2) The payroll factor is a fraction the numerator of 17362
which is the total amount paid in this state during the taxable 17363
year by the trust for compensation, and the denominator of which 17364
is the total compensation paid everywhere by the trust during 17365
such year. There shall be excluded from the numerator and the 17366
denominator of the payroll factor the total compensation paid in 17367
this state to employees who are primarily engaged in qualified 17368
research. 17369

(a) Compensation is paid in this state if: (i) the 17370
recipient's service is performed entirely within this state; 17371
(ii) the recipient's service is performed both within and 17372
without this state, but the service performed without this state 17373
is incidental to the recipient's service within this state; or 17374
(iii) some of the service is performed within this state and 17375
either the base of operations, or if there is no base of 17376
operations, the place from which the service is directed or 17377
controlled, is within this state, or the base of operations or 17378
the place from which the service is directed or controlled is 17379
not in any state in which some part of the service is performed, 17380

but the recipient's residence is in this state. 17381

(b) Compensation is paid in this state to any employee of 17382
a common or contract motor carrier corporation, who performs the 17383
employee's regularly assigned duties on a motor vehicle in more 17384
than one state, in the same ratio by which the mileage traveled 17385
by such employee within the state bears to the total mileage 17386
traveled by such employee everywhere during the taxable year. 17387

(3) The sales factor is a fraction the numerator of which 17388
is the total sales in this state by the trust during the taxable 17389
year, and the denominator of which is the total sales by the 17390
trust everywhere during such year. In determining the numerator 17391
and denominator of the fraction, receipts from the sale or other 17392
disposal of a capital asset or an asset described in section 17393
1231 of the Internal Revenue Code shall be eliminated. Also, in 17394
determining the numerator and denominator of the sales factor, 17395
in the case of a trust owning at least eighty per cent of the 17396
issued and outstanding common stock of one or more insurance 17397
companies or public utilities, except an electric company and a 17398
combined company, and, for tax years 2005 and thereafter, a 17399
telephone company, or owning at least twenty-five per cent of 17400
the issued and outstanding common stock of one or more financial 17401
institutions, receipts received by the trust from such insurance 17402
companies, utilities, and financial institutions shall be 17403
eliminated. 17404

For the purpose of this section and section 5747.08 of the 17405
Revised Code, sales of tangible personal property are in this 17406
state where such property is received in this state by the 17407
purchaser. In the case of delivery of tangible personal property 17408
by common carrier or by other means of transportation, the place 17409
at which such property is ultimately received after all 17410

transportation has been completed shall be considered as the 17411
place at which such property is received by the purchaser. 17412
Direct delivery in this state, other than for purposes of 17413
transportation, to a person or firm designated by a purchaser 17414
constitutes delivery to the purchaser in this state, and direct 17415
delivery outside this state to a person or firm designated by a 17416
purchaser does not constitute delivery to the purchaser in this 17417
state, regardless of where title passes or other conditions of 17418
sale. 17419

Sales, other than sales of tangible personal property, are 17420
in this state if either: 17421

(a) The income-producing activity is performed solely in 17422
this state; or 17423

(b) The income-producing activity is performed both within 17424
and without this state and a greater proportion of the seller's 17425
income-producing activity is performed within this state than in 17426
any other state, based on costs of performance. 17427

Sec. 5747.02. (A) For the purpose of providing revenue for 17428
the support of schools and local government functions, to 17429
provide relief to property taxpayers, to provide revenue for the 17430
general revenue fund, and to meet the expenses of administering 17431
the tax levied by this chapter, there is hereby levied on every 17432
individual, trust, and estate residing in or earning or 17433
receiving income in this state, on every individual, trust, and 17434
estate earning or receiving lottery winnings, prizes, or awards 17435
pursuant to Chapter 3770. of the Revised Code, on every 17436
individual, trust, and estate earning or receiving winnings on 17437
casino gaming, and on every individual, trust, and estate 17438
otherwise having nexus with or in this state under the 17439
Constitution of the United States, an annual tax measured as 17440

prescribed in divisions (A) (1) to (4) of this section. 17441

(1) In the case of trusts, the tax imposed by this section 17442
shall be measured by modified Ohio taxable income under division 17443
(D) of this section and levied in the same amount as the tax is 17444
imposed on estates as prescribed in division (A) (2) of this 17445
section. 17446

(2) In the case of estates, the tax imposed by this 17447
section shall be measured by Ohio taxable income. The tax shall 17448
be levied at the rate of one and forty-two thousand seven 17449
hundred forty-four hundred-thousandths per cent for the first 17450
twenty-one thousand seven hundred fifty dollars of such income 17451
and, for income in excess of that amount, the tax shall be 17452
levied at the same rates prescribed in division (A) (3) of this 17453
section for individuals. 17454

(3) In the case of individuals, the tax imposed by this 17455
section on income other than taxable business income shall be 17456
measured by Ohio adjusted gross income, less taxable business 17457
income and less an exemption for the taxpayer, the taxpayer's 17458
spouse, and each dependent as provided in section 5747.025 of 17459
the Revised Code. If the balance thus obtained is equal to or 17460
less than twenty-one thousand seven hundred fifty dollars, no 17461
tax shall be imposed on that balance. If the balance thus 17462
obtained is greater than twenty-one thousand seven hundred fifty 17463
dollars, the tax is hereby levied as follows: 17464

17465

1

2

A OHIO ADJUSTED GROSS INCOME

TAX

LESS TAXABLE BUSINESS INCOME
AND EXEMPTIONS (INDIVIDUALS)
OR MODIFIED OHIO TAXABLE
INCOME (TRUSTS) OR OHIO
TAXABLE INCOME (ESTATES)

B	More than \$21,750 but not more than \$43,450	\$310.47 plus 2.850% of the amount in excess of \$21,750
C	More than \$43,450 but not more than \$86,900	\$928.92 plus 3.326% of the amount in excess of \$43,450
D	More than \$86,900 but not more than \$108,700	\$2,374.07 plus 3.802% of the amount in excess of \$86,900
E	More than \$108,700 but not more than \$217,400	\$3,202.91 plus 4.413% of the amount in excess of \$108,700
F	More than \$217,400	\$7,999.84 plus 4.797% of the amount in excess of \$217,400

(4) (a) In the case of individuals, the tax imposed by this section on taxable business income shall equal three per cent of the result obtained by subtracting any amount allowed under division (A) (4) (b) of this section from the individual's taxable business income.

(b) If the exemptions allowed to an individual under division (A) (3) of this section exceed the taxpayer's Ohio adjusted gross income less taxable business income, the excess shall be deducted from taxable business income before computing the tax under division (A) (4) (a) of this section.

(5) Except as otherwise provided in this division, in

August of each year, the tax commissioner shall make a new 17477
adjustment to the income amounts prescribed in divisions (A) (2) 17478
and (3) of this section by multiplying the percentage increase 17479
in the gross domestic product deflator computed that year under 17480
section 5747.025 of the Revised Code by each of the income 17481
amounts resulting from the adjustment under this division in the 17482
preceding year, adding the resulting product to the 17483
corresponding income amount resulting from the adjustment in the 17484
preceding year, and rounding the resulting sum to the nearest 17485
multiple of fifty dollars. The tax commissioner also shall 17486
recompute each of the tax dollar amounts to the extent necessary 17487
to reflect the new adjustment of the income amounts. To 17488
recompute the tax dollar amount corresponding to the lowest tax 17489
rate in division (A) (3) of this section, the commissioner shall 17490
multiply the tax rate prescribed in division (A) (2) of this 17491
section by the income amount specified in that division and as 17492
adjusted according to this paragraph. The rates of taxation 17493
shall not be adjusted. 17494

The adjusted amounts apply to taxable years beginning in 17495
the calendar year in which the adjustments are made and to 17496
taxable years beginning in each ensuing calendar year until a 17497
calendar year in which a new adjustment is made pursuant to this 17498
division. The tax commissioner shall not make a new adjustment 17499
in any year in which the amount resulting from the adjustment 17500
would be less than the amount resulting from the adjustment in 17501
the preceding year. 17502

(B) If the director of budget and management makes a 17503
certification to the tax commissioner under division (B) of 17504
section 131.44 of the Revised Code, the amount of tax as 17505
determined under divisions (A) (1) to (3) of this section shall 17506
be reduced by the percentage prescribed in that certification 17507

for taxable years beginning in the calendar year in which that 17508
certification is made. 17509

~~(C) The levy of this tax on income does not prevent a 17510
municipal corporation, a joint economic development zone created 17511
under section 715.691, or a joint economic development district 17512
created under section 715.70, 715.71, or 715.72 of the Revised 17513
Code from levying a tax on income. 17514~~

~~(D) This division applies only to taxable years of a trust 17515
beginning in 2002 or thereafter. 17516~~

(1) The tax imposed by this section on a trust shall be 17517
computed by multiplying the Ohio modified taxable income of the 17518
trust by the rates prescribed by division (A) of this section. 17519

(2) A resident trust may claim a credit against the tax 17520
computed under division ~~(D)~~ (C) of this section equal to the 17521
lesser of (a) the tax paid to another state or the District of 17522
Columbia on the resident trust's modified nonbusiness income, 17523
other than the portion of the resident trust's nonbusiness 17524
income that is qualifying investment income as defined in 17525
section 5747.012 of the Revised Code, or (b) the effective tax 17526
rate, based on modified Ohio taxable income, multiplied by the 17527
resident trust's modified nonbusiness income other than the 17528
portion of the resident trust's nonbusiness income that is 17529
qualifying investment income. The credit applies before any 17530
other applicable credits. 17531

~~(3) The credits authorized by the following sections of 17532
the Revised Code do not apply to a trust subject to division (D) 17533
of this section: section 5747.022, 5747.05, 5747.054, 5747.055, 17534
5747.27, 5747.37, 5747.66, or 5747.71 of the Revised Code. Any 17535
other credit authorized against the tax imposed by this section 17536~~

applies to a trust subject to division ~~(D)~~ (C) of this section 17537
~~that only if the trust otherwise qualifies for such a the~~ 17538
credit. To the extent that the trust distributes income for the 17539
taxable year for which a credit is available to the trust, the 17540
credit shall be shared by the trust and its beneficiaries. The 17541
tax commissioner and the trust shall be guided by applicable 17542
regulations of the United States treasury regarding the sharing 17543
of credits. 17544

~~(E)~~ (D) For the purposes of this section, "trust" means 17545
any trust described in Subchapter J of Chapter 1 of the Internal 17546
Revenue Code, excluding trusts that are not irrevocable as 17547
defined in division (I) (3) (b) of section 5747.01 of the Revised 17548
Code and that have no modified Ohio taxable income for the 17549
taxable year, charitable remainder trusts, qualified funeral 17550
trusts and preneed funeral contract trusts established pursuant 17551
to sections 4717.31 to 4717.38 of the Revised Code that are not 17552
qualified funeral trusts, endowment and perpetual care trusts, 17553
qualified settlement trusts and funds, designated settlement 17554
trusts and funds, and trusts exempted from taxation under 17555
section 501(a) of the Internal Revenue Code. 17556

~~(F)~~ (E) Nothing in division (A) (3) of this section shall 17557
prohibit an individual with an Ohio adjusted gross income, less 17558
taxable business income and exemptions, of twenty-one thousand 17559
seven hundred fifty dollars or less from filing a return under 17560
this chapter to receive a refund of taxes withheld or to claim 17561
any refundable credit allowed under this chapter. 17562

Sec. 5747.058. (A) A refundable income tax credit granted 17563
by the tax credit authority under section 122.17 or former 17564
division (B) (2) or (3) of section 122.171 of the Revised Code, 17565
as those divisions existed before the effective date of the 17566

amendment of this section by H.B. 64 of the 131st general 17567
assembly, September 29, 2015, may be claimed under this chapter, 17568
in the order required under section 5747.98 of the Revised Code. 17569
For purposes of making tax payments under this chapter, taxes 17570
equal to the amount of the refundable credit shall be considered 17571
to be paid to this state on the first day of the taxable year. 17572
The refundable credit shall not be claimed for any taxable years 17573
ending with or following the calendar year in which a relocation 17574
of employment positions occurs in violation of an agreement 17575
entered into under section 122.17 or 122.171 of the Revised 17576
Code. 17577

(B) A nonrefundable income tax credit granted by the tax 17578
credit authority under division (B) of section 122.171 of the 17579
Revised Code may be claimed under this chapter, in the order 17580
required under section 5747.98 of the Revised Code. 17581

Sec. 5747.061. (A) As used in this section: 17582

(1) "State agency" means the general assembly, all courts, 17583
any department, division, institution, board, commission, 17584
authority, bureau, or other instrumentality of the state. 17585

(2) "Political subdivision" means a county, municipal 17586
corporation, township, school district, or other body corporate 17587
and politic responsible for governmental activities in a 17588
geographic area smaller than that of the state. 17589

(3) "Legislative authority" means the board of county 17590
commissioners, the legislative authority of a municipal 17591
corporation, the board of township trustees, the board of 17592
education, or the board, council, commission, or other governing 17593
body of any other political subdivision. 17594

(4) "Fiscal officer" means the county auditor, the 17595

treasurer of the municipal corporation, the clerk-treasurer of a 17596
village, or the officer who, by virtue of the charter, has the 17597
duties of the treasurer or clerk-treasurer, the township fiscal 17598
officer, the treasurer of the board of education, or, in the 17599
case of any state agency or other subdivision, the officer or 17600
person responsible for deducting and withholding from the 17601
compensation paid to an employee who is a taxpayer the amount of 17602
tax required to be withheld by section 5747.06 of the Revised 17603
Code. 17604

(B) (1) The director or other chief administrator of any 17605
state agency, in accordance with rules adopted by the department 17606
of administrative services, may direct its fiscal officer to 17607
deduct and withhold from the compensation paid to an employee 17608
who is a resident of a state with which the commissioner has 17609
entered into an agreement under division (A) ~~(3)~~ (2) of section 17610
5747.05 of the Revised Code, a tax computed in such a manner as 17611
to result, as far as practicable, in withholding from the 17612
compensation of the employee during each calendar year an amount 17613
substantially equivalent to the tax reasonably estimated to be 17614
due under the income tax laws of the state of residence of the 17615
employee with respect to the amount of such compensation 17616
included in gross income during the calendar year under those 17617
laws. 17618

(2) The legislative authority of a political subdivision 17619
may adopt a rule, ordinance, or resolution requiring the fiscal 17620
officer of the political subdivision to deduct and withhold from 17621
the compensation paid to an employee who is a resident of a 17622
state with which the tax commissioner has entered into an 17623
agreement under division (A) ~~(3)~~ (2) of section 5747.05 of the 17624
Revised Code, a tax computed in such a manner as to result, as 17625
far as practicable, in withholding from the compensation of the 17626

employee during each calendar year an amount substantially 17627
equivalent to the tax reasonably estimated to be due under the 17628
income tax laws of the state of residence of the employee with 17629
respect to the amount of such compensation included in gross 17630
income during the calendar year under those laws. 17631

(3) Upon direction of the director or other chief 17632
administrator of a state agency, or adoption of a rule, 17633
ordinance, or resolution by a political subdivision under this 17634
division, the fiscal officer shall obtain from the official 17635
responsible for administering the income tax laws of the state 17636
of residence of the employee, information necessary to enable 17637
the fiscal officer to withhold the proper amount of tax from the 17638
compensation of the employee for the calendar year. 17639

(C) A fiscal officer who deducts and withholds tax from 17640
the compensation of a nonresident employee shall file a 17641
withholding return or other report and pay the full amount of 17642
the tax deducted and withheld as required by the income tax laws 17643
of the state of residence of the employee. 17644

(D) A fiscal officer who deducts and withholds tax from 17645
the compensation of a nonresident employee shall furnish to that 17646
employee and to the official who is responsible for 17647
administering the income tax laws of the state of residence of 17648
the employee, a written statement showing the amount of 17649
compensation paid to the employee and the amount deducted and 17650
withheld from the compensation of the employee during the 17651
calendar year. The statement shall be furnished on or before the 17652
last day of January of the succeeding year, except that, with 17653
respect to an employee whose employment is terminated, the 17654
statement for the calendar year in which the last payment of 17655
compensation is made shall be furnished within thirty days from 17656

the date the last payment of compensation is made. 17657

Sec. 5747.07. (A) As used in this section: 17658

(1) "Partial weekly withholding period" means a period 17659
during which an employer directly, indirectly, or constructively 17660
pays compensation to, or credits compensation to the benefit of, 17661
an employee, and that consists of a consecutive Saturday, 17662
Sunday, Monday, and Tuesday or a consecutive Wednesday, 17663
Thursday, and Friday. There are two partial weekly withholding 17664
periods each week, except that a partial weekly withholding 17665
period cannot extend from one calendar year into the next 17666
calendar year; if the first day of January falls on a day other 17667
than Saturday or Wednesday, the partial weekly withholding 17668
period ends on the thirty-first day of December and there are 17669
three partial weekly withholding periods during that week. 17670

(2) "Undeposited taxes" means the taxes an employer is 17671
required to deduct and withhold from an employee's compensation 17672
pursuant to section 5747.06 of the Revised Code that have not 17673
been remitted to the tax commissioner pursuant to this section 17674
or to the treasurer of state pursuant to section 5747.072 of the 17675
Revised Code. 17676

(3) A "week" begins on Saturday and concludes at the end 17677
of the following Friday. 17678

(4) "Client employer," "professional employer 17679
organization," "professional employer organization agreement," 17680
and "professional employer organization reporting entity" have 17681
the same meanings as in section 4125.01 of the Revised Code. 17682

(B) Except as provided in divisions (C) and (D) of this 17683
section and in division (A) of section 5747.072 of the Revised 17684
Code, every employer required to deduct and withhold any amount 17685

under section 5747.06 of the Revised Code shall file a return 17686
and shall pay the amount required by law as follows: 17687

(1) An employer who accumulates or is required to 17688
accumulate undeposited taxes of one hundred thousand dollars or 17689
more during a partial weekly withholding period shall make the 17690
payment of the undeposited taxes by the close of the first 17691
banking day after the day on which the accumulation reaches one 17692
hundred thousand dollars. If required under division (I) of this 17693
section, the payment shall be made by electronic funds transfer 17694
under section 5747.072 of the Revised Code. 17695

(2) ~~(a)~~ Except as required by division (B) (1) of this 17696
section, an employer ~~described in division (B) (2) (b) of this~~ 17697
~~section whose actual or required payments under this section~~ 17698
~~were at least eighty-four thousand dollars during the twelve-~~ 17699
~~month period ending on the thirtieth day of June of the~~ 17700
~~preceding calendar year~~ shall make the payment of undeposited 17701
taxes within three banking days after the close of a partial 17702
weekly withholding period during which the employer was required 17703
to deduct and withhold any amount under this chapter. If 17704
required under division (I) of this section, the payment shall 17705
be made by electronic funds transfer under section 5747.072 of 17706
the Revised Code. 17707

~~(b) For amounts required to be deducted and withheld~~ 17708
~~during 1994, an employer described in division (B) (2) (b) of this~~ 17709
~~section is one whose actual or required payments under this~~ 17710
~~section exceeded one hundred eighty thousand dollars during the~~ 17711
~~twelve-month period ending June 30, 1993. For amounts required~~ 17712
~~to be deducted and withheld during 1995 and each year~~ 17713
~~thereafter, an employer described in division (B) (2) (b) of this~~ 17714
~~section is one whose actual or required payments under this~~ 17715

~~section were at least eighty four thousand dollars during the~~ 17716
~~twelve-month period ending on the thirtieth day of June of the~~ 17717
~~preceding calendar year.~~ 17718

(3) Except as required by divisions (B)(1) and (2) of this 17719
section, if an employer's actual or required payments were more 17720
than two thousand dollars during the twelve-month period ending 17721
on the thirtieth day of June of the preceding calendar year, the 17722
employer shall make the payment of undeposited taxes for each 17723
month during which they were required to be withheld no later 17724
than fifteen days following the last day of that month. The 17725
employer shall file the return prescribed by the tax 17726
commissioner with the payment. 17727

(4) Except as required by divisions (B)(1), (2), and (3) 17728
of this section, an employer shall make the payment of 17729
undeposited taxes for each calendar quarter during which they 17730
were required to be withheld no later than the last day of the 17731
month following the last day of March, June, September, and 17732
December each year. The employer shall file the return 17733
prescribed by the tax commissioner with the payment. 17734

(C) The return and payment schedules prescribed by 17735
divisions (B)(1) and (2) of this section do not apply to the 17736
return and payment of undeposited school district income taxes 17737
arising from taxes levied pursuant to Chapter 5748. of the 17738
Revised Code. Undeposited school district income taxes shall be 17739
returned and paid pursuant to divisions (B)(3) and (4) of this 17740
section, as applicable. 17741

(D)(1) The requirements of division (B) of this section 17742
are met if the amount paid is not less than ninety-five per cent 17743
of the actual tax withheld or required to be withheld for the 17744
prior quarterly, monthly, or partial weekly withholding period, 17745

and the underpayment is not due to willful neglect. Any 17746
underpayment of withheld tax shall be paid within thirty days of 17747
the date on which the withheld tax was due without regard to 17748
division (D) (1) of this section. An employer described in 17749
division (B) (1) or (2) of this section shall make the payment by 17750
electronic funds transfer under section 5747.072 of the Revised 17751
Code. 17752

(2) If the tax commissioner believes that quarterly or 17753
monthly payments would result in a delay that might jeopardize 17754
the remittance of withholding payments, the commissioner may 17755
order that the payments be made weekly, or more frequently if 17756
necessary, and the payments shall be made no later than three 17757
banking days following the close of the period for which the 17758
jeopardy order is made. An order requiring weekly or more 17759
frequent payments shall be delivered to the employer personally 17760
or by certified mail and remains in effect until the 17761
commissioner notifies the employer to the contrary. 17762

(3) If compelling circumstances exist concerning the 17763
remittance of undeposited taxes, the commissioner may order the 17764
employer to make payments under any of the payment schedules 17765
under division (B) of this section. The order shall be delivered 17766
to the employer personally or by certified mail and shall remain 17767
in effect until the commissioner notifies the employer to the 17768
contrary. For purposes of division (D) (3) of this section, 17769
"compelling circumstances" exist if either or both of the 17770
following are true: 17771

(a) Based upon annualization of payments made or required 17772
to be made during the preceding calendar year and during the 17773
current calendar year, the employer would be required for the 17774
next calendar year to make payments under division (B) (2) of 17775

this section. 17776

(b) Based upon annualization of payments made or required 17777
to be made during the current calendar year, the employer would 17778
be required for the next calendar year to make payments under 17779
division (B) (2) of this section. 17780

(E) (1) An employer described in division (B) (1) or (2) of 17781
this section shall file, not later than the last day of the 17782
month following the end of each calendar quarter, a return 17783
covering, but not limited to, both the actual amount deducted 17784
and withheld and the amount required to be deducted and withheld 17785
for the tax imposed under section 5747.02 of the Revised Code 17786
during each partial weekly withholding period or portion of a 17787
partial weekly withholding period during that quarter. The 17788
employer shall file the quarterly return even if the aggregate 17789
amount required to be deducted and withheld for the quarter is 17790
zero dollars. At the time of filing the return, the employer 17791
shall pay any amounts of undeposited taxes for the quarter, 17792
whether actually deducted and withheld or required to be 17793
deducted and withheld, that have not been previously paid. If 17794
required under division (I) of this section, the payment shall 17795
be made by electronic funds transfer. The tax commissioner shall 17796
prescribe the form and other requirements of the quarterly 17797
return. 17798

(2) In addition to other returns required to be filed and 17799
payments required to be made under this section, every employer 17800
required to deduct and withhold taxes shall file, not later than 17801
the thirty-first day of January of each year, an annual return 17802
covering, but not limited to, both the aggregate amount deducted 17803
and withheld and the aggregate amount required to be deducted 17804
and withheld during the entire preceding year for the tax 17805

imposed under section 5747.02 of the Revised Code and for each 17806
tax imposed under Chapter 5748. of the Revised Code. At the time 17807
of filing that return, the employer shall pay over any amounts 17808
of undeposited taxes for the preceding year, whether actually 17809
deducted and withheld or required to be deducted and withheld, 17810
that have not been previously paid. The employer shall make the 17811
annual report, to each employee and to the tax commissioner, of 17812
the compensation paid and each tax withheld, as the commissioner 17813
by rule may prescribe. 17814

Each employer required to deduct and withhold any tax is 17815
liable for the payment of that amount required to be deducted 17816
and withheld, whether or not the tax has in fact been withheld, 17817
unless the failure to withhold was based upon the employer's 17818
good faith in reliance upon the statement of the employee as to 17819
liability, and the amount shall be deemed to be a special fund 17820
in trust for the general revenue fund. 17821

(F) Each employer shall file with the employer's annual 17822
return the following items of information on employees for whom 17823
withholding is required under section 5747.06 of the Revised 17824
Code: 17825

(1) The full name of each employee, the employee's 17826
address, the employee's school district of residence, and in the 17827
case of a nonresident employee, the employee's principal county 17828
of employment; 17829

(2) The social security number of each employee; 17830

(3) The total amount of compensation paid before any 17831
deductions to each employee for the period for which the annual 17832
return is made; 17833

(4) The amount of the tax imposed by section 5747.02 of 17834

the Revised Code and the amount of each tax imposed under 17835
Chapter 5748. of the Revised Code withheld from the compensation 17836
of the employee for the period for which the annual return is 17837
made. The commissioner may extend upon good cause the period for 17838
filing any notice or return required to be filed under this 17839
section and may adopt rules relating to extensions of time. If 17840
the extension results in an extension of time for the payment of 17841
the amounts withheld with respect to which the return is filed, 17842
the employer shall pay, at the time the amount withheld is paid, 17843
an amount of interest computed at the rate per annum prescribed 17844
by section 5703.47 of the Revised Code on that amount withheld, 17845
from the day that amount was originally required to be paid to 17846
the day of actual payment or to the day an assessment is issued 17847
under section 5747.13 of the Revised Code, whichever occurs 17848
first. 17849

(5) In addition to all other interest charges and 17850
penalties imposed, all amounts of taxes withheld or required to 17851
be withheld and remaining unpaid after the day the amounts are 17852
required to be paid shall bear interest from the date prescribed 17853
for payment at the rate per annum prescribed by section 5703.47 17854
of the Revised Code on the amount unpaid, in addition to the 17855
amount withheld, until paid or until the day an assessment is 17856
issued under section 5747.13 of the Revised Code, whichever 17857
occurs first. 17858

(G) An employee of a corporation, limited liability 17859
company, or business trust having control or supervision of or 17860
charged with the responsibility of filing the report and making 17861
payment, or an officer, member, manager, or trustee of a 17862
corporation, limited liability company, or business trust who is 17863
responsible for the execution of the corporation's, limited 17864
liability company's, or business trust's fiscal 17865

responsibilities, shall be personally liable for failure to file 17866
the report or pay the tax due as required by this section. The 17867
dissolution, termination, or bankruptcy of a corporation, 17868
limited liability company, or business trust does not discharge 17869
a responsible officer's, member's, manager's, employee's, or 17870
trustee's liability for a failure of the corporation, limited 17871
liability company, or business trust to file returns or pay tax 17872
due. 17873

(H) If an employer required to deduct and withhold income 17874
tax from compensation and to pay that tax to the state under 17875
sections 5747.06 and 5747.07 of the Revised Code sells the 17876
employer's business or stock of merchandise or quits the 17877
employer's business, the taxes required to be deducted and 17878
withheld and paid to the state pursuant to those sections prior 17879
to that time, together with any interest and penalties imposed 17880
on those taxes, become due and payable immediately, and that 17881
person shall make a final return within fifteen days after the 17882
date of selling or quitting business. The employer's successor 17883
shall withhold a sufficient amount of the purchase money to 17884
cover the amount of the taxes, interest, and penalties due and 17885
unpaid, until the former owner produces a receipt from the tax 17886
commissioner showing that the taxes, interest, and penalties 17887
have been paid or a certificate indicating that no such taxes 17888
are due. If the purchaser of the business or stock of 17889
merchandise fails to withhold purchase money, the purchaser 17890
shall be personally liable for the payment of the taxes, 17891
interest, and penalties accrued and unpaid during the operation 17892
of the business by the former owner. If the amount of taxes, 17893
interest, and penalties outstanding at the time of the purchase 17894
exceeds the total purchase money, the tax commissioner in the 17895
commissioner's discretion may adjust the liability of the seller 17896

or the responsibility of the purchaser to pay that liability to 17897
maximize the collection of withholding tax revenue. 17898

~~(I)(1) An employer described in division (I)(2) of this 17899~~
~~section whose actual or required payments under this section 17900~~
~~exceeded eighty-four thousand dollars during the twelve-month 17901~~
~~period ending on the thirtieth day of June of the preceding 17902~~
~~calendar year shall make all payments required by this section 17903~~
for the year by electronic funds transfer under section 5747.072 17904
of the Revised Code. 17905

~~(2)(a) For 1994, an employer described in division (I)(2) 17906~~
~~of this section is one whose actual or required payments under 17907~~
~~this section exceeded five hundred thousand dollars during the 17908~~
~~twelve-month period ending June 30, 1993. 17909~~

~~(b) For 1995, an employer described in division (I)(2) of 17910~~
~~this section is one whose actual or required payments under this 17911~~
~~section exceeded five hundred thousand dollars during the 17912~~
~~twelve-month period ending June 30, 1994. 17913~~

~~(c) For 1996, an employer described in division (I)(2) of 17914~~
~~this section is one whose actual or required payments under this 17915~~
~~section exceeded three hundred thousand dollars during the 17916~~
~~twelve-month period ending June 30, 1995. 17917~~

~~(d) For 1997 through 2000, an employer described in 17918~~
~~division (I)(2) of this section is one whose actual or required 17919~~
~~payments under this section exceeded one hundred eighty thousand 17920~~
~~dollars during the twelve-month period ending on the thirtieth 17921~~
~~day of June of the preceding calendar year. 17922~~

~~(e) For 2001 and thereafter, an employer described in 17923~~
~~division (I)(2) of this section is one whose actual or required 17924~~
~~payments under this section exceeded eighty-four thousand 17925~~

~~dollars during the twelve month period ending on the thirtieth-~~ 17926
~~day of June of the preceding calendar year.~~ 17927

(J) (1) Every professional employer organization and every 17928
professional employer organization reporting entity shall file a 17929
report with the tax commissioner within thirty days after 17930
commencing business in this state ~~or within thirty days after~~ 17931
~~the effective date of this amendment, whichever is later,~~ that 17932
includes all of the following information: 17933

(a) The name, address, number the employer receives from 17934
the secretary of state to do business in this state, if 17935
applicable, and federal employer identification number of each 17936
client employer of the professional employer organization or 17937
professional employer organization reporting entity; 17938

(b) The date that each client employer became a client of 17939
the professional employer organization or professional employer 17940
organization reporting entity; 17941

(c) The names and mailing addresses of the chief executive 17942
officer and the chief financial officer of each client employer 17943
for taxation of the client employer. 17944

(2) Beginning with the calendar quarter ending after a 17945
professional employer organization or professional employer 17946
organization reporting entity files the report required under 17947
division (J) (1) of this section, and every calendar quarter 17948
thereafter, the professional employer organization or the 17949
professional employer organization reporting entity shall file 17950
an updated report with the tax commissioner. The professional 17951
employer organization or professional employer organization 17952
reporting entity shall file the updated report not later than 17953
the last day of the month following the end of the calendar 17954

quarter and shall include all of the following information in 17955
the report: 17956

(a) If an entity became a client employer of the 17957
professional employer organization or professional employer 17958
organization reporting entity at any time during the calendar 17959
quarter, all of the information required under division (J) (1) 17960
of this section for each new client employer; 17961

(b) If an entity terminated the professional employer 17962
organization agreement between the professional employer 17963
organization or professional employer organization reporting 17964
entity and the entity at any time during the calendar quarter, 17965
the information described in division (J) (1) (a) of this section 17966
for that entity, the date during the calendar quarter that the 17967
entity ceased being a client of the professional employer 17968
organization or professional employer organization reporting 17969
entity, if applicable, or the date the entity ceased business 17970
operations in this state, if applicable; 17971

(c) If the name or mailing address of the chief executive 17972
officer or the chief financial officer of a client employer has 17973
changed since the professional employer organization or 17974
professional employer organization reporting entity previously 17975
submitted a report under division (J) (1) or (2) of this section, 17976
the updated name or mailing address, or both, of the chief 17977
executive officer or the chief financial officer, as applicable; 17978

(d) If none of the events described in divisions (J) (2) (a) 17979
to (c) of this section occurred during the calendar quarter, a 17980
statement of that fact. 17981

Sec. 5747.082. (A) As used in this section: 17982

(1) "Electronic technology" means electronic technology 17983

acceptable to the tax commissioner under division (B) of this section. 17984
17985

(2) "Original tax return" means any report, return, or 17986
other tax document required to be filed under this chapter for 17987
the purpose of reporting the taxes due under, and withholdings 17988
required by, this chapter. "Original tax return" does not 17989
include an amended return or any declaration or form required by 17990
or filed in connection with section 5747.09 of the Revised Code. 17991

(3) "Related member" has the same meaning as in section 17992
5733.042 of the Revised Code. 17993

(4) "Tax return preparer" means any person that operates a 17994
business that prepares, or directly or indirectly employs 17995
another person to prepare, for a taxpayer an original tax return 17996
in exchange for compensation or remuneration from the taxpayer 17997
or the taxpayer's related member. With respect to the 17998
preparation of a return or application for refund under this 17999
chapter, "tax return preparer" does not include an individual 18000
who performs only one or more of the following activities: 18001

(a) Furnishes typing, reproducing, or other mechanical 18002
assistance; 18003

(b) Prepares an application for refund or a return on 18004
behalf of an employer by whom the individual is regularly and 18005
continuously employed, or on behalf of an officer or employee of 18006
that employer; 18007

(c) Prepares as a fiduciary an application for refund or a 18008
return; 18009

(d) Prepares an application for refund or a return for a 18010
taxpayer in response to a notice of deficiency issued to the 18011
taxpayer or the taxpayer's related member, or in response to a 18012

waiver of restriction after the commencement of an audit of the 18013
taxpayer or the taxpayer's related member. 18014

(B) Divisions (C) and (D) of this section apply to the 18015
filing of original tax returns that are due in a calendar year 18016
only if the tax commissioner, by the last day of the calendar 18017
year immediately preceding the calendar year in which such 18018
returns are due, has published on the department of taxation's 18019
official internet web site at least one method of electronic 18020
technology acceptable to the commissioner for filing such 18021
returns. 18022

(C) A tax return preparer that prepares more than ~~seventy-~~ 18023
~~five original tax returns during any calendar year that ends~~ 18024
~~before January 1, 2013, or that prepares more than eleven~~ 18025
original tax returns during any calendar year ~~that begins on or~~ 18026
~~after January 1, 2013,~~ shall use electronic technology to file 18027
with the tax commissioner all original tax returns prepared by 18028
the tax return preparer. ~~This division does not apply to a tax-~~ 18029
~~return preparer in any calendar year that ends before January 1,~~ 18030
~~2013, if, during the previous calendar year, the tax return~~ 18031
~~preparer prepared no more than twenty five original tax returns.~~ 18032
This division does not apply to a tax return preparer in any 18033
calendar year ~~that begins on or after January 1, 2013,~~ if, 18034
during the previous calendar year, the tax return preparer 18035
prepared not more than ten original tax returns. 18036

(D) If a tax return preparer required by this section to 18037
submit original tax returns by electronic technology files an 18038
original tax return by some means other than by electronic 18039
technology, the tax commissioner shall impose a penalty of fifty 18040
dollars for each return, ~~in excess of seventy five in calendar~~ 18041
~~year 2010, 2011, or 2012, or~~ in excess of eleven in any 18042

calendar year ~~thereafter~~, that is not filed by electronic 18043
technology. Upon good cause shown by the tax return preparer, 18044
the tax commissioner may waive all or any portion of the penalty 18045
or may refund all or any portion of the penalty the tax return 18046
preparer has paid. 18047

Sec. 5747.11. (A) The tax commissioner shall refund to 18048
employers, qualifying entities, or taxpayers subject to a tax 18049
imposed under section 5733.41, 5747.02, or 5747.41, or Chapter 18050
5748. of the Revised Code the amount of any overpayment of such 18051
tax. 18052

(B) Except as otherwise provided under divisions (D) and 18053
(E) of this section, applications for refund shall be filed with 18054
the tax commissioner, on the form prescribed by the 18055
commissioner, within four years from the date of the illegal, 18056
erroneous, or excessive payment of the tax, or within any 18057
additional period allowed by division (B)(3)(b) of section 18058
5747.05, division (E) of section 5747.10, division (A) of 18059
section 5747.13, or division (C) of section 5747.45 of the 18060
Revised Code. 18061

On filing of the refund application, the commissioner 18062
shall determine the amount of refund due and, if that amount 18063
exceeds one dollar, certify such amount to the director of 18064
budget and management and treasurer of state for payment from 18065
the tax refund fund created by section 5703.052 of the Revised 18066
Code. Payment shall be made as provided in division (C) of 18067
section 126.35 of the Revised Code. 18068

(C) (1) Interest shall be allowed and paid at the rate per 18069
annum prescribed by section 5703.47 of the Revised Code on 18070
amounts refunded with respect to the tax imposed under section 18071
5747.02 or Chapter 5748. of the Revised Code from the date of 18072

the overpayment until the date of the refund of the overpayment, 18073
except that if any overpayment is refunded within ninety days 18074
after the final filing date of the annual return or ninety days 18075
after the return is filed, whichever is later, no interest shall 18076
be allowed on such overpayment. If the overpayment results from 18077
the carryback of a net operating loss or net capital loss to a 18078
previous taxable year, the overpayment is deemed not to have 18079
been made prior to the filing date, including any extension 18080
thereof, for the taxable year in which the net operating loss or 18081
net capital loss arises. For purposes of the payment of interest 18082
on overpayments, no amount of tax, for any taxable year, shall 18083
be treated as having been paid before the date on which the tax 18084
return for that year was due without regard to any extension of 18085
time for filing such return. 18086

(2) Interest shall be allowed at the rate per annum 18087
prescribed by section 5703.47 of the Revised Code on amounts 18088
refunded with respect to the taxes imposed under sections 18089
5733.41 and 5747.41 of the Revised Code. The interest shall run 18090
from whichever of the following days is the latest until the day 18091
the refund is paid: the day the illegal, erroneous, or excessive 18092
payment was made; the ninetieth day after the final day the 18093
annual report was required to be filed under section 5747.42 of 18094
the Revised Code; or the ninetieth day after the day that report 18095
was filed. 18096

(D) "Ninety days" shall be substituted for "four years" in 18097
division (B) of this section if the taxpayer satisfies both of 18098
the following conditions: 18099

(1) The taxpayer has applied for a refund based in whole 18100
or in part upon section 5747.059 of the Revised Code; 18101

(2) The taxpayer asserts that either the imposition or 18102

collection of the tax imposed or charged by this chapter or any 18103
portion of such tax violates the Constitution of the United 18104
States or the Constitution of Ohio. 18105

(E) (1) Division (E) (2) of this section applies only if all 18106
of the following conditions are satisfied: 18107

(a) A qualifying entity pays an amount of the tax imposed 18108
by section 5733.41 or 5747.41 of the Revised Code; 18109

(b) The taxpayer is a qualifying investor as to that 18110
qualifying entity; 18111

(c) The taxpayer did not claim the credit provided for in 18112
section 5747.059 of the Revised Code as to the tax described in 18113
division (E) (1) (a) of this section; 18114

(d) The four-year period described in division (B) of this 18115
section has ended as to the taxable year for which the taxpayer 18116
otherwise would have claimed that credit. 18117

(2) A taxpayer shall file an application for refund 18118
pursuant to division (E) of this section within one year after 18119
the date the payment described in division (E) (1) (a) of this 18120
section is made. An application filed under division (E) (2) of 18121
this section shall claim refund only of overpayments resulting 18122
from the taxpayer's failure to claim the credit described in 18123
division (E) (1) (c) of this section. Nothing in division (E) of 18124
this section shall be construed to relieve a taxpayer from 18125
complying with division ~~(A) (16)~~ (A) (15) of section 5747.01 of 18126
the Revised Code. 18127

Sec. 5747.231. As used in this section, "adjusted 18128
qualifying amount" has the same meaning as in section 5733.40 of 18129
the Revised Code. 18130

This section does not apply to division ~~(BB)~~ (AA) (5) (a) (ii) 18131
of section 5747.01 of the Revised Code. 18132

Except as set forth in this section and except as 18133
otherwise provided in divisions (A) and (B) of section 5733.401 18134
of the Revised Code, in making all apportionment, allocation, 18135
income, gain, loss, deduction, tax, and credit computations 18136
under this chapter, each person shall include in that person's 18137
items of business income, nonbusiness income, adjusted 18138
qualifying amounts, allocable income or loss, apportionable 18139
income or loss, property, compensation, and sales, the person's 18140
entire distributive share or proportionate share of the items of 18141
business income, nonbusiness income, adjusted qualifying 18142
amounts, allocable income or loss, apportionable income or loss, 18143
property, compensation, and sales of any pass-through entity in 18144
which the person has a direct or indirect ownership interest at 18145
any time during the person's taxable year. A pass-through 18146
entity's direct or indirect distributive share or proportionate 18147
share of any other pass-through entity's items of business 18148
income, nonbusiness income, adjusted qualifying amounts, 18149
allocable income or loss, apportionable income or loss, 18150
property, compensation, and sales shall be included for the 18151
purposes of computing the person's distributive share or 18152
proportionate share of the pass-through entity's items of 18153
business income, nonbusiness income, adjusted qualifying 18154
amounts, allocable income or loss, apportionable income or loss, 18155
property, compensation, and sales under this section. Those 18156
items shall be in the same form as was recognized by the pass- 18157
through entity. 18158

Sec. 5747.41. For the same purposes for which the tax is 18159
levied under section 5747.02 of the Revised Code, there is 18160
hereby levied a withholding tax on every qualifying pass-through 18161

entity having at least one qualifying investor who is an 18162
individual and on every qualifying trust having at least one 18163
qualifying beneficiary who is an individual. The withholding tax 18164
imposed by this section is imposed on the sum of the adjusted 18165
qualifying amounts of a qualifying pass-through entity's 18166
qualifying investors who are individuals and on the sum of the 18167
adjusted qualifying amounts of a qualifying trust's qualifying 18168
beneficiaries, at the rate of five per cent of that sum. 18169

The tax imposed by this section applies only if the 18170
qualifying entity has nexus with this state under the 18171
Constitution of the United States for any portion of the 18172
qualifying entity's qualifying taxable year, and the sum of the 18173
qualifying entity's adjusted qualifying amounts exceeds one 18174
thousand dollars for the qualifying entity's qualifying taxable 18175
year. 18176

~~The levy of the tax under this section does not prevent a 18177
municipal corporation or a joint economic development district 18178
created under section 715.70, 715.71, or 715.72 of the Revised 18179
Code from levying a tax on income. 18180~~

Sec. 5747.51. (A) On or before the twenty-fifth day of 18181
July of each year, the tax commissioner shall make and certify 18182
to the county auditor of each county an estimate of the amount 18183
of the local government fund to be allocated to the undivided 18184
local government fund of each county for the ensuing calendar 18185
year, adjusting the total as required to account for 18186
subdivisions receiving local government funds under section 18187
5747.502 of the Revised Code. 18188

(B) At each annual regular session of the county budget 18189
commission convened pursuant to section 5705.27 of the Revised 18190
Code, each auditor shall present to the commission the 18191

certificate of the commissioner, the annual tax budget and 18192
estimates, and the records showing the action of the commission 18193
in its last preceding regular session. The commission, after 18194
extending to the representatives of each subdivision an 18195
opportunity to be heard, under oath administered by any member 18196
of the commission, and considering all the facts and information 18197
presented to it by the auditor, shall determine the amount of 18198
the undivided local government fund needed by and to be 18199
apportioned to each subdivision for current operating expenses, 18200
as shown in the tax budget of the subdivision. This 18201
determination shall be made pursuant to divisions (C) to (I) of 18202
this section, unless the commission has provided for a formula 18203
pursuant to section 5747.53 of the Revised Code. The 18204
commissioner shall reduce the amount of funds from the undivided 18205
local government fund to a subdivision required to receive 18206
reduced funds under section 5747.502 of the Revised Code. 18207

Nothing in this section prevents the budget commission, 18208
for the purpose of apportioning the undivided local government 18209
fund, from inquiring into the claimed needs of any subdivision 18210
as stated in its tax budget, or from adjusting claimed needs to 18211
reflect actual needs. For the purposes of this section, "current 18212
operating expenses" means the lawful expenditures of a 18213
subdivision, except those for permanent improvements and except 18214
payments for interest, sinking fund, and retirement of bonds, 18215
notes, and certificates of indebtedness of the subdivision. 18216

(C) The commission shall determine the combined total of 18217
the estimated expenditures, including transfers, from the 18218
general fund and any special funds other than special funds 18219
established for road and bridge; street construction, 18220
maintenance, and repair; state highway improvement; and gas, 18221
water, sewer, and electric public utilities operated by a 18222

subdivision, as shown in the subdivision's tax budget for the 18223
ensuing calendar year. 18224

(D) From the combined total of expenditures calculated 18225
pursuant to division (C) of this section, the commission shall 18226
deduct the following expenditures, if included in these funds in 18227
the tax budget: 18228

(1) Expenditures for permanent improvements as defined in 18229
division (E) of section 5705.01 of the Revised Code; 18230

(2) In the case of counties and townships, transfers to 18231
the road and bridge fund, and in the case of municipalities, 18232
transfers to the street construction, maintenance, and repair 18233
fund and the state highway improvement fund; 18234

(3) Expenditures for the payment of debt charges; 18235

(4) Expenditures for the payment of judgments. 18236

(E) In addition to the deductions made pursuant to 18237
division (D) of this section, revenues accruing to the general 18238
fund and any special fund considered under division (C) of this 18239
section from the following sources shall be deducted from the 18240
combined total of expenditures calculated pursuant to division 18241
(C) of this section: 18242

(1) Taxes levied within the ten-mill limitation, as 18243
defined in section 5705.02 of the Revised Code; 18244

(2) The budget commission allocation of estimated county 18245
public library fund revenues to be distributed pursuant to 18246
section 5747.48 of the Revised Code; 18247

(3) Estimated unencumbered balances as shown on the tax 18248
budget as of the thirty-first day of December of the current 18249
year in the general fund, but not any estimated balance in any 18250

special fund considered in division (C) of this section; 18251

(4) Revenue, including transfers, shown in the general 18252
fund and any special funds other than special funds established 18253
for road and bridge; street construction, maintenance, and 18254
repair; state highway improvement; and gas, water, sewer, and 18255
electric public utilities, from all other sources except those 18256
that a subdivision receives from an additional tax or service 18257
charge voted by its electorate or receives from special 18258
assessment or revenue bond collection. For the purposes of this 18259
division, where the charter of a municipal corporation prohibits 18260
the levy of an income tax, an income tax levied by the 18261
legislative authority of such municipal corporation pursuant to 18262
an amendment of the charter of that municipal corporation to 18263
authorize such a levy represents an additional tax voted by the 18264
electorate of that municipal corporation. For the purposes of 18265
this division, any measure adopted by a board of county 18266
commissioners pursuant to section 322.02, 4504.02, or 5739.021 18267
of the Revised Code, including those measures upheld by the 18268
electorate in a referendum conducted pursuant to section 18269
322.021, 4504.021, or 5739.022 of the Revised Code, shall not be 18270
considered an additional tax voted by the electorate. 18271

Subject to division ~~(G)~~ (F) of section 5705.29 of the 18272
Revised Code, money in a reserve balance account established by 18273
a county, township, or municipal corporation under section 18274
5705.13 of the Revised Code shall not be considered an 18275
unencumbered balance or revenue under division (E) (3) or (4) of 18276
this section. Money in a reserve balance account established by 18277
a township under section 5705.132 of the Revised Code shall not 18278
be considered an unencumbered balance or revenue under division 18279
(E) (3) or (4) of this section. 18280

If a county, township, or municipal corporation has 18281
created and maintains a nonexpendable trust fund under section 18282
5705.131 of the Revised Code, the principal of the fund, and any 18283
additions to the principal arising from sources other than the 18284
reinvestment of investment earnings arising from such a fund, 18285
shall not be considered an unencumbered balance or revenue under 18286
division (E) (3) or (4) of this section. Only investment earnings 18287
arising from investment of the principal or investment of such 18288
additions to principal may be considered an unencumbered balance 18289
or revenue under those divisions. 18290

(F) The total expenditures calculated pursuant to division 18291
(C) of this section, less the deductions authorized in divisions 18292
(D) and (E) of this section, shall be known as the "relative 18293
need" of the subdivision, for the purposes of this section. 18294

(G) The budget commission shall total the relative need of 18295
all participating subdivisions in the county, and shall compute 18296
a relative need factor by dividing the total estimate of the 18297
undivided local government fund by the total relative need of 18298
all participating subdivisions. 18299

(H) The relative need of each subdivision shall be 18300
multiplied by the relative need factor to determine the 18301
proportionate share of the subdivision in the undivided local 18302
government fund of the county; provided, that the maximum 18303
proportionate share of a county shall not exceed the following 18304
maximum percentages of the total estimate of the undivided local 18305
government fund governed by the relationship of the percentage 18306
of the population of the county that resides within municipal 18307
corporations within the county to the total population of the 18308
county as reported in the reports on population in Ohio by the 18309
department of development as of the twentieth day of July of the 18310

year in which the tax budget is filed with the budget 18311
commission: 18312

18313

1

2

A Percentage of municipal population Percentage share of the county
within the county: shall not exceed:

B Less than forty-one per cent Sixty per cent

C Forty-one per cent or more but less Fifty per cent
than eighty-one per cent

D Eighty-one per cent or more Thirty per cent

Where the proportionate share of the county exceeds the 18314
limitations established in this division, the budget commission 18315
shall adjust the proportionate shares determined pursuant to 18316
this division so that the proportionate share of the county does 18317
not exceed these limitations, and it shall increase the 18318
proportionate shares of all other subdivisions on a pro rata 18319
basis. In counties having a population of less than one hundred 18320
thousand, not less than ten per cent shall be distributed to the 18321
townships therein. 18322

(I) The proportionate share of each subdivision in the 18323
undivided local government fund determined pursuant to division 18324
(H) of this section for any calendar year shall not be less than 18325
the product of the average of the percentages of the undivided 18326
local government fund of the county as apportioned to that 18327
subdivision for the calendar years 1968, 1969, and 1970, 18328
multiplied by the total amount of the undivided local government 18329

fund of the county apportioned pursuant to former section 18330
~~5735.23~~ 5739.23 of the Revised Code for the calendar year 1970. 18331
For the purposes of this division, the total apportioned amount 18332
for the calendar year 1970 shall be the amount actually 18333
allocated to the county in 1970 from the state collected 18334
intangible tax as levied by section 5707.03 of the Revised Code 18335
and distributed pursuant to section 5725.24 of the Revised Code, 18336
plus the amount received by the county in the calendar year 1970 18337
pursuant to division (B) (1) of former section 5739.21 of the 18338
Revised Code, and distributed pursuant to former section 5739.22 18339
of the Revised Code. If the total amount of the undivided local 18340
government fund for any calendar year is less than the amount of 18341
the undivided local government fund apportioned pursuant to 18342
former section 5739.23 of the Revised Code for the calendar year 18343
1970, the minimum amount guaranteed to each subdivision for that 18344
calendar year pursuant to this division shall be reduced on a 18345
basis proportionate to the amount by which the amount of the 18346
undivided local government fund for that calendar year is less 18347
than the amount of the undivided local government fund 18348
apportioned for the calendar year 1970. 18349

(J) On the basis of such apportionment, the county auditor 18350
shall compute the percentage share of each such subdivision in 18351
the undivided local government fund and shall at the same time 18352
certify to the tax commissioner the percentage share of the 18353
county as a subdivision. No payment shall be made from the 18354
undivided local government fund, except in accordance with such 18355
percentage shares. 18356

Within ten days after the budget commission has made its 18357
apportionment, whether conducted pursuant to section 5747.51 or 18358
5747.53 of the Revised Code, the auditor shall publish a list of 18359
the subdivisions and the amount each is to receive from the 18360

undivided local government fund and the percentage share of each 18361
subdivision, in a newspaper or newspapers of countywide 18362
circulation, and send a copy of such allocation to the tax 18363
commissioner. 18364

The county auditor shall also send a copy of such 18365
allocation by ordinary or electronic mail to the fiscal officer 18366
of each subdivision entitled to participate in the allocation of 18367
the undivided local government fund of the county. This copy 18368
shall constitute the official notice of the commission action 18369
referred to in section 5705.37 of the Revised Code. 18370

All money received into the treasury of a subdivision from 18371
the undivided local government fund in a county treasury shall 18372
be paid into the general fund and used for the current operating 18373
expenses of the subdivision. 18374

If a municipal corporation maintains a municipal 18375
university, such municipal university, when the board of 18376
trustees so requests the legislative authority of the municipal 18377
corporation, shall participate in the money apportioned to such 18378
municipal corporation from the total local government fund, 18379
however created and constituted, in such amount as requested by 18380
the board of trustees, provided such sum does not exceed nine 18381
per cent of the total amount paid to the municipal corporation. 18382

If any public official fails to maintain the records 18383
required by sections 5747.50 to 5747.55 of the Revised Code or 18384
by the rules issued by the tax commissioner, the auditor of 18385
state, or the treasurer of state pursuant to such sections, or 18386
fails to comply with any law relating to the enforcement of such 18387
sections, the local government fund money allocated to the 18388
county may be withheld until such time as the public official 18389
has complied with such sections or such law or the rules issued 18390

pursuant thereto. 18391

Sec. 5747.52. The form used by the county budget 18392
commission to calculate subdivision shares of the undivided 18393
local government fund as apportioned pursuant to section 5747.51 18394
of the Revised Code shall be as follows: 18395

Calculation of (name of subdivision) share of undivided local 18396
government fund for (name of county) county 18397

18398

1

2

	1	2
A	Authorized expenditure for subdivision	Total
B	1. Estimated expenditures from general fund	_____
C	2. Estimated expenditures from special funds other than those established for road and bridge, street construction, maintenance, and state highway improvement, and for gas, water, sewer, and electric public utilities	_____
D	3. Total	_____
E	Deductions from authorized expenditures	
F	4. Expenditures for permanent improvements	_____
G	5. Transfers to road and bridge fund (counties and townships only)	_____
H	6. Transfers to street construction, maintenance, and repair, and state highway improvements funds	_____

I	7. Expenditures for the payment of debt charges	_____
J	8. Expenditures for the payment of judgments	_____
K	9. Taxes levied inside the "ten-mill limitation"	_____
L	10. Budget commission allocation of estimated county public library fund revenues	_____
M	11. Estimated unencumbered - <u>unencumbered</u> balances as of December 31 of current year in the general funds as stated in the tax budget	_____
N	12. Revenue, including transfers, shown in the general fund or any special funds other than special funds established for road and bridge, street construction, maintenance, and repair, and state highway improvement, and for gas, water, sewer, and electric public utilities, from all other sources except those from additional taxes or service charges voted by electorate as defined in division (E) (4) of section 5747.51 of the Revised Code, and except revenue from special assessment and revenue bond collections	_____
O	13. Total	_____
P	Calculation of subdivision share	
Q	14. Relative need of subdivision (line 3 less line 13)	_____
R	15. Relative need factor for county (total estimate of undivided local government fund divided by total relative need of all participating subdivisions)	_____
S	16. Proportionate share of subdivision (relative need of	_____

subdivision multiplied by relative need factor)

T 17. After any adjustments necessary to comply with _____
statutory maximum share allowable to county

U 18. After any adjustments necessary to comply with _____
statutory minimum share allowable to townships

V 19. After any adjustments necessary to comply with minimum _____
guarantee in division (I) of section 5747.51 of the Revised
Code

W 20. Proportionate share of subdivision (line 16, 17, 18, or _____
19, whichever is appropriate)

Sec. 5747.55. The action of the county budget commission 18399
under ~~sections~~ section 5747.51 and ~~5747.62~~ of the Revised Code 18400
may be appealed to the board of tax appeals in the manner and 18401
with the effect provided in section 5705.37 of the Revised Code, 18402
in accordance with the following rules: 18403

(A) The notice of appeal shall be signed by the authorized 18404
fiscal officer and shall set forth in clear and concise 18405
language: 18406

(1) A statement of the action of the budget commission 18407
appealed from, and the date of the receipt by the subdivision of 18408
the official certificate or notice of such action; 18409

(2) The error or errors the taxing district believes the 18410
budget commission made; 18411

(3) The specific relief sought by the taxing district. 18412

(B) The notice of appeal shall have attached thereto: 18413

(1) A certified copy of the resolution of the taxing authority authorizing the fiscal officer to file the appeal; 18414
18415

(2) An exact copy of the official certificate, or notice of the action of the budget commission appealed from; 18416
18417

(3) An exact copy of the budget request filed with the budget commission by the complaining subdivision, with the date of filing noted thereon. 18418
18419
18420

(C) There shall also be attached to the notice of appeal a statement showing: 18421
18422

(1) The name of the fund involved, the total amount in dollars allocated, and the exact amount in dollars allocated to each participating subdivision; 18423
18424
18425

(2) The amount in dollars which the complaining subdivision believes it should have received; 18426
18427

(3) The name of each participating subdivision, as well as the name and address of the fiscal officer thereof, that the complaining subdivision believes received more than its proper share of the allocation, and the exact amount in dollars of such alleged over-allocation. 18428
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(D) Only the participating subdivisions named pursuant to division (C) of this section are to be considered as appellees before the board of tax appeals and no change shall, in any amount, be made in the amount allocated to participating subdivisions not appellees. 18433
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(E) The total of the undivided local government fund or undivided local government revenue assistance fund to be allocated by the board of tax appeals upon appeal is the total of that fund allocated by the budget commission to those 18438
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18441

subdivisions which are appellants and appellees before the board 18442
of tax appeals. 18443

Sec. 5747.98. (A) To provide a uniform procedure for 18444
calculating a taxpayer's aggregate tax liability under section 18445
5747.02 of the Revised Code, a taxpayer shall claim any credits 18446
to which the taxpayer is entitled in the following order: 18447

~~(1)~~—Either the retirement income credit under division (B) 18448
of section 5747.055 of the Revised Code or the lump sum 18449
retirement income credits under divisions (C), (D), and (E) of 18450
that section; 18451

~~(2)~~—Either the senior citizen credit under division (F) of 18452
section 5747.055 of the Revised Code or the lump sum 18453
distribution credit under division (G) of that section; 18454

~~(3)~~—The dependent care credit under section 5747.054 of 18455
the Revised Code; 18456

~~(4)~~—The credit for displaced workers who pay for job 18457
training under section 5747.27 of the Revised Code; 18458

~~(5)~~—The twenty-dollar personal exemption credit under 18459
section 5747.022 of the Revised Code; 18460

~~(6)~~—The joint filing credit under division (G) of section 18461
5747.05 of the Revised Code; 18462

~~(7)~~—The earned income credit under section 5747.71 of the 18463
Revised Code; 18464

~~(8)~~—The credit for adoption of a minor child under section 18465
5747.37 of the Revised Code; 18466

~~(9)~~—The nonrefundable job retention credit under division 18467
(B) of section 5747.058 of the Revised Code; 18468

(10) The enterprise zone credit under section 5709.66 of the Revised Code;	18469 18470
(11) The ethanol plant investment credit under section 5747.75 of the Revised Code;	18471 18472
(12) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	18473 18474
(13) The small business investment credit under section 5747.81 of the Revised Code;	18475 18476
(14) The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	18477 18478
(15) The opportunity zone investment credit under section 122.84 of the Revised Code;	18479 18480
(16) The enterprise zone credits under section 5709.65 of the Revised Code;	18481 18482
(17) The research and development credit under section 5747.331 of the Revised Code;	18483 18484
(18) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	18485 18486
(19) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	18487 18488
(20) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	18489 18490
(21) The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	18491 18492
(22) The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	18493 18494 18495

~~(23)~~—The refundable credit for taxes paid by a qualifying 18496
entity granted under section 5747.059 of the Revised Code; 18497

~~(24)~~—The refundable credits for taxes paid by a qualifying 18498
pass-through entity granted under division (I) of section 18499
5747.08 of the Revised Code; 18500

~~(25)~~—The refundable credit under section 5747.80 of the 18501
Revised Code for losses on loans made to the Ohio venture 18502
capital program under sections 150.01 to 150.10 of the Revised 18503
Code; 18504

~~(26)~~—The refundable credit for rehabilitating a historic 18505
building under section 5747.76 of the Revised Code. 18506

(B) For any credit, except the refundable credits 18507
enumerated in this section and the credit granted under division 18508
(H) of section 5747.08 of the Revised Code, the amount of the 18509
credit for a taxable year shall not exceed the taxpayer's 18510
aggregate amount of tax due under section 5747.02 of the Revised 18511
Code, after allowing for any other credit that precedes it in 18512
the order required under this section. Any excess amount of a 18513
particular credit may be carried forward if authorized under the 18514
section creating that credit. Nothing in this chapter shall be 18515
construed to allow a taxpayer to claim, directly or indirectly, 18516
a credit more than once for a taxable year. 18517

Sec. 5748.08. (A) The board of education of a city, local, 18518
or exempted village school district, at any time by a vote of 18519
two-thirds of all its members, may declare by resolution that it 18520
may be necessary for the school district to do all of the 18521
following: 18522

(1) Raise a specified amount of money for school district 18523
purposes by levying an annual tax on school district income; 18524

(2) Issue general obligation bonds for permanent 18525
improvements, stating in the resolution the necessity and 18526
purpose of the bond issue and the amount, approximate date, 18527
estimated rate of interest, and maximum number of years over 18528
which the principal of the bonds may be paid; 18529

(3) Levy a tax outside the ten-mill limitation to pay debt 18530
charges on the bonds and any anticipatory securities; 18531

(4) Submit the question of the school district income tax 18532
and bond issue to the electors of the district at a special 18533
election. 18534

The resolution shall specify whether the income that is to 18535
be subject to the tax is taxable income of individuals and 18536
estates as defined in divisions (E) (1) (a) and (2) of section 18537
5748.01 of the Revised Code or taxable income of individuals as 18538
defined in division (E) (1) (b) of that section. 18539

On adoption of the resolution, the board shall certify a 18540
copy of it to the tax commissioner and the county auditor no 18541
later than one hundred five days prior to the date of the 18542
special election at which the board intends to propose the 18543
income tax and bond issue. Not later than ten days of receipt of 18544
the resolution, the tax commissioner, in the same manner as 18545
required by division (A) of section 5748.02 of the Revised Code, 18546
shall estimate the rates designated in divisions (A) (1) and (2) 18547
of that section and certify them to the board. Not later than 18548
ten days of receipt of the resolution, the county auditor shall 18549
estimate and certify to the board the average annual property 18550
tax rate required throughout the stated maturity of the bonds to 18551
pay debt charges on the bonds, in the same manner as under 18552
division (C) of section 133.18 of the Revised Code. 18553

(B) On receipt of the tax commissioner's and county auditor's certifications prepared under division (A) of this section, the board of education of the city, local, or exempted village school district, by a vote of two-thirds of all its members, may adopt a resolution proposing for a specified number of years or for a continuing period of time the levy of an annual tax for school district purposes on school district income and declaring that the amount of taxes that can be raised within the ten-mill limitation will be insufficient to provide an adequate amount for the present and future requirements of the school district; that it is necessary to issue general obligation bonds of the school district for specified permanent improvements and to levy an additional tax in excess of the ten-mill limitation to pay the debt charges on the bonds and any anticipatory securities; and that the question of the bonds and taxes shall be submitted to the electors of the school district at a special election, which shall not be earlier than ninety days after certification of the resolution to the board of elections, and the date of which shall be consistent with section 3501.01 of the Revised Code. The resolution shall specify all of the following:

(1) The purpose for which the school district income tax is to be imposed and the rate of the tax, which shall be the rate set forth in the tax commissioner's certification rounded to the nearest one-fourth of one per cent;

(2) Whether the income that is to be subject to the tax is taxable income of individuals and estates as defined in divisions (E) (1) (a) and (2) of section 5748.01 of the Revised Code or taxable income of individuals as defined in division (E) (1) (b) of that section. The specification shall be the same as the specification in the resolution adopted and certified under

division (A) of this section. 18585

(3) The number of years the tax will be levied, or that it 18586
will be levied for a continuing period of time; 18587

(4) The date on which the tax shall take effect, which 18588
shall be the first day of January of any year following the year 18589
in which the question is submitted; 18590

(5) The county auditor's estimate of the average annual 18591
property tax rate required throughout the stated maturity of the 18592
bonds to pay debt charges on the bonds. 18593

(C) A resolution adopted under division (B) of this 18594
section shall go into immediate effect upon its passage, and no 18595
publication of the resolution shall be necessary other than that 18596
provided for in the notice of election. Immediately after its 18597
adoption and at least ninety days prior to the election at which 18598
the question will appear on the ballot, the board of education 18599
shall certify a copy of the resolution, along with copies of the 18600
auditor's estimate and its resolution under division (A) of this 18601
section, to the board of elections of the proper county. The 18602
board of ~~education~~-elections shall make the arrangements for the 18603
submission of the question to the electors of the school 18604
district, and the election shall be conducted, canvassed, and 18605
certified in the same manner as regular elections in the 18606
district for the election of county officers. 18607

The resolution shall be put before the electors as one 18608
ballot question, with a majority vote indicating approval of the 18609
school district income tax, the bond issue, and the levy to pay 18610
debt charges on the bonds and any anticipatory securities. The 18611
board of elections shall publish the notice of the election in a 18612
newspaper of general circulation in the school district once a 18613

week for two consecutive weeks, or as provided in section 7.16 of the Revised Code, prior to the election. If the board of elections operates and maintains a web site, it also shall post notice of the election on its web site for thirty days prior to the election. The notice of election shall state all of the following:

(1) The questions to be submitted to the electors;

(2) The rate of the school district income tax;

(3) The principal amount of the proposed bond issue;

(4) The permanent improvements for which the bonds are to be issued;

(5) The maximum number of years over which the principal of the bonds may be paid;

(6) The estimated additional average annual property tax rate to pay the debt charges on the bonds, as certified by the county auditor;

(7) The time and place of the special election.

(D) The form of the ballot on a question submitted to the electors under this section shall be as follows:

"Shall the _____ school district be authorized to do both of the following:

(1) Impose an annual income tax of _____ (state the proposed rate of tax) on the school district income of individuals and of estates, for _____ (state the number of years the tax would be levied, or that it would be levied for a continuing period of time), beginning _____ (state the date the tax would first take effect), for the purpose of _____

(state the purpose of the tax)?

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(2) Issue bonds for the purpose of _____ in the
principal amount of \$_____, to be repaid annually over a
maximum period of _____ years, and levy a property tax outside
the ten-mill limitation estimated by the county auditor to
average over the bond repayment period _____ mills for each
one dollar of tax valuation, which amounts to _____ (rate
expressed in cents or dollars and cents, such as "36 cents" or
"\$1.41") for each \$100 of tax valuation, to pay the annual debt
charges on the bonds, and to pay debt charges on any notes
issued in anticipation of those bonds?

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	FOR THE INCOME TAX AND BOND ISSUE	"
	AGAINST THE INCOME TAX AND BOND ISSUE	

(E) If the question submitted to electors proposes a
school district income tax only on the taxable income of
individuals as defined in division (E) (1) (b) of section 5748.01
of the Revised Code, the form of the ballot shall be modified by
stating that the tax is to be levied on the "earned income of
individuals residing in the school district" in lieu of the
"school district income of individuals and of estates."

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(F) The board of elections promptly shall certify the
results of the election to the tax commissioner and the county
auditor of the county in which the school district is located.
If a majority of the electors voting on the question vote in
favor of it, the income tax and the applicable provisions of
Chapter 5747. of the Revised Code shall take effect on the date

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specified in the resolution, and the board of education may 18666
proceed with issuance of the bonds and with the levy and 18667
collection of the property taxes to pay debt charges on the 18668
bonds, at the additional rate or any lesser rate in excess of 18669
the ten-mill limitation. Any securities issued by the board of 18670
education under this section are Chapter 133. securities, as 18671
that term is defined in section 133.01 of the Revised Code. 18672

(G) After approval of a question under this section, the 18673
board of education may anticipate a fraction of the proceeds of 18674
the school district income tax in accordance with section 18675
5748.05 of the Revised Code. Any anticipation notes under this 18676
division shall be issued as provided in section 133.24 of the 18677
Revised Code, shall have principal payments during each year 18678
after the year of their issuance over a period not to exceed 18679
five years, and may have a principal payment in the year of 18680
their issuance. 18681

(H) The question of repeal of a school district income tax 18682
levied for more than five years may be initiated and submitted 18683
in accordance with section 5748.04 of the Revised Code. 18684

(I) No board of education shall submit a question under 18685
this section to the electors of the school district more than 18686
twice in any calendar year. If a board submits the question 18687
twice in any calendar year, one of the elections on the question 18688
shall be held on the date of the general election. 18689

Sec. 5748.09. (A) The board of education of a city, local, 18690
or exempted village school district, at any time by a vote of 18691
two-thirds of all its members, may declare by resolution that it 18692
may be necessary for the school district to do all of the 18693
following: 18694

(1) Raise a specified amount of money for school district 18695
purposes by levying an annual tax on school district income; 18696

(2) Levy an additional property tax in excess of the ten- 18697
mill limitation for the purpose of providing for the necessary 18698
requirements of the district, stating in the resolution the 18699
amount of money to be raised each year for such purpose; 18700

(3) Submit the question of the school district income tax 18701
and property tax to the electors of the district at a special 18702
election. 18703

The resolution shall specify whether the income that is to 18704
be subject to the tax is taxable income of individuals and 18705
estates as defined in divisions (E)(1)(a) and (2) of section 18706
5748.01 of the Revised Code or taxable income of individuals as 18707
defined in division (E)(1)(b) of that section. 18708

On adoption of the resolution, the board shall certify a 18709
copy of it to the tax commissioner and the county auditor not 18710
later than one hundred days prior to the date of the special 18711
election at which the board intends to propose the income tax 18712
and property tax. Not later than ten days after receipt of the 18713
resolution, the tax commissioner, in the same manner as required 18714
by division (A) of section 5748.02 of the Revised Code, shall 18715
estimate the rates designated in divisions (A)(1) and (2) of 18716
that section and certify them to the board. Not later than ten 18717
days after receipt of the resolution, the county auditor, in the 18718
same manner as required by section 5705.195 of the Revised Code, 18719
shall make the calculation specified in that section and certify 18720
it to the board. 18721

(B) On receipt of the tax commissioner's and county 18722
auditor's certifications prepared under division (A) of this 18723

section, the board of education of the city, local, or exempted 18724
village school district, by a vote of two-thirds of all its 18725
members, may adopt a resolution declaring that the amount of 18726
taxes that can be raised by all tax levies the district is 18727
authorized to impose, when combined with state and federal 18728
revenues, will be insufficient to provide an adequate amount for 18729
the present and future requirements of the school district, and 18730
that it is therefore necessary to levy, for a specified number 18731
of years or for a continuing period of time, an annual tax for 18732
school district purposes on school district income, and to levy, 18733
for a specified number of years not exceeding ten or for a 18734
continuing period of time, an additional property tax in excess 18735
of the ten-mill limitation for the purpose of providing for the 18736
necessary requirements of the district, and declaring that the 18737
question of the school district income tax and property tax 18738
shall be submitted to the electors of the school district at a 18739
special election, which shall not be earlier than ninety days 18740
after certification of the resolution to the board of elections, 18741
and the date of which shall be consistent with section 3501.01 18742
of the Revised Code. The resolution shall specify all of the 18743
following: 18744

(1) The purpose for which the school district income tax 18745
is to be imposed and the rate of the tax, which shall be the 18746
rate set forth in the tax commissioner's certification rounded 18747
to the nearest one-fourth of one per cent; 18748

(2) Whether the income that is to be subject to the tax is 18749
taxable income of individuals and estates as defined in 18750
divisions (E) (1) (a) and (2) of section 5748.01 of the Revised 18751
Code or taxable income of individuals as defined in division (E) 18752
(1) (b) of that section. The specification shall be the same as 18753
the specification in the resolution adopted and certified under 18754

division (A) of this section. 18755

(3) The number of years the school district income tax 18756
will be levied, or that it will be levied for a continuing 18757
period of time; 18758

(4) The date on which the school district income tax shall 18759
take effect, which shall be the first day of January of any year 18760
following the year in which the question is submitted; 18761

(5) The amount of money it is necessary to raise for the 18762
purpose of providing for the necessary requirements of the 18763
district for each year the property tax is to be imposed; 18764

(6) The number of years the property tax will be levied, 18765
or that it will be levied for a continuing period of time; 18766

(7) The tax list upon which the property tax shall be 18767
first levied, which may be the current year's tax list; 18768

(8) The amount of the average tax levy, expressed in 18769
dollars and cents for each one hundred dollars of valuation as 18770
well as in mills for each one dollar of valuation, estimated by 18771
the county auditor under division (A) of this section. 18772

(C) A resolution adopted under division (B) of this 18773
section shall go into immediate effect upon its passage, and no 18774
publication of the resolution shall be necessary other than that 18775
provided for in the notice of election. Immediately after its 18776
adoption and at least ninety days prior to the election at which 18777
the question will appear on the ballot, the board of education 18778
shall certify a copy of the resolution, along with copies of the 18779
county auditor's certification and the resolution under division 18780
(A) of this section, to the board of elections of the proper 18781
county. The board of education shall make the arrangements for 18782
the submission of the question to the electors of the school 18783

district, and the election shall be conducted, canvassed, and 18784
certified in the same manner as regular elections in the 18785
district for the election of county officers. 18786

The resolution shall be put before the electors as one 18787
ballot question, with a majority vote indicating approval of the 18788
school district income tax and the property tax. The board of 18789
elections shall publish the notice of the election in a 18790
newspaper of general circulation in the school district once a 18791
week for two consecutive weeks, or as provided in section 7.16 18792
of the Revised Code, prior to the election. If the board of 18793
elections operates and maintains a web site, also shall post 18794
notice of the election on its web site for thirty days prior to 18795
the election. The notice of election shall state all of the 18796
following: 18797

(1) The questions to be submitted to the electors as a 18798
single ballot question; 18799

(2) The rate of the school district income tax; 18800

(3) The number of years the school district income tax 18801
will be levied or that it will be levied for a continuing period 18802
of time; 18803

(4) The annual proceeds of the proposed property tax levy 18804
for the purpose of providing for the necessary requirements of 18805
the district; 18806

(5) The number of years during which the property tax levy 18807
shall be levied, or that it shall be levied for a continuing 18808
period of time; 18809

(6) The estimated average additional tax rate of the 18810
property tax, expressed in dollars and cents for each one 18811
hundred dollars of valuation as well as in mills for each one 18812

dollar of valuation, outside the limitation imposed by Section 2 18813
of Article XII, Ohio Constitution, as certified by the county 18814
auditor; 18815

(7) The time and place of the special election. 18816

(D) The form of the ballot on a question submitted to the 18817
electors under this section shall be as follows: 18818

"Shall the _____ school district be authorized to do both 18819
of the following: 18820

(1) Impose an annual income tax of _____ (state the 18821
proposed rate of tax) on the school district income of 18822
individuals and of estates, for _____ (state the number of 18823
years the tax would be levied, or that it would be levied for a 18824
continuing period of time), beginning _____ (state the date 18825
the tax would first take effect), for the purpose of _____ 18826
(state the purpose of the tax)? 18827

(2) Impose a property tax levy outside of the ten-mill 18828
limitation for the purpose of providing for the necessary 18829
requirements of the district in the sum of _____ 18830
(here insert annual amount the levy is to produce), estimated by 18831
the county auditor to average _____ (here insert 18832
number of mills) mills for each one dollar of valuation, which 18833
amounts to _____ (here insert rate expressed in 18834
dollars and cents) for each one hundred dollars of valuation, 18835
for _____ (state the number of years the tax is to be 18836
imposed or that it will be imposed for a continuing period of 18837
time), commencing in _____ (first year the tax is to be 18838
levied), first due in calendar year _____ (first calendar 18839
year in which the tax shall be due)? 18840

18841

	FOR THE INCOME TAX AND PROPERTY TAX	
	AGAINST THE INCOME TAX AND PROPERTY TAX	"

If the question submitted to electors proposes a school district income tax only on the taxable income of individuals as defined in division (E) (1) (b) of section 5748.01 of the Revised Code, the form of the ballot shall be modified by stating that the tax is to be levied on the "earned income of individuals residing in the school district" in lieu of the "school district income of individuals and of estates."

(E) The board of elections promptly shall certify the results of the election to the tax commissioner and the county auditor of the county in which the school district is located. If a majority of the electors voting on the question vote in favor of it:

(1) The income tax and the applicable provisions of Chapter 5747. of the Revised Code shall take effect on the date specified in the resolution.

(2) The board of education of the school district may make the additional property tax levy necessary to raise the amount specified on the ballot for the purpose of providing for the necessary requirements of the district. The property tax levy shall be included in the next tax budget that is certified to the county budget commission.

(F) (1) After approval of a question under this section, the board of education may anticipate a fraction of the proceeds of the school district income tax in accordance with section 5748.05 of the Revised Code. Any anticipation notes under this

division shall be issued as provided in section 133.24 of the Revised Code, shall have principal payments during each year after the year of their issuance over a period not to exceed five years, and may have a principal payment in the year of their issuance.

(2) After the approval of a question under this section and prior to the time when the first tax collection from the property tax levy can be made, the board of education may anticipate a fraction of the proceeds of the levy and issue anticipation notes in an amount not exceeding the total estimated proceeds of the levy to be collected during the first year of the levy. Any anticipation notes under this division shall be issued as provided in section 133.24 of the Revised Code, shall have principal payments during each year after the year of their issuance over a period not to exceed five years, and may have a principal payment in the year of their issuance.

(G) (1) The question of repeal of a school district income tax levied for more than five years may be initiated and submitted in accordance with section 5748.04 of the Revised Code.

(2) A property tax levy for a continuing period of time may be reduced in the manner provided under section 5705.261 of the Revised Code.

(H) No board of education shall submit a question under this section to the electors of the school district more than twice in any calendar year. If a board submits the question twice in any calendar year, one of the elections on the question shall be held on the date of the general election.

(I) If the electors of the school district approve a

question under this section, and if the last calendar year the
school district income tax is in effect and the last calendar
year of collection of the property tax are the same, the board
of education of the school district may propose to submit under
this section the combined question of a school district income
tax to take effect upon the expiration of the existing income
tax and a property tax to be first collected in the calendar
year after the calendar year of last collection of the existing
property tax, and specify in the resolutions adopted under this
section that the proposed taxes would renew the existing taxes.
The form of the ballot on a question submitted to the electors
under division (I) of this section shall be as follows:

"Shall the _____ school district be authorized to do
both of the following:

(1) Impose an annual income tax of _____ (state the
proposed rate of tax) on the school district income of
individuals and of estates to renew an income tax expiring at
the end of _____ (state the last year the existing income tax
may be levied) for _____ (state the number of years the tax
would be levied, or that it would be levied for a continuing
period of time), beginning _____ (state the date the tax would
first take effect), for the purpose of _____ (state the
purpose of the tax)?

(2) Impose a property tax levy renewing an existing levy
outside of the ten-mill limitation for the purpose of providing
for the necessary requirements of the district in the sum of
_____ (here insert annual amount the levy is to
produce), estimated by the county auditor to average
_____ (here insert number of mills) mills for each
one dollar of valuation, which amounts to _____

(here insert rate expressed in dollars and cents) for each one 18926
hundred dollars of valuation, for _____ (state the 18927
number of years the tax is to be imposed or that it will be 18928
imposed for a continuing period of time), commencing in 18929
_____ (first year the tax is to be levied), first due in 18930
calendar year _____ (first calendar year in which the tax 18931
shall be due)? 18932

18933

	FOR THE INCOME TAX AND PROPERTY TAX
	AGAINST THE INCOME TAX AND PROPERTY TAX

If the question submitted to electors proposes a school 18934
district income tax only on the taxable income of individuals as 18935
defined in division (E) (1) (b) of section 5748.01 of the Revised 18936
Code, the form of the ballot shall be modified by stating that 18937
the tax is to be levied on the "earned income of individuals 18938
residing in the school district" in lieu of the "school district 18939
income of individuals and of estates." 18940

The question of a renewal levy under this division shall 18941
not be placed on the ballot unless the question is submitted on 18942
a date on which a special election may be held under section 18943
3501.01 of the Revised Code, except for the first Tuesday after 18944
the first Monday in ~~February and~~ August, during the last year 18945
the property tax levy to be renewed may be extended on the real 18946
and public utility property tax list and duplicate, or at any 18947
election held in the ensuing year. 18948

(J) If the electors of the school district approve a 18949
question under this section, the board of education of the 18950

school district may propose to renew either or both of the 18951
existing taxes as individual ballot questions in accordance with 18952
section 5748.02 of the Revised Code for the school district 18953
income tax, or section 5705.194 of the Revised Code for the 18954
property tax. 18955

Sec. 5751.01. As used in this chapter: 18956

(A) "Person" means, but is not limited to, individuals, 18957
combinations of individuals of any form, receivers, assignees, 18958
trustees in bankruptcy, firms, companies, joint-stock companies, 18959
business trusts, estates, partnerships, limited liability 18960
partnerships, limited liability companies, associations, joint 18961
ventures, clubs, societies, for-profit corporations, S 18962
corporations, qualified subchapter S subsidiaries, qualified 18963
subchapter S trusts, trusts, entities that are disregarded for 18964
federal income tax purposes, and any other entities. 18965

(B) "Consolidated elected taxpayer" means a group of two 18966
or more persons treated as a single taxpayer for purposes of 18967
this chapter as the result of an election made under section 18968
5751.011 of the Revised Code. 18969

(C) "Combined taxpayer" means a group of two or more 18970
persons treated as a single taxpayer for purposes of this 18971
chapter under section 5751.012 of the Revised Code. 18972

(D) "Taxpayer" means any person, or any group of persons 18973
in the case of a consolidated elected taxpayer or combined 18974
taxpayer treated as one taxpayer, required to register or pay 18975
tax under this chapter. "Taxpayer" does not include excluded 18976
persons. 18977

(E) "Excluded person" means any of the following: 18978

(1) Any person with not more than one hundred fifty 18979

thousand dollars of taxable gross receipts during the calendar 18980
year. Division (E)(1) of this section does not apply to a person 18981
that is a member of a consolidated elected taxpayer; 18982

(2) A public utility that paid the excise tax imposed by 18983
section 5727.24 or 5727.30 of the Revised Code based on one or 18984
more measurement periods that include the entire tax period 18985
under this chapter, except that a public utility that is a 18986
combined company is a taxpayer with regard to the following 18987
gross receipts: 18988

(a) Taxable gross receipts directly attributed to a public 18989
utility activity, but not directly attributed to an activity 18990
that is subject to the excise tax imposed by section 5727.24 or 18991
5727.30 of the Revised Code; 18992

(b) Taxable gross receipts that cannot be directly 18993
attributed to any activity, multiplied by a fraction whose 18994
numerator is the taxable gross receipts described in division 18995
(E)(2)(a) of this section and whose denominator is the total 18996
taxable gross receipts that can be directly attributed to any 18997
activity; 18998

(c) Except for any differences resulting from the use of 18999
an accrual basis method of accounting for purposes of 19000
determining gross receipts under this chapter and the use of the 19001
cash basis method of accounting for purposes of determining 19002
gross receipts under section 5727.24 of the Revised Code, the 19003
gross receipts directly attributed to the activity of a natural 19004
gas company shall be determined in a manner consistent with 19005
division (D) of section 5727.03 of the Revised Code. 19006

As used in division (E)(2) of this section, "combined 19007
company" and "public utility" have the same meanings as in 19008

section 5727.01 of the Revised Code. 19009

(3) A financial institution, as defined in section 5726.01 19010
of the Revised Code, that paid the tax imposed by section 19011
5726.02 of the Revised Code based on one or more taxable years 19012
that include the entire tax period under this chapter; 19013

(4) A person directly or indirectly owned by one or more 19014
financial institutions, as defined in section 5726.01 of the 19015
Revised Code, that paid the tax imposed by section 5726.02 of 19016
the Revised Code based on one or more taxable years that include 19017
the entire tax period under this chapter. 19018

For the purposes of division (E)(4) of this section, a 19019
person owns another person under the following circumstances: 19020

(a) In the case of corporations issuing capital stock, one 19021
corporation owns another corporation if it owns fifty per cent 19022
or more of the other corporation's capital stock with current 19023
voting rights; 19024

(b) In the case of a limited liability company, one person 19025
owns the company if that person's membership interest, as 19026
defined in section 1705.01 of the Revised Code, is fifty per 19027
cent or more of the combined membership interests of all persons 19028
owning such interests in the company; 19029

(c) In the case of a partnership, trust, or other 19030
unincorporated business organization other than a limited 19031
liability company, one person owns the organization if, under 19032
the articles of organization or other instrument governing the 19033
affairs of the organization, that person has a beneficial 19034
interest in the organization's profits, surpluses, losses, or 19035
distributions of fifty per cent or more of the combined 19036
beneficial interests of all persons having such an interest in 19037

the organization. 19038

(5) A domestic insurance company or foreign insurance 19039
company, as defined in section 5725.01 of the Revised Code, that 19040
paid the insurance company premiums tax imposed by section 19041
5725.18 or Chapter 5729. of the Revised Code, or an unauthorized 19042
insurance company whose gross premiums are subject to tax under 19043
section 3905.36 of the Revised Code based on one or more 19044
measurement periods that include the entire tax period under 19045
this chapter; 19046

(6) A person that solely facilitates or services one or 19047
more securitizations of phase-in-recovery property pursuant to a 19048
final financing order as those terms are defined in section 19049
4928.23 of the Revised Code. For purposes of this division, 19050
"securitization" means transferring one or more assets to one or 19051
more persons and then issuing securities backed by the right to 19052
receive payment from the asset or assets so transferred. 19053

(7) Except as otherwise provided in this division, a pre- 19054
income tax trust as defined in ~~division (FF) (4)~~ of section 19055
5747.01 of the Revised Code and any pass-through entity of which 19056
such pre-income tax trust owns or controls, directly, 19057
indirectly, or constructively through related interests, more 19058
than five per cent of the ownership or equity interests. If the 19059
pre-income tax trust has made a qualifying pre-income tax trust 19060
election under division ~~(FF) (3)~~ (EE) of section 5747.01 of the 19061
Revised Code, then the trust and the pass-through entities of 19062
which it owns or controls, directly, indirectly, or 19063
constructively through related interests, more than five per 19064
cent of the ownership or equity interests, shall not be excluded 19065
persons for purposes of the tax imposed under section 5751.02 of 19066
the Revised Code. 19067

(8) Nonprofit organizations or the state and its agencies, 19068
instrumentalities, or political subdivisions. 19069

(F) Except as otherwise provided in divisions (F) (2), (3), 19070
and (4) of this section, "gross receipts" means the total amount 19071
realized by a person, without deduction for the cost of goods 19072
sold or other expenses incurred, that contributes to the 19073
production of gross income of the person, including the fair 19074
market value of any property and any services received, and any 19075
debt transferred or forgiven as consideration. 19076

(1) The following are examples of gross receipts: 19077

(a) Amounts realized from the sale, exchange, or other 19078
disposition of the taxpayer's property to or with another; 19079

(b) Amounts realized from the taxpayer's performance of 19080
services for another; 19081

(c) Amounts realized from another's use or possession of 19082
the taxpayer's property or capital; 19083

(d) Any combination of the foregoing amounts. 19084

(2) "Gross receipts" excludes the following amounts: 19085

(a) Interest income except interest on credit sales; 19086

(b) Dividends and distributions from corporations, and 19087
distributive or proportionate shares of receipts and income from 19088
a pass-through entity as defined under section 5733.04 of the 19089
Revised Code; 19090

(c) Receipts from the sale, exchange, or other disposition 19091
of an asset described in section 1221 or 1231 of the Internal 19092
Revenue Code, without regard to the length of time the person 19093
held the asset. Notwithstanding section 1221 of the Internal 19094

Revenue Code, receipts from hedging transactions also are 19095
excluded to the extent the transactions are entered into 19096
primarily to protect a financial position, such as managing the 19097
risk of exposure to (i) foreign currency fluctuations that 19098
affect assets, liabilities, profits, losses, equity, or 19099
investments in foreign operations; (ii) interest rate 19100
fluctuations; or (iii) commodity price fluctuations. As used in 19101
division (F)(2)(c) of this section, "hedging transaction" has 19102
the same meaning as used in section 1221 of the Internal Revenue 19103
Code and also includes transactions accorded hedge accounting 19104
treatment under statement of financial accounting standards 19105
number 133 of the financial accounting standards board. For the 19106
purposes of division (F)(2)(c) of this section, the actual 19107
transfer of title of real or tangible personal property to 19108
another entity is not a hedging transaction. 19109

(d) Proceeds received attributable to the repayment, 19110
maturity, or redemption of the principal of a loan, bond, mutual 19111
fund, certificate of deposit, or marketable instrument; 19112

(e) The principal amount received under a repurchase 19113
agreement or on account of any transaction properly 19114
characterized as a loan to the person; 19115

(f) Contributions received by a trust, plan, or other 19116
arrangement, any of which is described in section 501(a) of the 19117
Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 19118
1, Subchapter (D) of the Internal Revenue Code applies; 19119

(g) Compensation, whether current or deferred, and whether 19120
in cash or in kind, received or to be received by an employee, 19121
former employee, or the employee's legal successor for services 19122
rendered to or for an employer, including reimbursements 19123
received by or for an individual for medical or education 19124

expenses, health insurance premiums, or employee expenses, or on 19125
account of a dependent care spending account, legal services 19126
plan, any cafeteria plan described in section 125 of the 19127
Internal Revenue Code, or any similar employee reimbursement; 19128

(h) Proceeds received from the issuance of the taxpayer's 19129
own stock, options, warrants, puts, or calls, or from the sale 19130
of the taxpayer's treasury stock; 19131

(i) Proceeds received on the account of payments from 19132
insurance policies, except those proceeds received for the loss 19133
of business revenue; 19134

(j) Gifts or charitable contributions received; membership 19135
dues received by trade, professional, homeowners', or 19136
condominium associations; and payments received for educational 19137
courses, meetings, meals, or similar payments to a trade, 19138
professional, or other similar association; and fundraising 19139
receipts received by any person when any excess receipts are 19140
donated or used exclusively for charitable purposes; 19141

(k) Damages received as the result of litigation in excess 19142
of amounts that, if received without litigation, would be gross 19143
receipts; 19144

(l) Property, money, and other amounts received or 19145
acquired by an agent on behalf of another in excess of the 19146
agent's commission, fee, or other remuneration; 19147

(m) Tax refunds, other tax benefit recoveries, and 19148
reimbursements for the tax imposed under this chapter made by 19149
entities that are part of the same combined taxpayer or 19150
consolidated elected taxpayer group, and reimbursements made by 19151
entities that are not members of a combined taxpayer or 19152
consolidated elected taxpayer group that are required to be made 19153

for economic parity among multiple owners of an entity whose tax 19154
obligation under this chapter is required to be reported and 19155
paid entirely by one owner, pursuant to the requirements of 19156
sections 5751.011 and 5751.012 of the Revised Code; 19157

(n) Pension reversions; 19158

(o) Contributions to capital; 19159

(p) Sales or use taxes collected as a vendor or an out-of- 19160
state seller on behalf of the taxing jurisdiction from a 19161
consumer or other taxes the taxpayer is required by law to 19162
collect directly from a purchaser and remit to a local, state, 19163
or federal tax authority; 19164

(q) In the case of receipts from the sale of cigarettes, 19165
tobacco products, or vapor products by a wholesale dealer, 19166
retail dealer, distributor, manufacturer, vapor distributor, or 19167
seller, all as defined in section 5743.01 of the Revised Code, 19168
an amount equal to the federal and state excise taxes paid by 19169
any person on or for such cigarettes, tobacco products, or vapor 19170
products under subtitle E of the Internal Revenue Code or 19171
Chapter 5743. of the Revised Code; 19172

(r) In the case of receipts from the sale, transfer, 19173
exchange, or other disposition of motor fuel as "motor fuel" is 19174
defined in section 5736.01 of the Revised Code, an amount equal 19175
to the value of the motor fuel, including federal and state 19176
motor fuel excise taxes and receipts from billing or invoicing 19177
the tax imposed under section 5736.02 of the Revised Code to 19178
another person; 19179

(s) In the case of receipts from the sale of beer or 19180
intoxicating liquor, as defined in section 4301.01 of the 19181
Revised Code, by a person holding a permit issued under Chapter 19182

4301. or 4303. of the Revised Code, an amount equal to federal 19183
and state excise taxes paid by any person on or for such beer or 19184
intoxicating liquor under subtitle E of the Internal Revenue 19185
Code or Chapter 4301. or 4305. of the Revised Code; 19186

(t) Receipts realized by a new motor vehicle dealer or 19187
used motor vehicle dealer, as defined in section 4517.01 of the 19188
Revised Code, from the sale or other transfer of a motor 19189
vehicle, as defined in that section, to another motor vehicle 19190
dealer for the purpose of resale by the transferee motor vehicle 19191
dealer, but only if the sale or other transfer was based upon 19192
the transferee's need to meet a specific customer's preference 19193
for a motor vehicle; 19194

(u) Receipts from a financial institution described in 19195
division (E) (3) of this section for services provided to the 19196
financial institution in connection with the issuance, 19197
processing, servicing, and management of loans or credit 19198
accounts, if such financial institution and the recipient of 19199
such receipts have at least fifty per cent of their ownership 19200
interests owned or controlled, directly or constructively 19201
through related interests, by common owners; 19202

(v) Receipts realized from administering anti-neoplastic 19203
drugs and other cancer chemotherapy, biologicals, therapeutic 19204
agents, and supportive drugs in a physician's office to patients 19205
with cancer; 19206

(w) Funds received or used by a mortgage broker that is 19207
not a dealer in intangibles, other than fees or other 19208
consideration, pursuant to a table-funding mortgage loan or 19209
warehouse-lending mortgage loan. Terms used in division (F) (2) 19210
(w) of this section have the same meanings as in section 1322.01 19211
of the Revised Code, except "mortgage broker" means a person 19212

assisting a buyer in obtaining a mortgage loan for a fee or 19213
other consideration paid by the buyer or a lender, or a person 19214
engaged in table-funding or warehouse-lending mortgage loans 19215
that are first lien mortgage loans. 19216

(x) Property, money, and other amounts received by a 19217
professional employer organization, as defined in section 19218
4125.01 of the Revised Code, from a client employer, as defined 19219
in that section, in excess of the administrative fee charged by 19220
the professional employer organization to the client employer; 19221

(y) In the case of amounts retained as commissions by a 19222
permit holder under Chapter 3769. of the Revised Code, an amount 19223
equal to the amounts specified under that chapter that must be 19224
paid to or collected by the tax commissioner as a tax and the 19225
amounts specified under that chapter to be used as purse money; 19226

(z) Qualifying distribution center receipts as determined 19227
under section 5751.40 of the Revised Code. 19228

~~(i) For purposes of division (F) (2) (z) of this section:~~ 19229

~~(I) "Qualifying distribution center receipts" means~~ 19230
~~receipts of a supplier from qualified property that is delivered~~ 19231
~~to a qualified distribution center, multiplied by a quantity~~ 19232
~~that equals one minus the Ohio delivery percentage. If the~~ 19233
~~qualified distribution center is a refining facility, "supplier"~~ 19234
~~includes all dealers, brokers, processors, sellers, vendors,~~ 19235
~~cosigners, and distributors of qualified property.~~ 19236

~~(II) "Qualified property" means tangible personal property~~ 19237
~~delivered to a qualified distribution center that is shipped to~~ 19238
~~that qualified distribution center solely for further shipping~~ 19239
~~by the qualified distribution center to another location in this~~ 19240
~~state or elsewhere or, in the case of gold, silver, platinum, or~~ 19241

~~palladium delivered to a refining facility solely for refining-~~ 19242
~~to a grade and fineness acceptable for delivery to a registered-~~ 19243
~~commodities exchange. "Further shipping" includes storing and-~~ 19244
~~repackaging property into smaller or larger bundles, so long as-~~ 19245
~~the property is not subject to further manufacturing or-~~ 19246
~~processing. "Refining" is limited to extracting impurities from-~~ 19247
~~gold, silver, platinum, or palladium through smelting or some-~~ 19248
~~other process at a refining facility.~~ 19249

~~(III) "Qualified distribution center" means a warehouse, a-~~ 19250
~~facility similar to a warehouse, or a refining facility in this-~~ 19251
~~state that, for the qualifying year, is operated by a person-~~ 19252
~~that is not part of a combined taxpayer group and that has a-~~ 19253
~~qualifying certificate. All warehouses or facilities similar to-~~ 19254
~~warehouses that are operated by persons in the same taxpayer-~~ 19255
~~group and that are located within one mile of each other shall-~~ 19256
~~be treated as one qualified distribution center. All refining-~~ 19257
~~facilities that are operated by persons in the same taxpayer-~~ 19258
~~group and that are located in the same or adjacent counties may-~~ 19259
~~be treated as one qualified distribution center.~~ 19260

~~(IV) "Qualifying year" means the calendar year to which-~~ 19261
~~the qualifying certificate applies.~~ 19262

~~(V) "Qualifying period" means the period of the first day-~~ 19263
~~of July of the second year preceding the qualifying year through-~~ 19264
~~the thirtieth day of June of the year preceding the qualifying-~~ 19265
~~year.~~ 19266

~~(VI) "Qualifying certificate" means the certificate issued-~~ 19267
~~by the tax commissioner after the operator of a distribution-~~ 19268
~~center files an annual application with the commissioner. The-~~ 19269
~~application and annual fee shall be filed and paid for each-~~ 19270
~~qualified distribution center on or before the first day of-~~ 19271

~~September before the qualifying year or within forty five days~~ 19272
~~after the distribution center opens, whichever is later.~~ 19273

~~The applicant must substantiate to the commissioner's~~ 19274
~~satisfaction that, for the qualifying period, all persons~~ 19275
~~operating the distribution center have more than fifty per cent~~ 19276
~~of the cost of the qualified property shipped to a location such~~ 19277
~~that it would be sitused outside this state under the provisions~~ 19278
~~of division (E) of section 5751.033 of the Revised Code. The~~ 19279
~~applicant must also substantiate that the distribution center~~ 19280
~~cumulatively had costs from its suppliers equal to or exceeding~~ 19281
~~five hundred million dollars during the qualifying period. (For~~ 19282
~~purposes of division (F) (2) (z) (i) (VI) of this section,~~ 19283
~~"supplier" excludes any person that is part of the consolidated~~ 19284
~~elected taxpayer group, if applicable, of the operator of the~~ 19285
~~qualified distribution center.) The commissioner may require the~~ 19286
~~applicant to have an independent certified public accountant~~ 19287
~~certify that the calculation of the minimum thresholds required~~ 19288
~~for a qualified distribution center by the operator of a~~ 19289
~~distribution center has been made in accordance with generally~~ 19290
~~accepted accounting principles. The commissioner shall issue or~~ 19291
~~deny the issuance of a certificate within sixty days after the~~ 19292
~~receipt of the application. A denial is subject to appeal under~~ 19293
~~section 5717.02 of the Revised Code. If the operator files a~~ 19294
~~timely appeal under section 5717.02 of the Revised Code, the~~ 19295
~~operator shall be granted a qualifying certificate effective for~~ 19296
~~the remainder of the qualifying year or until the appeal is~~ 19297
~~finalized, whichever is earlier. If the operator does not~~ 19298
~~prevail in the appeal, the operator shall pay the ineligible~~ 19299
~~operator's supplier tax liability.~~ 19300

~~(VII) "Ohio delivery percentage" means the proportion of~~ 19301
~~the total property delivered to a destination inside Ohio from~~ 19302

~~the qualified distribution center during the qualifying period~~ 19303
~~compared with total deliveries from such distribution center~~ 19304
~~everywhere during the qualifying period.~~ 19305

~~(VIII) "Refining facility" means one or more buildings~~ 19306
~~located in a county in the Appalachian region of this state as~~ 19307
~~defined by section 107.21 of the Revised Code and utilized for~~ 19308
~~refining or smelting gold, silver, platinum, or palladium to a~~ 19309
~~grade and fineness acceptable for delivery to a registered~~ 19310
~~commodities exchange.~~ 19311

~~(IX) "Registered commodities exchange" means a board of~~ 19312
~~trade, such as New York mercantile exchange, inc. or commodity~~ 19313
~~exchange, inc., designated as a contract market by the commodity~~ 19314
~~futures trading commission under the "Commodity Exchange Act," 7~~ 19315
~~U.S.C. 1 et seq., as amended.~~ 19316

~~(X) "Ineligible operator's supplier tax liability" means~~ 19317
~~an amount equal to the tax liability of all suppliers of a~~ 19318
~~distribution center had the distribution center not been issued~~ 19319
~~a qualifying certificate for the qualifying year. Ineligible~~ 19320
~~operator's supplier tax liability shall not include interest or~~ 19321
~~penalties. The tax commissioner shall determine an ineligible~~ 19322
~~operator's supplier tax liability based on information that the~~ 19323
~~commissioner may request from the operator of the distribution~~ 19324
~~center. An operator shall provide a list of all suppliers of the~~ 19325
~~distribution center and the corresponding costs of qualified~~ 19326
~~property for the qualifying year at issue within sixty days of a~~ 19327
~~request by the commissioner under this division.~~ 19328

~~(ii) (I) If the distribution center is new and was not open~~ 19329
~~for the entire qualifying period, the operator of the~~ 19330
~~distribution center may request that the commissioner grant a~~ 19331
~~qualifying certificate. If the certificate is granted and it is~~ 19332

~~later determined that more than fifty per cent of the qualified
property during that year was not shipped to a location such
that it would be situated outside of this state under the
provisions of division (E) of section 5751.033 of the Revised
Code or if it is later determined that the person that operates
the distribution center had average monthly costs from its
suppliers of less than forty million dollars during that year,
then the operator of the distribution center shall pay the
ineligible operator's supplier tax liability. (For purposes of
division (F) (2) (z) (ii) of this section, "supplier" excludes any
person that is part of the consolidated elected taxpayer group,
if applicable, of the operator of the qualified distribution
center.)~~

~~(II) The commissioner may grant a qualifying certificate
to a distribution center that does not qualify as a qualified
distribution center for an entire qualifying period if the
operator of the distribution center demonstrates that the
business operations of the distribution center have changed or
will change such that the distribution center will qualify as a
qualified distribution center within thirty six months after the
date the operator first applies for a certificate. If, at the
end of that thirty six month period, the business operations of
the distribution center have not changed such that the
distribution center qualifies as a qualified distribution
center, the operator of the distribution center shall pay the
ineligible operator's supplier tax liability for each year that
the distribution center received a certificate but did not
qualify as a qualified distribution center. For each year the
distribution center receives a certificate under division (F) (2)
(z) (ii) (II) of this section, the distribution center shall pay
all applicable fees required under division (F) (2) (z) of this~~

~~section and shall submit an updated business plan showing the~~ 19364
~~progress the distribution center made toward qualifying as a~~ 19365
~~qualified distribution center during the preceeding year.~~ 19366

~~(III) An operator may appeal a determination under~~ 19367
~~division (F) (2) (z) (ii) (I) or (II) of this section that the~~ 19368
~~ineligible operator is liable for the operator's supplier tax~~ 19369
~~liability as a result of not qualifying as a qualified~~ 19370
~~distribution center, as provided in section 5717.02 of the~~ 19371
~~Revised Code.~~ 19372

~~(iii) When filing an application for a qualifying~~ 19373
~~certificate under division (F) (2) (z) (i) (VI) of this section, the~~ 19374
~~operator of a qualified distribution center also shall provide~~ 19375
~~documentation, as the commissioner requires, for the~~ 19376
~~commissioner to ascertain the Ohio delivery percentage. The~~ 19377
~~commissioner, upon issuing the qualifying certificate, also~~ 19378
~~shall certify the Ohio delivery percentage. The operator of the~~ 19379
~~qualified distribution center may appeal the commissioner's~~ 19380
~~certification of the Ohio delivery percentage in the same manner~~ 19381
~~as an appeal is taken from the denial of a qualifying~~ 19382
~~certificate under division (F) (2) (z) (i) (VI) of this section.~~ 19383

~~(iv) (I) In the case where the distribution center is new~~ 19384
~~and not open for the entire qualifying period, the operator~~ 19385
~~shall make a good faith estimate of an Ohio delivery percentage~~ 19386
~~for use by suppliers in their reports of taxable gross receipts~~ 19387
~~for the remainder of the qualifying period. The operator of the~~ 19388
~~facility shall disclose to the suppliers that such Ohio delivery~~ 19389
~~percentage is an estimate and is subject to recalculation. By~~ 19390
~~the due date of the next application for a qualifying~~ 19391
~~certificate, the operator shall determine the actual Ohio~~ 19392
~~delivery percentage for the estimated qualifying period and~~ 19393

~~proceed as provided in division (F) (2) (z) (iii) of this section~~ 19394
~~with respect to the calculation and recalculation of the Ohio~~ 19395
~~delivery percentage. The supplier is required to file, within~~ 19396
~~sixty days after receiving notice from the operator of the~~ 19397
~~qualified distribution center, amended reports for the impacted~~ 19398
~~calendar quarter or quarters or calendar year, whichever the~~ 19399
~~case may be. Any additional tax liability or tax overpayment~~ 19400
~~shall be subject to interest but shall not be subject to the~~ 19401
~~imposition of any penalty so long as the amended returns are~~ 19402
~~timely filed.~~ 19403

~~(II) The operator of a distribution center that receives a~~ 19404
~~qualifying certificate under division (F) (2) (z) (ii) (II) of this~~ 19405
~~section shall make a good faith estimate of the Ohio delivery~~ 19406
~~percentage that the operator estimates will apply to the~~ 19407
~~distribution center at the end of the thirty six month period~~ 19408
~~after the operator first applied for a qualifying certificate~~ 19409
~~under that division. The result of the estimate shall be~~ 19410
~~multiplied by a factor of one and seventy five one hundredths.~~ 19411
~~The product of that calculation shall be the Ohio delivery~~ 19412
~~percentage used by suppliers in their reports of taxable gross~~ 19413
~~receipts for each qualifying year that the distribution center~~ 19414
~~receives a qualifying certificate under division (F) (2) (z) (ii)~~ 19415
~~(II) of this section, except that, if the product is less than~~ 19416
~~five per cent, the Ohio delivery percentage used shall be five~~ 19417
~~per cent and that, if the product exceeds forty nine per cent,~~ 19418
~~the Ohio delivery percentage used shall be forty nine per cent.~~ 19419

~~(v) Qualifying certificates and Ohio delivery percentages~~ 19420
~~issued by the commissioner shall be open to public inspection~~ 19421
~~and shall be timely published by the commissioner. A supplier~~ 19422
~~relying in good faith on a certificate issued under this~~ 19423
~~division shall not be subject to tax on the qualifying~~ 19424

~~distribution center receipts under division (F) (2) (z) of this~~ 19425
~~section. An operator receiving a qualifying certificate is~~ 19426
~~liable for the ineligible operator's supplier tax liability for~~ 19427
~~each year the operator received a certificate but did not~~ 19428
~~qualify as a qualified distribution center.~~ 19429

~~(vi) The annual fee for a qualifying certificate shall be~~ 19430
~~one hundred thousand dollars for each qualified distribution~~ 19431
~~center. If a qualifying certificate is not issued, the annual~~ 19432
~~fee is subject to refund after the exhaustion of all appeals~~ 19433
~~provided for in division (F) (2) (z) (i) (VI) of this section. The~~ 19434
~~first one hundred thousand dollars of the annual application~~ 19435
~~fees collected each calendar year shall be credited to the~~ 19436
~~revenue enhancement fund. The remainder of the annual~~ 19437
~~application fees collected shall be distributed in the same~~ 19438
~~manner required under section 5751.20 of the Revised Code.~~ 19439

~~(vii) The tax commissioner may require that adequate~~ 19440
~~security be posted by the operator of the distribution center on~~ 19441
~~appeal when the commissioner disagrees that the applicant has~~ 19442
~~met the minimum thresholds for a qualified distribution center~~ 19443
~~as set forth in division (F) (2) (z) of this section.~~ 19444

(aa) Receipts of an employer from payroll deductions 19445
relating to the reimbursement of the employer for advancing 19446
moneys to an unrelated third party on an employee's behalf; 19447

(bb) Cash discounts allowed and taken; 19448

(cc) Returns and allowances; 19449

(dd) Bad debts from receipts on the basis of which the tax 19450
imposed by this chapter was paid in a prior quarterly tax 19451
payment period. For the purpose of this division, "bad debts" 19452
means any debts that have become worthless or uncollectible 19453

between the preceding and current quarterly tax payment periods, 19454
have been uncollected for at least six months, and that may be 19455
claimed as a deduction under section 166 of the Internal Revenue 19456
Code and the regulations adopted under that section, or that 19457
could be claimed as such if the taxpayer kept its accounts on 19458
the accrual basis. "Bad debts" does not include repossessed 19459
property, uncollectible amounts on property that remains in the 19460
possession of the taxpayer until the full purchase price is 19461
paid, or expenses in attempting to collect any account 19462
receivable or for any portion of the debt recovered; 19463

(ee) Any amount realized from the sale of an account 19464
receivable to the extent the receipts from the underlying 19465
transaction giving rise to the account receivable were included 19466
in the gross receipts of the taxpayer; 19467

(ff) Any receipts directly attributed to a transfer 19468
agreement or to the enterprise transferred under that agreement 19469
under section 4313.02 of the Revised Code. 19470

(gg)(i) ~~As used in this division:~~ 19471

~~(I) "Qualified uranium receipts" means receipts from the 19472
sale, exchange, lease, loan, production, processing, or other 19473
disposition of uranium within a uranium enrichment zone 19474
certified by the tax commissioner under division (F) (2) (gg) (ii) 19475
of this section. "Qualified uranium receipts" does not include 19476
any receipts with a situs in this state outside a uranium 19477
enrichment zone certified by the tax commissioner under division 19478
(F) (2) (gg) (ii) of this section. 19479~~

~~(II) "Uranium enrichment zone" means all real property 19480
that is part of a uranium enrichment facility licensed by the 19481
United States nuclear regulatory commission and that was or is 19482~~

~~owned or controlled by the United States department of energy or~~ 19483
~~its successor.~~ 19484

~~(ii) Any person that owns, leases, or operates real or~~ 19485
~~tangible personal property constituting or located within a~~ 19486
~~uranium enrichment zone may apply to the tax commissioner to~~ 19487
~~have the uranium enrichment zone certified for the purpose of~~ 19488
~~excluding qualified uranium receipts under division (F) (2) (gg)~~ 19489
~~of this section. The application shall include such information~~ 19490
~~that the tax commissioner prescribes. Within sixty days after~~ 19491
~~receiving the application, the tax commissioner shall certify~~ 19492
~~the zone for that purpose if the commissioner determines that~~ 19493
~~the property qualifies as a uranium enrichment zone as defined~~ 19494
~~in division (F) (2) (gg) of this section, or, if the tax~~ 19495
~~commissioner determines that the property does not qualify, the~~ 19496
~~commissioner shall deny the application or request additional~~ 19497
~~information from the applicant. If the tax commissioner denies~~ 19498
~~an application, the commissioner shall state the reasons for the~~ 19499
~~denial. The applicant may appeal the denial of an application to~~ 19500
~~the board of tax appeals pursuant to section 5717.02 of the~~ 19501
~~Revised Code. If the applicant files a timely appeal, the tax~~ 19502
~~commissioner shall conditionally certify the applicant's~~ 19503
~~property. The conditional certification shall expire when all of~~ 19504
~~the applicant's appeals are exhausted. Until final resolution of~~ 19505
~~the appeal, the applicant shall retain the applicant's records~~ 19506
~~in accordance with section 5751.12 of the Revised Code,~~ 19507
~~notwithstanding any time limit on the preservation of records~~ 19508
~~under that section.~~ 19509
Qualified uranium receipts as determined under 19509
section 5751.41 of the Revised Code. 19510

(hh) In the case of amounts collected by a licensed casino 19511
operator from casino gaming, amounts in excess of the casino 19512
operator's gross casino revenue. In this division, "casino 19513

operator" and "casino gaming" have the meanings defined in 19514
section 3772.01 of the Revised Code, and "gross casino revenue" 19515
has the meaning defined in section 5753.01 of the Revised Code. 19516

(ii) Receipts realized from the sale of agricultural 19517
commodities by an agricultural commodity handler, both as 19518
defined in section 926.01 of the Revised Code, that is licensed 19519
by the director of agriculture to handle agricultural 19520
commodities in this state. 19521

(jj) Qualifying integrated supply chain receipts as 19522
determined under section 5751.42 of the Revised Code. 19523

~~As used in division (F) (2) (jj) of this section:~~ 19524

~~(i) "Qualifying integrated supply chain receipts" means~~ 19525
~~receipts of a qualified integrated supply chain vendor from the~~ 19526
~~sale of qualified property delivered to, or integrated supply~~ 19527
~~chain services provided to, another qualified integrated supply~~ 19528
~~chain vendor or to a retailer that is a member of the integrated~~ 19529
~~supply chain. "Qualifying integrated supply chain receipts" does~~ 19530
~~not include receipts of a person that is not a qualified~~ 19531
~~integrated supply chain vendor from the sale of raw materials to~~ 19532
~~a member of an integrated supply chain, or receipts of a member~~ 19533
~~of an integrated supply chain from the sale of qualified~~ 19534
~~property or integrated supply chain services to a person that is~~ 19535
~~not a member of the integrated supply chain.~~ 19536

~~(ii) "Qualified property" means any of the following:~~ 19537

~~(I) Component parts used to hold, contain, package, or~~ 19538
~~dispense qualified products, excluding equipment;~~ 19539

~~(II) Work in process inventory that will become, comprise,~~ 19540
~~or form a component part of a qualified product capable of being~~ 19541
~~sold at retail, excluding equipment, machinery, furniture, and~~ 19542

~~fixtures;~~ 19543

~~(III) Finished goods inventory that is a qualified product~~ 19544
~~capable of being sold at retail in the inventory's present form.~~ 19545

~~(iii) "Qualified integrated supply chain vendor" means a~~ 19546
~~person that is a member of an integrated supply chain and that~~ 19547
~~provides integrated supply chain services within a qualified~~ 19548
~~integrated supply chain district to a retailer that is a member~~ 19549
~~of the integrated supply chain or to another qualified~~ 19550
~~integrated supply chain vendor that is located within the same~~ 19551
~~such district as the person but does not share a common owner~~ 19552
~~with that person.~~ 19553

~~(iv) "Qualified product" means a personal care, health, or~~ 19554
~~beauty product or an aromatic product, including a candle.~~ 19555
~~"Qualified product" does not include a drug that may be~~ 19556
~~dispensed only pursuant to a prescription, durable medical~~ 19557
~~equipment, mobility enhancing equipment, or a prosthetic device,~~ 19558
~~as those terms are defined in section 5739.01 of the Revised~~ 19559
~~Code.~~ 19560

~~(v) "Integrated supply chain" means two or more qualified~~ 19561
~~integrated supply chain vendors certified on the most recent~~ 19562
~~list certified to the tax commissioner under this division that~~ 19563
~~systematically collaborate and coordinate business operations~~ 19564
~~with a retailer on the flow of tangible personal property from~~ 19565
~~material sourcing through manufacturing, assembly, packaging,~~ 19566
~~and delivery to the retailer to improve long term financial~~ 19567
~~performance of each vendor and the supply chain that includes~~ 19568
~~the retailer.~~ 19569

~~For the purpose of the certification required under this~~ 19570
~~division, the reporting person for each retailer, on or before~~ 19571

~~the first day of October of each year, shall certify to the tax- 19572~~
~~commissioner a list of the qualified integrated supply chain- 19573~~
~~vendors providing or receiving integrated supply chain services- 19574~~
~~within a qualified integrated supply chain district for the- 19575~~
~~ensuing calendar year. On or before the following first day of- 19576~~
~~November, the commissioner shall issue a certificate to the- 19577~~
~~retailer and to each vendor certified to the commissioner on- 19578~~
~~that list. The certificate shall include the names of the- 19579~~
~~retailer and of the qualified integrated supply chain vendors. 19580~~

~~The retailer shall notify the commissioner of any changes- 19581~~
~~to the list, including additions to or subtractions from the- 19582~~
~~list or changes in the name or legal entity of vendors certified- 19583~~
~~on the list, within sixty days after the date the retailer- 19584~~
~~becomes aware of the change. Within thirty days after receiving- 19585~~
~~that notification, the commissioner shall issue a revised- 19586~~
~~certificate to the retailer and to each vendor certified on the- 19587~~
~~list. The revised certificate shall include the effective date- 19588~~
~~of the change. 19589~~

~~Each recipient of a certificate issued pursuant to this- 19590~~
~~division shall maintain a copy of the certificate for four years- 19591~~
~~from the date the certificate was received. 19592~~

~~(vi) "Integrated supply chain services" means procuring- 19593~~
~~raw materials or manufacturing, processing, refining, 19594~~
~~assembling, packaging, or repackaging tangible personal property- 19595~~
~~that will become finished goods inventory capable of being sold- 19596~~
~~at retail by a retailer that is a member of an integrated supply- 19597~~
~~chain. 19598~~

~~(vii) "Retailer" means a person primarily engaged in- 19599~~
~~making retail sales and any member of that person's consolidated- 19600~~
~~elected taxpayer group or combined taxpayer group, whether or- 19601~~

~~not that member is primarily engaged in making retail sales.~~ 19602

~~(viii) "Qualified integrated supply chain district" means~~ 19603
~~the parcel or parcels of land from which a retailer's integrated~~ 19604
~~supply chain that existed on September 29, 2015, provides or~~ 19605
~~receives integrated supply chain services, and to which all of~~ 19606
~~the following apply:~~ 19607

~~(I) The parcel or parcels are located wholly in a county~~ 19608
~~having a population of greater than one hundred sixty five~~ 19609
~~thousand but less than one hundred seventy thousand based on the~~ 19610
~~2010 federal decennial census.~~ 19611

~~(II) The parcel or parcels are located wholly in the~~ 19612
~~corporate limits of a municipal corporation with a population~~ 19613
~~greater than seven thousand five hundred and less than eight~~ 19614
~~thousand based on the 2010 federal decennial census that is~~ 19615
~~partly located in the county described in division (F) (2) (jj)~~ 19616
~~(viii) (I) of this section, as those corporate limits existed on~~ 19617
~~September 29, 2015.~~ 19618

~~(III) The aggregate acreage of the parcel or parcels~~ 19619
~~equals or exceeds one hundred acres.~~ 19620

(kk) In the case of a railroad company described in 19621
division (D) (9) of section 5727.01 of the Revised Code that 19622
purchases dyed diesel fuel directly from a supplier as defined 19623
by section 5736.01 of the Revised Code, an amount equal to the 19624
product of the number of gallons of dyed diesel fuel purchased 19625
directly from such a supplier multiplied by the average 19626
wholesale price for a gallon of diesel fuel as determined under 19627
section 5736.02 of the Revised Code for the period during which 19628
the fuel was purchased multiplied by a fraction, the numerator 19629
of which equals the rate of tax levied by section 5736.02 of the 19630

Revised Code less the rate of tax computed in section 5751.03 of 19631
the Revised Code, and the denominator of which equals the rate 19632
of tax computed in section 5751.03 of the Revised Code. 19633

(ll) Receipts realized by an out-of-state disaster 19634
business from disaster work conducted in this state during a 19635
disaster response period pursuant to a qualifying solicitation 19636
received by the business. Terms used in division (F) (2) (ll) of 19637
this section have the same meanings as in section 5703.94 of the 19638
Revised Code. 19639

(mm) Any receipts for which the tax imposed by this 19640
chapter is prohibited by the constitution or laws of the United 19641
States or the constitution of this state. 19642

(3) In the case of a taxpayer when acting as a real estate 19643
broker, "gross receipts" includes only the portion of any fee 19644
for the service of a real estate broker, or service of a real 19645
estate salesperson associated with that broker, that is retained 19646
by the broker and not paid to an associated real estate 19647
salesperson or another real estate broker. For the purposes of 19648
this division, "real estate broker" and "real estate 19649
salesperson" have the same meanings as in section 4735.01 of the 19650
Revised Code. 19651

(4) A taxpayer's method of accounting for gross receipts 19652
for a tax period shall be the same as the taxpayer's method of 19653
accounting for federal income tax purposes for the taxpayer's 19654
federal taxable year that includes the tax period. If a 19655
taxpayer's method of accounting for federal income tax purposes 19656
changes, its method of accounting for gross receipts under this 19657
chapter shall be changed accordingly. 19658

(G) "Taxable gross receipts" means gross receipts sitused 19659

to this state under section 5751.033 of the Revised Code. 19660

(H) A person has "substantial nexus with this state" if 19661
any of the following applies. The person: 19662

(1) Owns or uses a part or all of its capital in this 19663
state; 19664

(2) Holds a certificate of compliance with the laws of 19665
this state authorizing the person to do business in this state; 19666

(3) Has bright-line presence in this state; 19667

(4) Otherwise has nexus with this state to an extent that 19668
the person can be required to remit the tax imposed under this 19669
chapter under the Constitution of the United States. 19670

(I) A person has "bright-line presence" in this state for 19671
a reporting period and for the remaining portion of the calendar 19672
year if any of the following applies. The person: 19673

(1) Has at any time during the calendar year property in 19674
this state with an aggregate value of at least fifty thousand 19675
dollars. For the purpose of division (I)(1) of this section, 19676
owned property is valued at original cost and rented property is 19677
valued at eight times the net annual rental charge. 19678

(2) Has during the calendar year payroll in this state of 19679
at least fifty thousand dollars. Payroll in this state includes 19680
all of the following: 19681

(a) Any amount subject to withholding by the person under 19682
section 5747.06 of the Revised Code; 19683

(b) Any other amount the person pays as compensation to an 19684
individual under the supervision or control of the person for 19685
work done in this state; and 19686

(c) Any amount the person pays for services performed in 19687
this state on its behalf by another. 19688

(3) Has during the calendar year taxable gross receipts of 19689
at least five hundred thousand dollars. 19690

(4) Has at any time during the calendar year within this 19691
state at least twenty-five per cent of the person's total 19692
property, total payroll, or total gross receipts. 19693

(5) Is domiciled in this state as an individual or for 19694
corporate, commercial, or other business purposes. 19695

(J) "Tangible personal property" has the same meaning as 19696
in section 5739.01 of the Revised Code. 19697

(K) "Internal Revenue Code" means the Internal Revenue 19698
Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term 19699
used in this chapter that is not otherwise defined has the same 19700
meaning as when used in a comparable context in the laws of the 19701
United States relating to federal income taxes unless a 19702
different meaning is clearly required. Any reference in this 19703
chapter to the Internal Revenue Code includes other laws of the 19704
United States relating to federal income taxes. 19705

(L) "Calendar quarter" means a three-month period ending 19706
on the thirty-first day of March, the thirtieth day of June, the 19707
thirtieth day of September, or the thirty-first day of December. 19708

(M) "Tax period" means the calendar quarter or calendar 19709
year on the basis of which a taxpayer is required to pay the tax 19710
imposed under this chapter. 19711

(N) "Calendar year taxpayer" means a taxpayer for which 19712
the tax period is a calendar year. 19713

(O) "Calendar quarter taxpayer" means a taxpayer for which 19714

the tax period is a calendar quarter. 19715

(P) "Agent" means a person authorized by another person to 19716
act on its behalf to undertake a transaction for the other, 19717
including any of the following: 19718

(1) A person receiving a fee to sell financial 19719
instruments; 19720

(2) A person retaining only a commission from a 19721
transaction with the other proceeds from the transaction being 19722
remitted to another person; 19723

(3) A person issuing licenses and permits under section 19724
1533.13 of the Revised Code; 19725

(4) A lottery sales agent holding a valid license issued 19726
under section 3770.05 of the Revised Code; 19727

(5) A person acting as an agent of the division of liquor 19728
control under section 4301.17 of the Revised Code. 19729

(Q) "Received" includes amounts accrued under the accrual 19730
method of accounting. 19731

(R) "Reporting person" means a person in a consolidated 19732
elected taxpayer or combined taxpayer group that is designated 19733
by that group to legally bind the group for all filings and tax 19734
liabilities and to receive all legal notices with respect to 19735
matters under this chapter, or, for the purposes of section 19736
5751.04 of the Revised Code, a separate taxpayer that is not a 19737
member of such a group. 19738

Sec. 5751.08. (A) An application for refund to the 19739
taxpayer of the amount of taxes imposed under this chapter that 19740
are overpaid, paid illegally or erroneously, or paid on any 19741
illegal or erroneous assessment shall be filed by the reporting 19742

person with the tax commissioner, on the form prescribed by the 19743
commissioner, within four years after the date of the illegal or 19744
erroneous payment of the tax, or within any additional period 19745
allowed under division (F) of section 5751.09 of the Revised 19746
Code. The applicant shall provide the amount of the requested 19747
refund along with the claimed reasons for, and documentation to 19748
support, the issuance of a refund. 19749

(B) On the filing of the refund application, the tax 19750
commissioner shall determine the amount of refund to which the 19751
applicant is entitled. If the amount is not less than that 19752
claimed, the commissioner shall certify the amount to the 19753
director of budget and management and treasurer of state for 19754
payment from the tax refund fund created under section 5703.052 19755
of the Revised Code. If the amount is less than that claimed, 19756
the commissioner shall proceed in accordance with section 19757
5703.70 of the Revised Code. 19758

(C) Interest on a refund applied for under this section, 19759
computed at the rate provided for in section 5703.47 of the 19760
Revised Code, shall be allowed from the later of the date the 19761
tax was paid or when the tax payment was due. 19762

(D) A calendar quarter taxpayer with more than one million 19763
dollars in taxable gross receipts in a calendar year other than 19764
calendar year 2005 and that is not able to exclude one million 19765
dollars in taxable gross receipts because of the operation of 19766
the taxpayer's business in that calendar year may file for a 19767
refund under this section to obtain the full exclusion of one 19768
million dollars in taxable gross receipts for that calendar 19769
year. 19770

(E) Except as provided in section 5751.081 of the Revised 19771
Code, the tax commissioner may, with the consent of the 19772

taxpayer, provide for the crediting against tax due for a tax 19773
~~year period~~ the amount of any refund due the taxpayer under this 19774
chapter for a preceding tax ~~year period~~. 19775

Sec. 5751.09. (A) The tax commissioner may make an 19776
assessment, based on any information in the commissioner's 19777
possession, against any person that fails to file a return or 19778
pay any tax as required by this chapter. The commissioner shall 19779
give the person assessed written notice of the assessment as 19780
provided in section 5703.37 of the Revised Code. With the 19781
notice, the commissioner shall provide instructions on the 19782
manner in which to petition for reassessment and request a 19783
hearing with respect to the petition. The commissioner shall 19784
send any assessments against consolidated elected taxpayer and 19785
combined taxpayer groups under section 5751.011 or 5751.012 of 19786
the Revised Code to the taxpayer's "reporting person" ~~as defined~~ 19787
~~under division (R) of section 5751.01 of the Revised Code~~. The 19788
reporting person shall notify all members of the group of the 19789
assessment and all outstanding taxes, interest, and penalties 19790
for which the assessment is issued. 19791

(B) Unless the person assessed, within sixty days after 19792
service of the notice of assessment, files with the tax 19793
commissioner, either personally or by certified mail, a written 19794
petition signed by the person or the person's authorized agent 19795
having knowledge of the facts, the assessment becomes final, and 19796
the amount of the assessment is due and payable from the person 19797
assessed to the treasurer of state. The petition shall indicate 19798
the objections of the person assessed, but additional objections 19799
may be raised in writing if received by the commissioner prior 19800
to the date shown on the final determination. 19801

If a petition for reassessment has been properly filed, 19802

the commissioner shall proceed under section 5703.60 of the 19803
Revised Code. 19804

(C) (1) After an assessment becomes final, if any portion 19805
of the assessment, including accrued interest, remains unpaid, a 19806
certified copy of the tax commissioner's entry making the 19807
assessment final may be filed in the office of the clerk of the 19808
court of common pleas in the county in which the person resides 19809
or has its principal place of business in this state, or in the 19810
office of the clerk of court of common pleas of Franklin county. 19811

(2) Immediately upon the filing of the entry, the clerk 19812
shall enter judgment for the state against the person assessed 19813
in the amount shown on the entry. The judgment may be filed by 19814
the clerk in a loose-leaf book entitled, "special judgments for 19815
the commercial activity tax" and shall have the same effect as 19816
other judgments. Execution shall issue upon the judgment at the 19817
request of the tax commissioner, and all laws applicable to 19818
sales on execution shall apply to sales made under the judgment. 19819

(3) If the assessment is not paid in its entirety within 19820
sixty days after the day the assessment was issued, the portion 19821
of the assessment consisting of tax due shall bear interest at 19822
the rate per annum prescribed by section 5703.47 of the Revised 19823
Code from the day the tax commissioner issues the assessment 19824
until it is paid or until it is certified to the attorney 19825
general for collection under section 131.02 of the Revised Code, 19826
whichever comes first. If the unpaid portion of the assessment 19827
is certified to the attorney general for collection, the entire 19828
unpaid portion of the assessment shall bear interest at the rate 19829
per annum prescribed by section 5703.47 of the Revised Code from 19830
the date of certification until the date it is paid in its 19831
entirety. Interest shall be paid in the same manner as the tax 19832

and may be collected by the issuance of an assessment under this 19833
section. 19834

(D) If the tax commissioner believes that collection of 19835
the tax will be jeopardized unless proceedings to collect or 19836
secure collection of the tax are instituted without delay, the 19837
commissioner may issue a jeopardy assessment against the person 19838
liable for the tax. Immediately upon the issuance of the 19839
jeopardy assessment, the commissioner shall file an entry with 19840
the clerk of the court of common pleas in the manner prescribed 19841
by division (C) of this section. Notice of the jeopardy 19842
assessment shall be served on the person assessed or the 19843
person's authorized agent in the manner provided in section 19844
5703.37 of the Revised Code within five days of the filing of 19845
the entry with the clerk. The total amount assessed is 19846
immediately due and payable, unless the person assessed files a 19847
petition for reassessment in accordance with division (B) of 19848
this section and provides security in a form satisfactory to the 19849
commissioner and in an amount sufficient to satisfy the unpaid 19850
balance of the assessment. Full or partial payment of the 19851
assessment does not prejudice the commissioner's consideration 19852
of the petition for reassessment. 19853

(E) The tax commissioner shall immediately forward to the 19854
treasurer of state all amounts the commissioner receives under 19855
this section, and such amounts shall be considered as revenue 19856
arising from the tax imposed under this chapter. 19857

(F) Except as otherwise provided in this division, no 19858
assessment shall be made or issued against a taxpayer for the 19859
tax imposed under this chapter more than four years after the 19860
due date for the filing of the return for the tax period for 19861
which the tax was reported, or more than four years after the 19862

return for the tax period was filed, whichever is later. The 19863
time limit may be extended if both the taxpayer and the 19864
commissioner consent in writing to the extension or enter into 19865
an agreement waiving or extending the time limit. Any such 19866
extension shall extend the four-year time limit in division ~~(B)~~ 19867
(A) of section 5751.08 of the Revised Code for the same period 19868
of time. Nothing in this division bars an assessment against a 19869
taxpayer that fails to file a return required by this chapter or 19870
that files a fraudulent return. 19871

(G) If the tax commissioner possesses information that 19872
indicates that the amount of tax a taxpayer is required to pay 19873
under this chapter exceeds the amount the taxpayer paid, the tax 19874
commissioner may audit a sample of the taxpayer's gross receipts 19875
over a representative period of time to ascertain the amount of 19876
tax due, and may issue an assessment based on the audit. The tax 19877
commissioner shall make a good faith effort to reach agreement 19878
with the taxpayer in selecting a representative sample. The tax 19879
commissioner may apply a sampling method only if the 19880
commissioner has prescribed the method by rule. 19881

(H) If the whereabouts of a person subject to this chapter 19882
is not known to the tax commissioner, the commissioner shall 19883
follow the procedures under section 5703.37 of the Revised Code. 19884

Sec. 5751.40. (A) As used in this section and division (F) 19885
(2) (z) of section 5751.01 of the Revised Code: 19886

(1) "Qualifying distribution center receipts" means 19887
receipts of a supplier from qualified property that is delivered 19888
to a qualified distribution center, multiplied by a quantity 19889
that equals one minus the Ohio delivery percentage. If the 19890
qualified distribution center is a refining facility, "supplier" 19891
includes all dealers, brokers, processors, sellers, vendors, 19892

cosigners, and distributors of qualified property. 19893

(2) "Qualified property" means tangible personal property 19894
delivered to a qualified distribution center that is shipped to 19895
that qualified distribution center solely for further shipping 19896
by the qualified distribution center to another location in this 19897
state or elsewhere or, in the case of gold, silver, platinum, or 19898
palladium delivered to a refining facility solely for refining 19899
to a grade and fineness acceptable for delivery to a registered 19900
commodities exchange. "Further shipping" includes storing and 19901
repackaging property into smaller or larger bundles, so long as 19902
the property is not subject to further manufacturing or 19903
processing. "Refining" is limited to extracting impurities from 19904
gold, silver, platinum, or palladium through smelting or some 19905
other process at a refining facility. 19906

(3) "Qualified distribution center" means a warehouse, a 19907
facility similar to a warehouse, or a refining facility in this 19908
state that, for the qualifying year, is operated by a person 19909
that is not part of a combined taxpayer group and that has a 19910
qualifying certificate. All warehouses or facilities similar to 19911
warehouses that are operated by persons in the same taxpayer 19912
group and that are located within one mile of each other shall 19913
be treated as one qualified distribution center. All refining 19914
facilities that are operated by persons in the same taxpayer 19915
group and that are located in the same or adjacent counties may 19916
be treated as one qualified distribution center. 19917

(4) "Qualifying year" means the calendar year to which the 19918
qualifying certificate applies. 19919

(5) "Qualifying period" means the period of the first day 19920
of July of the second year preceding the qualifying year through 19921
the thirtieth day of June of the year preceding the qualifying 19922

year. 19923

(6) "Qualifying certificate" means the certificate issued 19924
by the tax commissioner after the operator of a distribution 19925
center files an annual application with the commissioner under 19926
division (B) of this section. 19927

(7) "Ohio delivery percentage" means the proportion of the 19928
total property delivered to a destination inside Ohio from the 19929
qualified distribution center during the qualifying period 19930
compared with total deliveries from such distribution center 19931
everywhere during the qualifying period. 19932

(8) "Refining facility" means one or more buildings 19933
located in a county in the Appalachian region of this state as 19934
defined by section 107.21 of the Revised Code and utilized for 19935
refining or smelting gold, silver, platinum, or palladium to a 19936
grade and fineness acceptable for delivery to a registered 19937
commodities exchange. 19938

(9) "Registered commodities exchange" means a board of 19939
trade, such as New York mercantile exchange, inc. or commodity 19940
exchange, inc., designated as a contract market by the commodity 19941
futures trading commission under the "Commodity Exchange Act," 7 19942
U.S.C. 1 et seq., as amended. 19943

(10) "Ineligible operator's supplier tax liability" means 19944
an amount equal to the tax liability of all suppliers of a 19945
distribution center had the distribution center not been issued 19946
a qualifying certificate for the qualifying year. Ineligible 19947
operator's supplier tax liability shall not include interest or 19948
penalties. 19949

(B) For purposes of division (B) of this section, 19950
"supplier" excludes any person that is part of the consolidated 19951

elected taxpayer group, if applicable, of the operator of the 19952
qualified distribution center. 19953

(1) An application for a qualifying certificate to be a 19954
qualified distribution center shall be filed, and an annual fee 19955
paid, for each qualified distribution center on or before the 19956
first day of September before the qualifying year or within 19957
forty-five days after the distribution center opens, whichever 19958
is later. The applicant must substantiate to the commissioner's 19959
satisfaction that, for the qualifying period, all persons 19960
operating the distribution center have more than fifty per cent 19961
of the cost of the qualified property shipped to a location such 19962
that it would be situated outside this state under the provisions 19963
of division (E) of section 5751.033 of the Revised Code. The 19964
applicant must also substantiate that the distribution center 19965
cumulatively had costs from its suppliers equal to or exceeding 19966
five hundred million dollars during the qualifying period. 19967

The commissioner may require an applicant to have an 19968
independent certified public accountant certify that the 19969
calculation of the minimum thresholds required for a qualified 19970
distribution center by the operator of a distribution center has 19971
been made in accordance with generally accepted accounting 19972
principles. The commissioner shall issue or deny the issuance of 19973
a certificate within sixty days after the receipt of the 19974
application. A denial is subject to appeal under section 5717.02 19975
of the Revised Code. If the operator files a timely appeal under 19976
section 5717.02 of the Revised Code, the operator shall be 19977
granted a qualifying certificate effective for the remainder of 19978
the qualifying year or until the appeal is finalized, whichever 19979
is earlier. If the operator does not prevail in the appeal, the 19980
operator shall pay the ineligible operator's supplier tax 19981
liability. 19982

(2) If the distribution center is new and was not open for 19983
the entire qualifying period, the operator of the distribution 19984
center may request that the commissioner grant a qualifying 19985
certificate. If the certificate is granted and it is later 19986
determined that more than fifty per cent of the qualified 19987
property during that year was not shipped to a location such 19988
that it would be situated outside of this state under the 19989
provisions of division (E) of section 5751.033 of the Revised 19990
Code or if it is later determined that the person that operates 19991
the distribution center had average monthly costs from its 19992
suppliers of less than forty million dollars during that year, 19993
then the operator of the distribution center shall pay the 19994
ineligible operator's supplier tax liability. 19995

(3) The commissioner may grant a qualifying certificate to 19996
a distribution center that does not qualify as a qualified 19997
distribution center for an entire qualifying period if the 19998
operator of the distribution center demonstrates that the 19999
business operations of the distribution center have changed or 20000
will change such that the distribution center will qualify as a 20001
qualified distribution center within thirty-six months after the 20002
date the operator first applies for a certificate. If, at the 20003
end of that thirty-six-month period, the business operations of 20004
the distribution center have not changed such that the 20005
distribution center qualifies as a qualified distribution 20006
center, the operator of the distribution center shall pay the 20007
ineligible operator's supplier tax liability for each year that 20008
the distribution center received a certificate but did not 20009
qualify as a qualified distribution center. For each year the 20010
distribution center receives a certificate under division (B) (3) 20011
of this section, the distribution center shall pay all 20012
applicable fees required under this section and shall submit an 20013

updated business plan showing the progress the distribution 20014
center made toward qualifying as a qualified distribution center 20015
during the preceding year. 20016

(4) An operator may appeal a determination under division 20017
(B) (1) or (2) of this section that the ineligible operator is 20018
liable for the operator's supplier tax liability as a result of 20019
not qualifying as a qualified distribution center, as provided 20020
in section 5717.02 of the Revised Code. 20021

(C) (1) When filing an application for a qualifying 20022
certificate under division (B) (1) of this section, the operator 20023
of a qualified distribution center also shall provide 20024
documentation, as the commissioner requires, for the 20025
commissioner to ascertain the Ohio delivery percentage. The 20026
commissioner, upon issuing the qualifying certificate, also 20027
shall certify the Ohio delivery percentage. The operator of the 20028
qualified distribution center may appeal the commissioner's 20029
certification of the Ohio delivery percentage in the same manner 20030
as an appeal is taken from the denial of a qualifying 20031
certificate under division (B) (1) of this section. 20032

(2) In the case where the distribution center is new and 20033
not open for the entire qualifying period, the operator shall 20034
make a good faith estimate of an Ohio delivery percentage for 20035
use by suppliers in their reports of taxable gross receipts for 20036
the remainder of the qualifying period. The operator of the 20037
facility shall disclose to the suppliers that such Ohio delivery 20038
percentage is an estimate and is subject to recalculation. By 20039
the due date of the next application for a qualifying 20040
certificate, the operator shall determine the actual Ohio 20041
delivery percentage for the estimated qualifying period and 20042
proceed as provided in division (C) (1) of this section with 20043

respect to the calculation and recalculation of the Ohio 20044
delivery percentage. The supplier is required to file, within 20045
sixty days after receiving notice from the operator of the 20046
qualified distribution center, amended reports for the impacted 20047
calendar quarter or quarters or calendar year, whichever the 20048
case may be. Any additional tax liability or tax overpayment 20049
shall be subject to interest but shall not be subject to the 20050
imposition of any penalty so long as the amended returns are 20051
timely filed. 20052

(3) The operator of a distribution center that receives a 20053
qualifying certificate under division (B)(3) of this section 20054
shall make a good faith estimate of the Ohio delivery percentage 20055
that the operator estimates will apply to the distribution 20056
center at the end of the thirty-six-month period after the 20057
operator first applied for a qualifying certificate under that 20058
division. The result of the estimate shall be multiplied by a 20059
factor of one and seventy-five one-hundredths. The product of 20060
that calculation shall be the Ohio delivery percentage used by 20061
suppliers in their reports of taxable gross receipts for each 20062
qualifying year that the distribution center receives a 20063
qualifying certificate under division (B)(3) of this section, 20064
except that, if the product is less than five per cent, the Ohio 20065
delivery percentage used shall be five per cent and that, if the 20066
product exceeds forty-nine per cent, the Ohio delivery 20067
percentage used shall be forty-nine per cent. 20068

(D) Qualifying certificates and Ohio delivery percentages 20069
issued by the commissioner shall be open to public inspection 20070
and shall be timely published by the commissioner. A supplier 20071
relying in good faith on a certificate issued under this section 20072
shall not be subject to tax on the qualifying distribution 20073
center receipts under this section and division (F)(2)(z) of 20074

section 5751.01 of the Revised Code. An operator receiving a 20075
qualifying certificate is liable for the ineligible operator's 20076
supplier tax liability for each year the operator received a 20077
certificate but did not qualify as a qualified distribution 20078
center. 20079

(E) The tax commissioner shall determine an ineligible 20080
operator's supplier tax liability based on information that the 20081
commissioner may request from the operator of the distribution 20082
center. An operator shall provide a list of all suppliers of the 20083
distribution center and the corresponding costs of qualified 20084
property for the qualifying year at issue within sixty days of a 20085
request by the commissioner under this division. 20086

(F) The annual fee for a qualifying certificate shall be 20087
one hundred thousand dollars for each qualified distribution 20088
center. If a qualifying certificate is not issued, the annual 20089
fee is subject to refund after the exhaustion of all appeals 20090
provided for in division (B)(1) of this section. The first one 20091
hundred thousand dollars of the annual application fees 20092
collected each calendar year shall be credited to the revenue 20093
enhancement fund. The remainder of the annual application fees 20094
collected shall be distributed in the same manner required under 20095
section 5751.20 of the Revised Code. 20096

(G) The tax commissioner may require that adequate 20097
security be posted by the operator of the distribution center on 20098
appeal when the commissioner disagrees that the applicant has 20099
met the minimum thresholds for a qualified distribution center 20100
as set forth in this section. 20101

Sec. 5751.41. (A) As used in this section and division (F) 20102
(2) (gg) of section 5751.01 of the Revised Code: 20103

(1) "Qualified uranium receipts" means receipts from the 20104
sale, exchange, lease, loan, production, processing, or other 20105
disposition of uranium within a uranium enrichment zone 20106
certified by the tax commissioner under division (B) of this 20107
section. "Qualified uranium receipts" does not include any 20108
receipts with a situs in this state outside a uranium enrichment 20109
zone certified by the tax commissioner under that division. 20110

(2) "Uranium enrichment zone" means all real property that 20111
is part of a uranium enrichment facility licensed by the United 20112
States nuclear regulatory commission and that was or is owned or 20113
controlled by the United States department of energy or its 20114
successor. 20115

(B) Any person that owns, leases, or operates real or 20116
tangible personal property constituting or located within a 20117
uranium enrichment zone may apply to the tax commissioner to 20118
have the uranium enrichment zone certified for the purpose of 20119
excluding qualified uranium receipts under this section and 20120
division (F) (2) (qq) of section 5751.01 of the Revised Code. The 20121
application shall include such information that the tax 20122
commissioner prescribes. Within sixty days after receiving the 20123
application, the tax commissioner shall certify the zone for 20124
that purpose if the commissioner determines that the property 20125
qualifies as a uranium enrichment zone, or, if the tax 20126
commissioner determines that the property does not qualify, the 20127
commissioner shall deny the application or request additional 20128
information from the applicant. If the tax commissioner denies 20129
an application, the commissioner shall state the reasons for the 20130
denial. The applicant may appeal the denial of an application to 20131
the board of tax appeals pursuant to section 5717.02 of the 20132
Revised Code. If the applicant files a timely appeal, the tax 20133
commissioner shall conditionally certify the applicant's 20134

property. The conditional certification shall expire when all of 20135
the applicant's appeals are exhausted. Until final resolution of 20136
the appeal, the applicant shall retain the applicant's records 20137
in accordance with section 5751.12 of the Revised Code, 20138
notwithstanding any time limit on the preservation of records 20139
under that section. 20140

Sec. 5751.42. (A) As used in this section and division (F) 20141
(2)(jj) of section 5751.01 of the Revised Code: 20142

(1) "Qualifying integrated supply chain receipts" means 20143
receipts of a qualified integrated supply chain vendor from the 20144
sale of qualified property delivered to, or integrated supply 20145
chain services provided to, another qualified integrated supply 20146
chain vendor or to a retailer that is a member of the integrated 20147
supply chain. "Qualifying integrated supply chain receipts" does 20148
not include receipts of a person that is not a qualified 20149
integrated supply chain vendor from the sale of raw materials to 20150
a member of an integrated supply chain, or receipts of a member 20151
of an integrated supply chain from the sale of qualified 20152
property or integrated supply chain services to a person that is 20153
not a member of the integrated supply chain. 20154

(2) "Qualified property" means any of the following: 20155

(a) Component parts used to hold, contain, package, or 20156
dispense qualified products, excluding equipment. 20157

(b) Work-in-process inventory that will become, comprise, 20158
or form a component part of a qualified product capable of being 20159
sold at retail, excluding equipment, machinery, furniture, and 20160
fixtures. 20161

(c) Finished goods inventory that is a qualified product 20162
capable of being sold at retail in the inventory's present form. 20163

(3) "Qualified integrated supply chain vendor" means a 20164
person that is a member of an integrated supply chain and that 20165
provides integrated supply chain services within a qualified 20166
integrated supply chain district to a retailer that is a member 20167
of the integrated supply chain or to another qualified 20168
integrated supply chain vendor that is located within the same 20169
such district as the person but does not share a common owner 20170
with that person. 20171

(4) "Qualified product" means a personal care, health, or 20172
beauty product or an aromatic product, including a candle. 20173
"Qualified product" does not include a drug that may be 20174
dispensed only pursuant to a prescription, durable medical 20175
equipment, mobility enhancing equipment, or a prosthetic device, 20176
as those terms are defined in section 5739.01 of the Revised 20177
Code. 20178

(5) "Integrated supply chain" means two or more qualified 20179
integrated supply chain vendors certified on the most recent 20180
list certified to the tax commissioner under division (B) of 20181
this section that systematically collaborate and coordinate 20182
business operations with a retailer on the flow of tangible 20183
personal property from material sourcing through manufacturing, 20184
assembly, packaging, and delivery to the retailer to improve 20185
long-term financial performance of each vendor and the supply 20186
chain that includes the retailer. 20187

(6) "Integrated supply chain services" means procuring raw 20188
materials or manufacturing, processing, refining, assembling, 20189
packaging, or repackaging tangible personal property that will 20190
become finished goods inventory capable of being sold at retail 20191
by a retailer that is a member of an integrated supply chain. 20192

(7) "Retailer" means a person primarily engaged in making 20193

retail sales and any member of that person's consolidated 20194
elected taxpayer group or combined taxpayer group, whether or 20195
not that member is primarily engaged in making retail sales. 20196

(8) "Qualified integrated supply chain district" means the 20197
parcel or parcels of land from which a retailer's integrated 20198
supply chain that existed on September 29, 2015, provides or 20199
receives integrated supply chain services, and to which all of 20200
the following apply: 20201

(a) The parcel or parcels are located wholly in a county 20202
having a population of greater than one hundred sixty-five 20203
thousand but less than one hundred seventy thousand based on the 20204
2010 federal decennial census. 20205

(b) The parcel or parcels are located wholly in the 20206
corporate limits of a municipal corporation with a population 20207
greater than seven thousand five hundred and less than eight 20208
thousand based on the 2010 federal decennial census that is 20209
partly located in the county described in division (A) (8) (a) of 20210
this section, as those corporate limits existed on September 29, 20211
2015. 20212

(c) The aggregate acreage of the parcel or parcels equals 20213
or exceeds one hundred acres. 20214

(B) For the purpose of the certification under division 20215
(A) (5) of this section, the reporting person for each retailer, 20216
on or before the first day of October of each year, shall 20217
certify to the tax commissioner a list of the qualified 20218
integrated supply chain vendors providing or receiving 20219
integrated supply chain services within a qualified integrated 20220
supply chain district for the ensuing calendar year. On or 20221
before the following first day of November, the commissioner 20222

shall issue a certificate to the retailer and to each vendor 20223
certified to the commissioner on that list. The certificate 20224
shall include the names of the retailer and of the qualified 20225
integrated supply chain vendors. 20226

The retailer shall notify the commissioner of any changes 20227
to the list, including additions to or subtractions from the 20228
list or changes in the name or legal entity of vendors certified 20229
on the list, within sixty days after the date the retailer 20230
becomes aware of the change. Within thirty days after receiving 20231
that notification, the commissioner shall issue a revised 20232
certificate to the retailer and to each vendor certified on the 20233
list. The revised certificate shall include the effective date 20234
of the change. 20235

Each recipient of a certificate issued pursuant to this 20236
division shall maintain a copy of the certificate for four years 20237
from the date the certificate was received. 20238

Sec. 5751.50. (A) For tax periods beginning on or after 20239
January 1, 2008, a refundable credit granted by the tax credit 20240
authority under section 122.17 or former division (B) (2) or (3) 20241
of section 122.171 of the Revised Code, as those divisions 20242
existed before September 29, 2015, the effective date of the 20243
amendment of this section by H.B. 64 of the 131st general 20244
assembly, may be claimed under this chapter in the order 20245
required under section 5751.98 of the Revised Code. For purposes 20246
of making tax payments under this chapter, taxes equal to the 20247
amount of the refundable credit shall be considered to be paid 20248
to this state on the first day of the tax period. A credit 20249
claimed in calendar year 2008 may not be applied against the tax 20250
otherwise due for a tax period beginning before July 1, 2008. 20251
The refundable credit shall not be claimed against the tax 20252

otherwise due for any tax period beginning after the date on 20253
which a relocation of employment positions occurs in violation 20254
of an agreement entered into under section 122.17 or 122.171 of 20255
the Revised Code. 20256

(B) For tax periods beginning on or after January 1, 2008, 20257
a nonrefundable credit granted by the tax credit authority under 20258
division (B) of section 122.171 of the Revised Code may be 20259
claimed under this chapter in the order required under section 20260
5751.98 of the Revised Code. A credit claimed in calendar year 20261
2008 may not be applied against the tax otherwise due under this 20262
chapter for a tax period beginning before July 1, 2008. The 20263
credit shall not be claimed against the tax otherwise due for 20264
any tax period beginning after the date on which a relocation of 20265
employment positions occurs in violation of an agreement entered 20266
into under section 122.17 or 122.171 of the Revised Code. No 20267
credit shall be allowed under this chapter if the credit was 20268
available against the tax imposed by section 5733.06 or 5747.02 20269
of the Revised Code, except to the extent the credit was not 20270
applied against such tax. 20271

Sec. 5751.51. (A) As used in this section, "qualified 20272
research expenses" has the same meaning as in section 41 of the 20273
Internal Revenue Code. 20274

(B) (1) For ~~tax periods~~ calendar years beginning on or 20275
after January 1, 2008, a nonrefundable credit may be claimed 20276
under this chapter equal to seven per cent of the excess of (a) 20277
qualified research expenses incurred in this state by the 20278
taxpayer in the ~~tax period~~ calendar year for which the credit is 20279
claimed over (b) the taxpayer's average annual qualified 20280
research expenses incurred in this state for the three preceding 20281
~~tax periods~~ calendar years. 20282

(2) The taxpayer shall claim the credit allowed under 20283
division (B) (1) of this section in the order required by section 20284
5751.98 of the Revised Code. A credit claimed in ~~tax~~ calendar 20285
year 2008 may not be applied against the tax otherwise due under 20286
this chapter for a tax period beginning before July 1, 2008. Any 20287
credit amount in excess of the tax due under section 5751.03 of 20288
the Revised Code, after allowing for any other credits that 20289
precede the credit under this section in the order required 20290
under that section, may be carried forward for seven ~~tax~~ years, 20291
but the amount of the excess credit claimed against the tax for 20292
any tax period shall be deducted from the balance carried 20293
forward to the next tax period. 20294

(3) No credit shall be allowed under this chapter if the 20295
credit was available against the tax imposed by section 5733.06 20296
of the Revised Code, except to the extent the credit was not 20297
applied against such tax. 20298

Sec. 5751.98. (A) To provide a uniform procedure for 20299
calculating the amount of tax due under this chapter, a taxpayer 20300
shall claim any credits to which it is entitled in the following 20301
order: 20302

~~(1)~~ The nonrefundable jobs retention credit under division 20303
(B) of section 5751.50 of the Revised Code; 20304

~~(2)~~ The nonrefundable credit for qualified research 20305
expenses under division (B) of section 5751.51 of the Revised 20306
Code; 20307

~~(3)~~ The nonrefundable credit for a borrower's qualified 20308
research and development loan payments under division (B) of 20309
section 5751.52 of the Revised Code; 20310

~~(4)~~ The nonrefundable credit for calendar years 2010 to 20311

2029 for unused net operating losses under division (B) of 20312
section 5751.53 of the Revised Code; 20313

~~(5)~~—The refundable motion picture and Broadway theatrical 20314
production credit under section 5751.54 of the Revised Code; 20315

~~(6)~~—The refundable jobs creation credit or job retention 20316
credit under division (A) of section 5751.50 of the Revised 20317
Code; 20318

~~(7)~~—The refundable credit for calendar year 2030 for 20319
unused net operating losses under division (C) of section 20320
5751.53 of the Revised Code. 20321

(B) For any credit except the refundable credits 20322
enumerated in this section, the amount of the credit for a tax 20323
period shall not exceed the tax due after allowing for any other 20324
credit that precedes it in the order required under this 20325
section. Any excess amount of a particular credit may be carried 20326
forward if authorized under the section creating the credit. 20327

Sec. 5753.11. (A) As used in this section: 20328

(1) "Public school district" means any city, local, 20329
exempted village, or joint vocational school district, community 20330
school established under Chapter 3314. of the Revised Code, STEM 20331
school established under Chapter 3326. of the Revised Code, or 20332
college-preparatory boarding school established under Chapter 20333
3328. of the Revised Code. "Public school district" does not 20334
include any STEM school operated under section 3326.51 of the 20335
Revised Code. 20336

(2) "Student population" means the number of students 20337
residing in a county who are enrolled in a public school 20338
district in grades kindergarten through twelve and the total 20339
number of preschool children with disabilities on the following 20340

dates: 20341

(a) For the January distribution, the Friday of the first 20342
full school week in October; 20343

(b) For the August distribution, the Friday of the first 20344
full school week in May. 20345

(B) For the purpose of calculating student population, 20346
each public school district shall, twice annually, report to the 20347
department of education the students enrolled in the district on 20348
the days specified in division (A) (2) of this section. A student 20349
shall be considered to be enrolled in a public school district 20350
if the student is participating in education programs of the 20351
public school district and the public school district has not: 20352

(1) Received documentation from a parent terminating 20353
enrollment of the student; 20354

(2) Been provided documentation of a student's enrollment 20355
in another public or private school; or 20356

(3) Ceased to offer education to the student. 20357

If more than one public school district reports a student 20358
as enrolled, the department shall use procedures adopted by the 20359
department for the reconciliation of enrollment to determine the 20360
district of enrollment for purposes of this section. In the case 20361
of the dual enrollment of a student in a joint vocational school 20362
district and another public school district, the student shall 20363
be included in the enrollments for both schools. If the valid 20364
school district or enrollment cannot be determined in time for 20365
the certification, the count of these students shall be divided 20366
equally between the reporting districts. 20367

(C) The department of education shall certify to the 20368

department of taxation the student population for each county 20369
and the student population for each public school district 20370
located in whole or in part in the county on or before the 20371
thirtieth day of December, for the January distribution and on 20372
or before the thirtieth day of July, for the August 20373
distribution. A student shall be included in the school district 20374
enrollment for a county only if a student resides in that 20375
county. The location of each community school shall be the 20376
enrollment area required to be defined by the community school 20377
and its sponsor in accordance with division (A) (19) of section 20378
3314.03 of the Revised Code, the location of each STEM ~~schools~~ 20379
school shall be any county in which its enrolled students 20380
reside, and the location of the college-preparatory boarding 20381
schools shall be the territory of the school district in which 20382
the college-preparatory school is located or the territory of 20383
any city, exempted village, or local school district that has 20384
agreed to be a participating district under section 3328.04 of 20385
the Revised Code. 20386

The student population count certified by the department 20387
of education to the department of taxation is final and shall 20388
not be adjusted by future updates to the counts. 20389

(D) Not later than the thirty-first day of January and the 20390
thirty-first day of August of each year, the tax commissioner 20391
shall distribute funds in the gross casino revenue county 20392
student fund to public school districts. The commissioner shall 20393
calculate the amount of funds to distribute to each public 20394
school district as follows: 20395

(1) The commissioner shall calculate the proportional 20396
share of the funds attributable to each county by dividing the 20397
total student population certified for each county by the sum of 20398

the total student population certified in all counties 20399
statewide. 20400

(2) The commissioner shall multiply the amount in division 20401
(D) (1) of this section by the total amount of funds in the gross 20402
casino revenue county student fund to obtain the share of funds 20403
for each county. 20404

(3) The commissioner shall multiply the amount in division 20405
(D) (2) of this section by the quotient of the student population 20406
certified for each individual district located in the county 20407
divided by the sum of the student population certified for all 20408
public school districts located in the county. 20409

The commissioner shall distribute to each public school 20410
district the amount so calculated for each district. 20411

Section 2. That existing sections 122.075, 125.831, 20412
131.45, 133.01, 133.06, 133.07, 133.18, 135.142, 305.31, 20413
306.322, 307.671, 307.672, 307.674, 307.678, 307.695, 319.301, 20414
321.03, 321.20, 323.154, 323.155, 351.01, 351.03, 351.141, 20415
718.01, 718.021, 929.01, 1545.041, 1545.21, 1711.15, 1711.16, 20416
3316.03, 3316.06, 3317.01, 4301.20, 4582.024, 4582.26, 4582.56, 20417
4723.43, 4729.01, 4761.17, 5104.31, 5701.08, 5701.11, 5701.12, 20418
5703.04, 5703.211, 5703.54, 5703.94, 5703.95, 5705.03, 5705.13, 20419
5705.19, 5705.195, 5705.213, 5705.252, 5705.29, 5705.315, 20420
5705.34, 5705.35, 5705.36, 5705.49, 5709.201, 5709.43, 5709.48, 20421
5709.53, 5709.61, 5709.80, 5709.85, 5709.93, 5713.03, 5713.30, 20422
5713.351, 5715.13, 5715.36, 5721.06, 5721.191, 5721.39, 5725.98, 20423
5726.50, 5726.98, 5727.02, 5727.11, 5727.23, 5727.32, 5727.33, 20424
5727.80, 5727.83, 5727.84, 5729.98, 5733.042, 5733.05, 5733.052, 20425
5733.055, 5733.40, 5733.98, 5735.026, 5735.06, 5739.01, 20426
5739.011, 5739.02, 5739.021, 5739.028, 5739.03, 5739.034, 20427
5739.08, 5739.09, 5739.21, 5740.02, 5743.05, 5743.08, 5743.33, 20428

5743.65, 5745.14, 5747.01, 5747.011, 5747.012, 5747.013, 20429
5747.02, 5747.058, 5747.061, 5747.07, 5747.082, 5747.11, 20430
5747.231, 5747.41, 5747.51, 5747.52, 5747.55, 5747.98, 5748.08, 20431
5748.09, 5751.01, 5751.08, 5751.09, 5751.50, 5751.51, 5751.98, 20432
and 5753.11 of the Revised Code are hereby repealed. 20433

Section 3. That sections 901.13, 5705.211, 5727.87, 20434
5733.46, 5739.105, 5747.75, and 5751.23 of the Revised Code are 20435
hereby repealed. 20436

Section 4. That Section 757.40 of H.B. 166 of the 133rd 20437
General Assembly be amended to read as follows: 20438

Sec. 757.40. (A) As used in this section: 20439

(1) "Certificate owner" and "qualified rehabilitation 20440
expenditures" have the same meanings as in section 149.311 of 20441
the Revised Code. 20442

(2) "Taxpayer," "tax period," "excluded person," "combined 20443
taxpayer," and "consolidated elected taxpayer," have the same 20444
meanings as in section 5751.01 of the Revised Code. 20445

(3) "Pass-through entity" has the same meaning as in 20446
section 5733.04 of the Revised Code. 20447

(B) A taxpayer that is the certificate owner of a 20448
rehabilitation tax credit certificate issued under section 20449
149.311 of the Revised Code may claim a credit against the tax 20450
levied by section 5751.02 of the Revised Code for tax periods 20451
ending on or before June 30, 2021, provided that the taxpayer is 20452
unable to claim the credit under section 5725.151, 5725.34, 20453
5726.52, 5729.17, or 5747.76 of the Revised Code. 20454

The credit shall equal the lesser of twenty-five per cent 20455
of the dollar amount of the qualified rehabilitation 20456

expenditures indicated on the certificate or five million 20457
dollars. The credit shall be claimed for the calendar year 20458
specified in the certificate and after the credits authorized in 20459
~~divisions (A) (1) to (4)~~ division (B) of section 5751.98-5751.50, 20460
division (B) of section 5751.53, and sections 5751.51 and 20461
5751.52 of the Revised Code, but before the credits authorized 20462
in ~~divisions (A) (5) to (7) of that~~ division (A) of section 20463
5751.50, division (C) of section 5751.53, and section 5751.54 of 20464
the Revised Code. 20465

If the credit allowed for any calendar year exceeds the 20466
tax otherwise due under section 5751.02 of the Revised Code, 20467
after allowing for any other credits preceding the credit in the 20468
order prescribed by this section, the excess shall be refunded 20469
to the taxpayer. However, if any amount of the credit is 20470
refunded, the sum of the amount refunded and the amount applied 20471
to reduce the tax otherwise due for that year shall not exceed 20472
three million dollars. The taxpayer may carry forward any 20473
balance of the credit in excess of the amount claimed for that 20474
year for not more than five calendar years after the calendar 20475
year specified in the certificate, and shall deduct any amount 20476
claimed in any such year from the amount claimed in an ensuing 20477
year. 20478

A person that is an excluded person may file a return 20479
under section 5751.051 of the Revised Code for the purpose of 20480
claiming the credit authorized in this section. 20481

If the certificate owner is a pass-through entity, the 20482
credit may not be allocated among the entity's owners in 20483
proportions or amounts as the owners mutually agree unless 20484
either the owners are part of the same combined or consolidated 20485
elected taxpayer as the pass-through entity or the director of 20486

development services issued the certificate in the name of the 20487
pass-through entity's owners in the agreed-upon proportions or 20488
amounts. If the credit is allocated among those owners, an owner 20489
may claim the credit authorized in this section only if that 20490
owner is a corporation or an association taxed as a corporation 20491
for federal income tax purposes and is not a corporation that 20492
has made an election under Subchapter S of Chapter 1 of Subtitle 20493
A of the Internal Revenue Code. 20494

The credit authorized in this section may be claimed only 20495
on the basis of a rehabilitation tax credit certificate with an 20496
effective date after December 31, 2013, but before June 30, 20497
2021. 20498

A person claiming a credit under this section shall retain 20499
the rehabilitation tax credit certificate for four years 20500
following the end of the latest calendar year in which the 20501
credit was applied, and shall make the certificate available for 20502
inspection by the tax commissioner upon request. 20503

Section 5. That existing Section 757.40 of H.B. 166 of the 20504
133rd General Assembly is hereby repealed. 20505

Section 6. The amendment by this act of division (B) (56) 20506
of section 5739.02 of the Revised Code applies on and after 20507
April 1, 2020. 20508

Section 7. Sections 1 to 6 of this act shall be known as 20509
the "Tax Code Streamlining and Correction Act." 20510

Section 8. (A) For purposes of ensuring the supply of safe 20511
drinking water to the citizens of this state and pursuant to 20512
section 6109.04 of the Revised Code, during the period of the 20513
emergency declared by Executive Order 2020-01D, issued on March 20514
9, 2020, but not beyond December 1, 2020, if the period of the 20515

emergency continues beyond that date, the Director of 20516
Environmental Protection may issue an order that does any of the 20517
following: 20518

(1) Requires a public water system to restore service to 20519
any customer whose service was disconnected as a result of 20520
nonpayment of fees and charges; 20521

(2) Requires a public water system to waive all fees for 20522
connection or reconnection to the public water system; 20523

(3) Prohibits a public water system from disconnecting 20524
customers because of nonpayment of fees and charges. 20525

(B) An order issued under division (A) of this section is 20526
deemed an order issued under Chapter 6109. of the Revised Code. 20527
As such, the order may be enforced in the same manner as any 20528
other order issued under that chapter. Such enforcement may 20529
include the imposition of administrative, civil, and criminal 20530
penalties authorized under Chapter 6109. of the Revised Code. 20531

(C) An order issued under division (A) of this section is 20532
valid during the period of the emergency declared by Executive 20533
Order 2020-01D issued on March 9, 2020, but not beyond December 20534
1, 2020, if the period of the emergency continues beyond that 20535
date. 20536

Section 9. Notwithstanding section 5104.016 of the Revised 20537
Code, during the period of the emergency declared by Executive 20538
Order 2020-01D, issued on March 9, 2020, but not beyond December 20539
1, 2020, if the period of the emergency continues beyond that 20540
date, the requirements of section 5104.033 of the Revised Code 20541
regarding the maximum number of children per child-care staff 20542
member and maximum group sizes are suspended. 20543

Section 10. (A) During the period of the emergency 20544

declared by Executive Order 2020-01D, issued on March 9, 2020, 20545
but not beyond December 1, 2020, if the period of the emergency 20546
continues beyond that date, the Director of Agriculture may 20547
exempt a school from regulation as a food processing 20548
establishment under section 3715.021 of the Revised Code if the 20549
school: 20550

(1) Has been issued a food service operation license under 20551
Chapter 3717. of the Revised Code; and 20552

(2) Is transporting food only for purposes of the Seamless 20553
Summer Option Program or the Summer Food Service Program 20554
administered by the United States Department of Agriculture. 20555

(B) During the period of the emergency declared by 20556
Executive Order 2020-01D, issued on March 9, 2020, but not 20557
beyond December 1, 2020, if the period of the emergency 20558
continues beyond that date, the Director of Agriculture may 20559
exempt an entity from regulation as a food processing 20560
establishment under section 3715.021 of the Revised Code if the 20561
entity: 20562

(1) Has been issued a food service operation license under 20563
Chapter 3717. of the Revised Code; and 20564

(2) Is transporting food only for purposes of the Summer 20565
Food Service Program administered by the United States 20566
Department of Agriculture. 20567

Section 11. (A) As used in this section: 20568

(1) "License" means any license, permit, certificate, 20569
commission, charter, registration, card, or other similar 20570
authority that is issued or conferred by a state agency, a 20571
political subdivision of this state, or an official of a 20572
political subdivision of this state. 20573

(2) "Person" has the same meaning as in section 1.59 of the Revised Code. 20574
20575

(3) "State agency" means every organized body, office, or agency established by the laws of the state for the exercise of any function of state government. "State agency" includes all of the following: 20576
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(a) The nonprofit corporation formed under section 187.01 of the Revised Code; 20580
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(b) The Public Employees Retirement Board, Board of Trustees of the Ohio Police and Fire Pension Fund, State Teachers Retirement Board, School Employees Retirement Board, and State Highway Patrol Retirement Board; 20582
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(c) A state institution of higher education as defined in section 3345.011 of the Revised Code. 20586
20587

(B) If a state agency is required by law to take action during the period of the emergency declared by Executive Order 2020-01D, issued March 9, 2020, but not beyond December 1, 2020, if the period of the emergency continues beyond that date, notwithstanding the date by which action is required to be taken in accordance with that law, the state agency shall take that action not later than the earlier of either ninety days after the date the emergency ends or December 1, 2020. 20588
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(C) (1) Except as provided in division (E) of this section, if a person is required by law to take action to maintain the validity of a license during the period of the emergency declared by Executive Order 2020-01D, issued March 9, 2020, but not beyond December 1, 2020, if the period of the emergency continues beyond that date, notwithstanding the date by which action with respect to that license is required to be taken in 20596
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accordance with that law, the person shall take that action not 20603
later than the sooner of either ninety days after the date the 20604
emergency ends or December 1, 2020. 20605

(2) Except as provided in division (E) of this section, a 20606
license otherwise expiring pursuant to law during the period of 20607
the emergency declared by Executive Order 2020-01D, issued March 20608
9, 2020, but not beyond December 1, 2020, if the period of the 20609
emergency continues beyond that date, notwithstanding the date 20610
on which the license expires in accordance with that law, 20611
remains valid until the earlier of either ninety days after the 20612
date the emergency ends or December 1, 2020, unless revoked, 20613
suspended, or otherwise subject to discipline or limitation 20614
under the applicable law for reasons other than delaying taking 20615
action to maintain the validity of the license in accordance 20616
with division (C)(1) of this section. 20617

(D) Nothing in division (C) of this section limits the 20618
authority of a state agency, political subdivision, or official 20619
that issues a license to take disciplinary action under the 20620
applicable law against a person with respect to a license, 20621
provided that a state agency, political subdivision, or official 20622
shall not take disciplinary action against a person who delays 20623
in taking action to maintain the validity of the license in 20624
accordance with division (C)(1) of this section. 20625

(E) (1) If a concealed handgun license has been issued to a 20626
person under section 2923.125 of the Revised Code and if the 20627
date on which that license was, or is, scheduled to expire falls 20628
during the period of emergency declared by Executive Order 2020- 20629
01D, issued on March 9, 2020, but not beyond December 1, 2020, 20630
if the period of the emergency continues beyond that date, 20631
notwithstanding that date of scheduled expiration or any other 20632

provision of law to the contrary, the date on which that license
was, or is, scheduled to expire is hereby extended to the sooner
of either ninety days or December 1, 2020, with the ninety-day
extension period commencing on that date of scheduled
expiration.

(2) Division (E)(1) of this section applies with respect
to a concealed handgun license that is described in that
division even if the date of scheduled expiration of that
license occurred prior to the effective date of this section. In
such a case, the ninety-day extension period, if applicable,
shall be considered to have commenced on that date of scheduled
expiration, notwithstanding the fact that the date already has
passed, and divisions (F) and (G) of this section apply
regarding the license and the person to whom it was issued with
respect to the entire applicable extension period,
notwithstanding the fact that the date already has passed.

(F) If division (E)(1) of this section applies with
respect to a concealed handgun license, during the extension
period described in that division that is applicable to that
license, both of the following apply:

(1) The license shall be valid for all purposes under the
law of this state.

(2) The person to whom the license was issued shall be
considered for all purposes under the law of this state to be a
holder of a valid license to carry a concealed handgun.

(G) If division (E) of this section applies with respect
to a concealed handgun license:

(1) The application of that division does not affect the
operation of section 2923.128 of the Revised Code, during the

applicable extension period described in that division or at any 20662
other time. 20663

(2) The provisions of section 2923.128 of the Revised Code 20664
requiring the suspension or revocation of a concealed handgun 20665
license for specified conduct, or for a specified activity or 20666
factor, apply to the license with respect to which division (E) 20667
of this section applies and to the person to whom the license 20668
was issued, during the applicable extension period described in 20669
that division or at any other time. 20670

(H) This section does not apply to any of the following: 20671

(1) An offender who has violent offender database duties 20672
as defined in section 2903.41 of the Revised Code; 20673

(2) An offender who has a duty to register under section 20674
2909.15 of the Revised Code; 20675

(3) An offender who has a duty to register under section 20676
2950.04 or 2950.041 of the Revised Code. 20677

(I) No cause of action accrues due to the delay of an 20678
action taken under division (B), (C), or (E) of this section. 20679

(J) The General Assembly encourages any person to whom the 20680
extension of time described in division (C) (1) or (E) of this 20681
section applies to make all reasonable efforts, taking into 20682
consideration the detrimental risks of COVID-19 to the health 20683
and safety of the person and other individuals, to take action 20684
with respect to a license within the extension granted under 20685
that division before the extension elapses. 20686

Section 12. (A) As used in this section: 20687

"Hearing" means an administrative hearing, hearing as 20688
defined in section 119.01 of the Revised Code, or other hearing 20689

at which a person may present written or oral testimony on a 20690
matter before the public body. 20691

"Public body" and "meeting" have the meanings defined in 20692
section 121.22 of the Revised Code. 20693

(B) During the period of the emergency declared by 20694
Executive Order 2020-01D, issued on March 9, 2020, but not 20695
beyond December 1, 2020, if the period of the emergency 20696
continues beyond that date, members of a public body may hold 20697
and attend meetings and may conduct and attend hearings by means 20698
of teleconference, video conference, or any other similar 20699
electronic technology and all of the following apply: 20700

(1) Any resolution, rule, or formal action of any kind 20701
shall have the same effect as if it had occurred during an open 20702
meeting or hearing of the public body. 20703

(2) Notwithstanding division (C) of section 121.22 of the 20704
Revised Code, members of a public body who attend meetings or 20705
hearings by means of teleconference, video conference, or any 20706
other similar electronic technology, shall be considered present 20707
as if in person at the meeting or hearing, shall be permitted to 20708
vote, and shall be counted for purposes of determining whether a 20709
quorum is present at the meeting or hearing. 20710

(3) Public bodies shall provide notification of meetings 20711
and hearings held under this section to the public, to the media 20712
that have requested notification of a meeting, and to the 20713
parties required to be notified of a hearing, at least twenty- 20714
four hours in advance of the meeting or hearing by reasonable 20715
methods by which any person may determine the time, location, 20716
and the manner by which the meeting or hearing will be 20717
conducted, except in the event of an emergency requiring 20718

immediate official action. In the event of an emergency, the
public body shall immediately notify the news media that have
requested notification or the parties required to be notified of
a hearing of the time, place, and purpose of the meeting or
hearing.

(4) The public body shall provide the public access to a
meeting held under this section, and to any hearing held under
this section that the public would otherwise be entitled to
attend, commensurate with the method in which the meeting or
hearing is being conducted, including, but not limited to,
examples such as live-streaming by means of the internet, local
radio, television, cable, or public access channels, call in
information for a teleconference, or by means of any other
similar electronic technology. The public body shall ensure that
the public can observe and hear the discussions and
deliberations of all the members of the public body, whether the
member is participating in person or electronically.

(C) When members of a public body conduct a hearing by
means of teleconference, video conference, or any other similar
electronic technology, the public body must establish a means,
through the use of electronic equipment that is widely available
to the general public, to converse with witnesses, and to
receive documentary testimony and physical evidence.

(D) The authority granted in this section applies
notwithstanding any conflicting provision of the Revised Code.
Nothing in this section shall be construed to negate any
provision of section 121.22 of the Revised Code, Chapter 119. of
the Revised Code, or other section of the Revised Code that is
not in conflict with this section.

(E) This section is effective during the period of the

emergency declared by Executive Order 2020-01D, issued on March 20749
9, 2020, or until December 1, 2020, if the period of the 20750
emergency continues beyond that date. 20751

Section 13. (A) As used in this section: 20752

(1) "PERS retirant" and "other system retirant" have the 20753
same meanings as in section 145.38 of the Revised Code. 20754

(2) "Public employer" has the same meaning as in section 20755
145.01 of the Revised Code. 20756

(B) During the period of the emergency declared by 20757
Executive Order 2020-01D, issued on March 9, 2020, but not 20758
beyond December 1, 2020, if the period of emergency goes beyond 20759
that date, a PERS retirant or other system retirant who is 20760
employed by any of the following public employers shall not be 20761
required to forfeit the retirant's retirement allowance as 20762
described in division (B)(4) of section 145.38 of the Revised 20763
Code: 20764

(1) The Department of Rehabilitation and Correction; 20765

(2) The Department of Youth Services; 20766

(3) The Department of Mental Health and Addiction 20767
Services; 20768

(4) The Department of Veterans Services; 20769

(5) The Department of Developmental Disabilities. 20770

Section 14. (A) As used in this section, "Medicaid 20771
provider" has the same meaning as in section 5164.01 of the 20772
Revised Code. 20773

(B) During the state of emergency due to COVID-19, 20774
declared by Executive Order 2020-01D, issued on March 9, 2020, 20775

or until December 1, 2020, whichever is earlier, the Medicaid 20776
Director may do any of the following: 20777

(1) Classify certain Medicaid providers as COVID-19 20778
community providers; 20779

(2) Direct Medicaid payments to COVID-19 community 20780
providers from previously appropriated Medicaid funds; 20781

(3) Request the Director of Budget and Management to 20782
designate additional funds related to the COVID-19 outbreak for 20783
Medicaid payments to COVID-19 community providers; 20784

(4) Make Medicaid payments to COVID-19 community providers 20785
from funds designated under division (B) (3) of this section; 20786

(5) Facilitate payments to COVID-19 community providers by 20787
transferring funds designated under division (B) (2) or (3) of 20788
this section to the Departments of Developmental Disabilities 20789
and Mental Health and Addiction Services via intrastate transfer 20790
vouchers. 20791

(C) The Medicaid Director shall specify all of the 20792
following regarding the Medicaid payments authorized by this 20793
section: 20794

(1) Any requirements that a COVID-19 community provider 20795
must meet; 20796

(2) Enhanced rates or additional services reimbursement; 20797

(3) Methods of payment. 20798

(D) Section 5162.07 of the Revised Code as it pertains to 20799
seeking federal approval for components of the Medicaid program 20800
applies to this section. 20801

(E) All amounts in this section are hereby appropriated. 20802

Section 15. Notwithstanding anything to the contrary in 20803
section 3313.482 of the Revised Code, the board of education of 20804
a school district, the governing authority of a community school 20805
established under Chapter 3314. of the Revised Code that is not 20806
an internet- or computer-based community school, the governing 20807
body of a STEM school established under Chapter 3326. of the 20808
Revised Code, or the governing authority of a chartered 20809
nonpublic school shall be permitted to do either of the 20810
following to make up days or hours schools were closed in the 20811
2019-2020 school year due to the Director of Health's order 20812
under section 3701.13 of the Revised Code "In Re: Order the 20813
Closure of All K-12 Schools in the State of Ohio" issued on 20814
March 14, 2020, or any local board of health order, and any 20815
extension of any order: 20816

(A) If the board, governing body, or governing authority 20817
has adopted a plan under section 3313.482 of the Revised Code to 20818
require students to access and complete classroom lessons posted 20819
on the district's or school's web site in order to make up hours 20820
in the 2019-2020 school year for which it is necessary to close 20821
schools due to conditions described in that section, the board, 20822
governing body, or governing authority may amend that plan, 20823
anytime on or after the effective date of this section, to 20824
provide for making up any number of hours schools were closed in 20825
the 2019-2020 school year in compliance with the Director's 20826
order, local board of health order, or an extension of an order. 20827

(B) If the board, governing body, or governing authority 20828
has not adopted a plan under section 3313.482 of the Revised 20829
Code to require students to access and complete classroom 20830
lessons posted on the district's or school's web site in order 20831
to make up hours for the 2019-2020 school year, the board, 20832
governing body, or governing authority may adopt such a plan, 20833

anytime on or after the effective date of this section, to 20834
provide for making up any number of hours schools were closed in 20835
the 2019-2020 school year in compliance with the Director's 20836
order, local board of health order, or an extension of an order. 20837

Section 16. (A) As used in this section, "license" 20838
includes any license, certificate, permit, or other 20839
authorization issued by a state licensing board that allows the 20840
holder to practice a job or profession. 20841

(B) This section applies to all of the following during 20842
the period of the Director of Health's order under section 20843
3701.13 of the Revised Code "In Re: Order the Closure of All K- 20844
12 Schools in the State of Ohio" issued on March 14, 2020, any 20845
local board of health order to close schools, or any extension 20846
of an order due to the implications of COVID-19, or until 20847
December 1, 2020, if the order or extension of the order has not 20848
been rescinded by that date: 20849

(1) The Ohio Speech and Hearing Professionals Board 20850
described in section 4753.05 of the Revised Code; 20851

(2) The Ohio Occupational Therapy, Physical Therapy, and 20852
Athletic Trainers Board created under section 4755.01 of the 20853
Revised Code; 20854

(3) The State Board of Psychology appointed under section 20855
4732.02 of the Revised Code; 20856

(4) The Counselor, Social Worker, and Marriage and Family 20857
Therapist Board created under section 4757.03 of the Revised 20858
Code; 20859

(5) The State Board of Education with respect to 20860
intervention specialists. 20861

(C) Notwithstanding anything to the contrary in the Revised Code or in an administrative rule adopted by a licensing board to which this section applies, a person who holds a valid license issued by such a board may provide services within the scope of practice authorized under the license by electronic delivery method or telehealth communication to any student participating in the Autism Scholarship Program established under section 3310.41 of the Revised Code or the Jon Peterson Special Needs Scholarship Program established under section 3310.52 of the Revised Code, or to any student who was enrolled in a public or private school and was receiving those services, regardless of the method of delivery, prior to the issuance of the Director of Health's order. No licensing board to which this section applies shall take any disciplinary action against a license holder who provides services to a student in accordance with this section, including limiting, suspending, or revoking the person's license or refusing to issue a license to the person, solely because the license holder provided such services.

Section 17. Notwithstanding anything in the Revised Code or Administrative Code to the contrary, for the 2019-2020 school year only, except as otherwise provided in this section, due to the Director of Health's order under section 3701.13 of the Revised Code "In re: Order the Closure of All K-12 Schools in the State of Ohio" issued on March 14, 2020, or any local board of health order, and any extension of any order, based on the implications of COVID-19, all of the following apply:

(A) (1) Any city, exempted village, local, joint vocational, or municipal school district, any community school established under Chapter 3314. of the Revised Code, any STEM school established under Chapter 3326. of the Revised Code, any

chartered nonpublic school, and the State School for the Deaf 20893
and the State School for the Blind shall not be required to 20894
administer the assessments prescribed in sections 3301.0710, 20895
3301.0711, 3301.0712, 3313.903, and 3314.017 of the Revised 20896
Code, including the Ohio English Language Proficiency Assessment 20897
administered to English learners pursuant to division (C) (3) (b) 20898
of section 3301.0711 of the Revised Code and the Alternate 20899
Assessment for Students with Significant Cognitive Disabilities 20900
prescribed in division (C) (1) of section 3301.0711 of the 20901
Revised Code. 20902

(2) Any chartered nonpublic school that has chosen to 20903
administer assessments under section 3313.619 of the Revised 20904
Code that has not administered such assessments by March 17, 20905
2020, shall not be required to administer those assessments. 20906

(3) The Department of Education shall not exclude any 20907
student to whom an assessment was not administered in the 2019- 20908
2020 school year under division (A) of this section from 20909
counting in a district's or school's enrollment for the 2020- 20910
2021 school year pursuant to division (L) (3) of section 3314.08, 20911
division (E) (3) of section 3317.03, or division (C) of section 20912
3326.37 of the Revised Code. 20913

(4) If a student was not administered an assessment in the 20914
2019-2020 school year under division (A) of this section, that 20915
school year shall not count in determining if the student is 20916
subject to withdrawal from a school pursuant to section 20917
3313.6410 or 3314.26 of the Revised Code. 20918

(5) No student who received a scholarship under the 20919
Educational Choice Scholarship Program under section 3310.03 or 20920
3310.032 of the Revised Code, the Jon Peterson Special Needs 20921
Scholarship Program under section 3310.52 of the Revised Code, 20922

or the Pilot Project Scholarship Program under section 3313.975 20923
of the Revised Code for the 2019-2020 school year shall be 20924
considered ineligible to renew that scholarship for the 2020- 20925
2021 school year solely because the student was not administered 20926
an assessment in the 2019-2020 school year under division (A) of 20927
this section. 20928

(B) (1) The Department of Education shall not publish state 20929
report card ratings under section 3302.03, 3302.033, 3314.012, 20930
or 3314.017 of the Revised Code nor shall the Department be 20931
required to submit preliminary data for the report cards by July 20932
31, 2020, as required by those sections. Furthermore, the 20933
Department shall not assign an overall letter grade under 20934
division (C) (3) of section 3302.03 of the Revised Code for any 20935
school district or building, shall not assign an individual 20936
grade to any component prescribed under division (C) (3) of 20937
section 3302.03 of the Revised Code, shall not assign a grade to 20938
any measures under division (C) (1) of section 3302.03 of the 20939
Revised Code, and shall not rank school districts, community 20940
schools, or STEM schools under section 3302.21 of the Revised 20941
Code for the 2019-2020 school year. 20942

However, the Department shall report any data that it has 20943
regarding the performance of districts and buildings for the 20944
2019-2020 school year by September 15, 2020. 20945

(2) The absence of report card ratings for the 2019-2020 20946
school year shall have no effect in determining sanctions or 20947
penalties, and shall not create a new starting point for 20948
determinations that are based on ratings over multiple years. 20949
The report card ratings of any previous or subsequent years 20950
shall be considered in determining whether a school district or 20951
building is subject to sanctions or penalties. If a school 20952

district or building was subject to any of the following 20953
penalties or sanctions in the 2019-2020 school year based on its 20954
report card rating for previous school years, those penalties or 20955
sanctions shall remain for the 2020-2021 school year. Those 20956
penalties and sanctions include the following: 20957

(a) Any restructuring provisions established under Chapter 20958
3302. of the Revised Code, except as required under federal law; 20959

(b) Provisions for the Columbus City School Pilot Project 20960
under section 3302.042 of the Revised Code; 20961

(c) Provisions for academic distress commissions under 20962
section 3302.10 of the Revised Code. While a district subject to 20963
an academic distress commission prior to the effective date of 20964
this section shall be considered to be subject to an academic 20965
distress commission for the 2020-2021 school year, that year 20966
shall not be included for purposes of determining progressive 20967
consequences under divisions (H), (I), (J), (K), and (L) of 20968
section 3302.10 of the Revised Code that are in addition to 20969
those that were being exercised by the chief executive officer 20970
during the 2019-2020 school year or for purposes of the 20971
appointment of a new board of education under division (K) of 20972
that section. Nothing in division (B) (2) (c) of this section 20973
shall be construed to limit the powers that the chief executive 20974
officer exercised under section 3302.10 of the Revised Code 20975
prior to the 2020-2021 school year. 20976

(d) Provisions prescribing new buildings where students 20977
are eligible for the Educational Choice Scholarships under 20978
section 3310.03 of the Revised Code; 20979

(e) Provisions defining "challenged school districts" in 20980
which new start-up community schools may be located, as 20981

prescribed in section 3314.02 of the Revised Code; 20982

(f) Provisions prescribing community school closure 20983
requirements under section 3314.35 or 3314.351 of the Revised 20984
Code; 20985

(g) Provisions of state or federal law that identify 20986
school districts or buildings for comprehensive or targeted 20987
support and improvement or additional targeted support and 20988
improvement. Districts and buildings so identified shall 20989
continue to receive supports and interventions consistent with 20990
their support and improvement plans in the 2020-2021 school 20991
year. 20992

(h) Provisions that determine the conditions under which 20993
community schools may change sponsors under section 3314.034 of 20994
the Revised Code. 20995

(C) No school district, community school, or STEM school 20996
and no chartered nonpublic school that is subject to section 20997
3301.163 of the Revised Code shall retain a student in the third 20998
grade under that section or section 3313.608 of the Revised Code 20999
based solely on a student's academic performance in reading in 21000
the 2019-2020 school year unless the principal of the school 21001
building in which a student is enrolled and the student's 21002
reading teacher agree that the student is reading below grade 21003
level and is not prepared to be promoted to the fourth grade. 21004

(D) (1) Division (D) of this section applies to any student 21005
who meets both of the following criteria: 21006

(a) The student was enrolled in the twelfth grade in the 21007
2019-2020 school year or was on track to graduate in the 2019- 21008
2020 school year, as determined by the school district or other 21009
public or chartered nonpublic school in which the student was 21010

enrolled, regardless of the graduation cohort in which the 21011
student is included. 21012

(b) The student had not completed the requirements for a 21013
high school diploma under section 3313.61, 3313.612, or 3325.08 21014
of the Revised Code or under Section 3 of H.B. 491 of the 132nd 21015
General Assembly, as of March 17, 2020. 21016

(2) A city, exempted village, local, or municipal school 21017
district, a community school, a STEM school, a chartered 21018
nonpublic school, the State School for the Blind, and the State 21019
School for the Deaf shall grant a high school diploma to any 21020
student to whom this section applies, if the student's 21021
principal, in consultation with teachers and counselors, reviews 21022
the student's progress toward meeting the requirements for a 21023
diploma and determines that the student has successfully 21024
completed the curriculum in the student's high school or the 21025
individualized education program developed for the student by 21026
the student's high school pursuant to section 3323.08 of the 21027
Revised Code, or qualified under division (D) or (F) of section 21028
3313.603 of the Revised Code, at the time the student's school 21029
closed pursuant to the Director of Health's order under section 21030
3701.13 of the Revised Code "In Re: Order the Closure of All K- 21031
12 Schools in the State of Ohio" issued on March 14, 2020. No 21032
district or school shall grant a high school diploma under 21033
division (D) (2) of this section after September 30, 2020. 21034

(3) If the board of education of a school district or the 21035
governing authority of a community school, STEM school, 21036
chartered nonpublic school, the State School for the Blind, or 21037
the State School for the Deaf has adopted a resolution under 21038
division (E) of section 3313.603 of the Revised Code requiring a 21039
more challenging curriculum than otherwise required under 21040

division (C) of that section, the district superintendent or the 21041
chief administrator of the school may elect to require only the 21042
minimum curriculum specified in division (C) of that section for 21043
the purpose of determining if a student to whom division (D) of 21044
this section applies has successfully completed the curriculum 21045
under division (D) (2) of this section. If such an election is 21046
made, the superintendent or chief administrator shall evaluate 21047
each student to whom division (D) of this section applies using 21048
the minimum curriculum specified in division (C) of this 21049
section. 21050

(4) It is the intent of the General Assembly that school 21051
districts and other public and private schools do both of the 21052
following: 21053

(a) Continue to provide ways to keep students actively 21054
engaged in learning opportunities between March 17, 2020, and 21055
the remainder of the school year; 21056

(b) Grant students who need in-person instructional 21057
experiences to complete requirements for a diploma or a career- 21058
technical education program access to school facilities as soon 21059
as it is reasonably possible after the Director of Health 21060
permits such access to resume, even if the last instructional 21061
day of the school year has already passed. 21062

(E) For the purpose of teacher evaluations conducted under 21063
sections 3319.111 and 3319.112 of the Revised Code, no school 21064
district board of education shall use value-added progress 21065
dimension data, established under section 3302.021 of the 21066
Revised Code, from the 2019-2020 school year to measure student 21067
learning attributable to the teacher being evaluated. 21068

(F) For community school sponsor evaluations required 21069

under section 3314.016 of the Revised Code, the Department shall 21070
not issue a rating for the academic performance component under 21071
division (B) (1) (a) of that section to any sponsor and shall not 21072
include academic performance in the calculation of an overall 21073
rating for the sponsor. The Department's rating of a sponsor for 21074
the 2019-2020 school year shall be based only on the components 21075
listed in divisions (B) (1) (b) and (c) of that section. 21076

In evaluating a sponsor based on the components in 21077
divisions (B) (1) (b) and (c) of section 3314.016 of the Revised 21078
Code for the 2019-2020 school year, the Department shall not 21079
find a sponsor or a school out of compliance with an applicable 21080
law or administrative rule for any requirement for an action 21081
that should have occurred while schools were closed pursuant to 21082
the Director of Health's order under section 3701.13 of the 21083
Revised Code "In Re: Order the Closure of All K-12 Schools in 21084
the State of Ohio" issued on March 14, 2020, any local board of 21085
health order, or any extension of an order. 21086

(G) The Superintendent of Public Instruction may waive the 21087
requirement to complete any report prescribed by law that is 21088
based on data from assessments that would have been but were not 21089
administered during the 2019-2020 school year pursuant to 21090
division (A) of this section. 21091

(H) The Department, on behalf of the State Board of 21092
Education, may issue a one-year, nonrenewable provisional 21093
license to any individual to practice in any category, type, and 21094
level for which the State Board issues a license pursuant to 21095
Title XXXIII of the Revised Code, if the individual has met all 21096
requirements for the requested license except for the 21097
requirement to pass an examination prescribed by the State Board 21098
in the subject area for which application is being made. Any 21099

individual to whom a provisional license is issued under this 21100
division shall take and pass the appropriate subject area 21101
examination prior to expiration of the license as a condition of 21102
advancing the license in the appropriate category, type, and 21103
level. The Department shall not issue a provisional license 21104
under this division that is valid on or after July 1, 2021. 21105

(I) The Superintendent of Public Instruction may extend or 21106
waive any deadline for an action required of the State Board of 21107
Education, the Department of Education, or any person or entity 21108
licensed or regulated by the State Board or Department during 21109
the duration of the Director of Health's order under section 21110
3701.13 of the Revised Code "In re: Order the Closure of All K- 21111
12 Schools in the State of Ohio" issued on March 14, 2020, or 21112
any local board of health order, and any extension of any order, 21113
based on the implications of COVID-19, as necessary to ensure 21114
that the safety of students, families, and communities are 21115
prioritized while continuing to ensure the efficient operation 21116
of the Department and public and private schools in this state. 21117
Deadlines that may be extended or waived by the State 21118
Superintendent include, but are not limited to, deadlines 21119
related to the following: 21120

(1) The conduct of evaluations for school personnel under 21121
Chapter 3319. of the Revised Code; 21122

(2) Notice of intent not to reemploy school personnel 21123
under Chapter 3319. Of the Revised Code; 21124

(3) The conduct of school safety drills under section 21125
3737.73 of the Revised Code; 21126

(4) The emergency management test required by division (E) 21127
of section 3313.536 of the Revised Code; 21128

(5) The filling of a vacancy in a board of education;	21129
(6) Updating of teacher evaluation policies to conform	21130
with the framework for evaluation of teachers adopted under	21131
section 3319.112 of the Revised Code;	21132
(7) Identification and screening of gifted students under	21133
Chapter 3324. of the Revised Code.	21134
(J) Notwithstanding anything in the Revised Code or	21135
Administrative Code to the contrary, the Chancellor of Higher	21136
Education, in consultation with the Superintendent of Public	21137
Instruction, may waive, extend, suspend, or modify requirements	21138
of the College Credit Plus program if the Chancellor, in	21139
consultation with the Superintendent, determines the waiver,	21140
extension, suspension, or modification is necessary in response	21141
to COVID-19.	21142
(K) The Superintendent of Public Instruction shall	21143
collaborate with providers in the 22+ Adult High School Diploma	21144
Program authorized under sections 3314.38, 3317.23, 3317.231,	21145
3317.24, and 3345.86 of the Revised Code and the Adult Diploma	21146
Program authorized under section 3313.902 of the Revised Code,	21147
and rules adopted thereunder, to ensure that the providers have	21148
maximum flexibility to assist students whose progress in the	21149
program has been affected by the Director of Health's order to	21150
complete the requirements to earn a high school diploma. For	21151
this purpose, the State Superintendent may waive or extend	21152
deadlines, or otherwise grant providers and students	21153
flexibility, for completion of program requirements.	21154
(L) No school district shall require the parent of any	21155
student who was instructed at home in accordance with section	21156
3321.04 of the Revised Code for the 2019-2020 school year to	21157

submit to the district superintendent the results of a 21158
standardized achievement assessment administered to the student 21159
as a condition of the district allowing the student to continue 21160
to receive home instruction for the 2020-2021 school year. 21161

(M) Notwithstanding anything in the Revised Code to the 21162
contrary, the board of education of any school district that, 21163
prior to the Director of Health's order under section 3701.13 of 21164
the Revised Code "In re: Order the Closure of All K-12 Schools 21165
in the State of Ohio" issued on March 14, 2020, had not 21166
completed an evaluation that was required under Chapter 3319. of 21167
the Revised Code for the 2019-2020 school year for an employee 21168
of the district, including a teacher, administrator, or 21169
superintendent, may elect not to conduct an evaluation of the 21170
employee for that school year, if the district board determines 21171
that it would be impossible or impracticable to do so. If a 21172
district board elects not to evaluate an employee for the 2019- 21173
2020 school year, the employee shall be considered not to have 21174
had evaluation procedures complied with pursuant to section 21175
3319.111 of the Revised Code for purposes of section 3319.11 of 21176
the Revised Code. The district board may collaborate with any 21177
bargaining organization representing employees of the district 21178
in determining whether to complete evaluations for the 2019-2020 21179
school year. Nothing in this section shall preclude a district 21180
board from using an evaluation completed prior to the Director 21181
of Health's order in employment decisions. 21182

Section 18. During the period of the emergency declared by 21183
Executive Order 2020-01D, issued on March 9, 2020, the 21184
Department of Job and Family Services may continue to pay a 21185
provider of publicly funded child care if both of the following 21186
apply: 21187

(A) The provider is under contract with the Department as 21188
described in section 5104.32 of the Revised Code; 21189

(B) The provider is unable to provide publicly funded 21190
child care to children of eligible caretaker parents as a result 21191
of the emergency. 21192

Section 19. (A) As used in this section: 21193

(1) "Benefits," "benefit year," "claim for benefits," 21194
"employer," and "unemployed" have the same meanings as in 21195
section 4141.01 of the Revised Code. 21196

(2) "Reimbursing employer" means an employer that makes 21197
payments in lieu of contributions as defined in section 4141.01 21198
of the Revised Code. 21199

(B) During the period of the emergency declared by 21200
Executive Order 2020-01D, issued on March 9, 2020, but not 21201
beyond December 1, 2020, if the period of emergency continues 21202
beyond that date, all of the following apply: 21203

(1) The requirement that an individual serve a waiting 21204
period under division (B) of section 4141.29 of the Revised Code 21205
before receiving benefits does not apply to a benefit year that 21206
begins after the effective date of this section. 21207

(2) The Director of Job and Family Services may waive the 21208
requirement that an individual be actively seeking suitable work 21209
under division (A) (4) (a) of section 4141.29 of the Revised Code 21210
for any claim for benefits filed during the duration of this 21211
section. 21212

(3) Notwithstanding division (D) (2) of section 4141.29 of 21213
the Revised Code, an individual shall not be disqualified from 21214
being paid benefits if the individual is unemployed or is unable 21215

to return to work because of an order, including an isolation or 21216
quarantine order, issued by any of the following: 21217

(a) The individual's employer; 21218

(b) The Governor; 21219

(c) The board of health of a city health district pursuant 21220
to section 3709.20 of the Revised Code; 21221

(d) The board of health of a general health district 21222
pursuant to section 3709.21 of the Revised Code; 21223

(e) A health commissioner pursuant to section 3707.34 of 21224
the Revised Code; 21225

(f) The Director of Health pursuant to section 3701.13 of 21226
the Revised Code. 21227

(4) Benefits that may become payable to an individual 21228
described in division (B) (3) of this section shall be charged to 21229
the mutualized account created by division (B) of section 21230
4141.25 of the Revised Code, provided that no charge shall be 21231
made to the mutualized account for benefits chargeable to a 21232
reimbursing employer, except as provided in division (D) (2) of 21233
section 4141.24 of the Revised Code. 21234

Section 20. Section 317.33 of the Revised Code is 21235
suspended until August 30, 2020. 21236

Section 21. (A) During the period of the emergency 21237
declared by Executive Order 2020-01D, issued on March 9, 2020, 21238
and notwithstanding an order or directive from the court of 21239
common pleas or the board of county commissioners, the office of 21240
a county recorder, the office of a county auditor, the title 21241
office of a clerk of court of common pleas, and the county map 21242
office shall remain open and operational in order to allow land 21243

professionals physical access to the office as necessary to 21244
search records that are not otherwise available online, digital, 21245
or by some other means, so long as all necessary public land 21246
records are available. The office may provide such access during 21247
limited hours and for a limited duration, and may subject 21248
searchers to requirements and restrictions in the interest of 21249
public health. The office may allow persons other than land 21250
professionals physical access to the office at the discretion of 21251
the office during such limited hours, for such limited duration, 21252
and subject to such requirements and restrictions in the 21253
interest of public health as the office determines. All 21254
essential services to effectuate a property transfer shall 21255
remain open and available with all offices. 21256

(B) During the period of the emergency declared by 21257
Executive Order 2020-01D, issued on March 9, 2020, and 21258
notwithstanding an order or directive from the court of common 21259
pleas or the board of county commissioners, the title office of 21260
a clerk of court of common pleas shall remain open and 21261
operational in order to allow land professionals, automobile, 21262
watercraft, outboard motor, all terrain vehicles, and mobile 21263
home dealers access to the office as necessary to process titles 21264
that are not otherwise available online. The office may provide 21265
such access during limited hours and for a limited duration, and 21266
may subject nonclerk personnel to requirements and restrictions 21267
in the interest of public health. The office may allow persons 21268
other than the aforementioned land professionals and dealers 21269
physical access to the office at the discretion of the office 21270
during such limited hours, for such limited duration, and 21271
subject to such requirements and restrictions in the interest of 21272
public health as the office determines. 21273

Section 22. (A) The following that are set to expire 21274

between March 9, 2020, and July 30, 2020, shall be tolled: 21275

(1) A statute of limitation, as follows: 21276

(a) For any criminal offense, notwithstanding any other 21277
provision of law to the contrary, the applicable period of 21278
limitation set forth in section 2901.13 of the Revised Code for 21279
the criminal offense; 21280

(b) When a civil cause of action accrues against a person, 21281
notwithstanding any other provision of law to the contrary, the 21282
period of limitation for commencement of the action as provided 21283
under any section in Chapter 2305. of the Revised Code, or under 21284
any other provision of the Revised Code that applies to the 21285
cause of action; 21286

(c) For any administrative action or proceeding, the 21287
period of limitation for the action or proceeding as provided 21288
under the Revised Code or the Administrative Code, if 21289
applicable. 21290

(2) The time within which a bill of indictment or an 21291
accusation must be returned or the time within which a matter 21292
must be brought before a grand jury; 21293

(3) The time within which an accused person must be 21294
brought to trial or, in the case of a felony, to a preliminary 21295
hearing and trial; 21296

(4) Time deadlines and other schedule requirements 21297
regarding a juvenile, including detaining a juvenile; 21298

(5) The time within which a commitment hearing must be 21299
held; 21300

(6) The time by which a warrant must be issued; 21301

(7) The time within which discovery or any aspect of 21302
discovery must be completed; 21303

(8) The time within which a party must be served; 21304

(9) The time within which an appearance regarding a 21305
dissolution of marriage must occur pursuant to section 3105.64 21306
of the Revised Code; 21307

(10) Any other criminal, civil, or administrative time 21308
limitation or deadline under the Revised Code. 21309

(B) This section applies retroactively to the date of the 21310
emergency declared by Executive Order 2020-01D, issued on March 21311
9, 2020. 21312

(C) Division (A) of this section expires on the date the 21313
period of emergency ends or July 30, 2020, whichever is sooner. 21314

Section 23. The Public Employees Retirement Board, State 21315
Teachers Retirement Board, School Employees Retirement Board, or 21316
State Highway Patrol Retirement Board may delay an election of 21317
members to the applicable board that is scheduled to take place 21318
during the period of the emergency declared by Executive Order 21319
2020-01D, issued on March 9, 2020, but before December 1, 2020, 21320
until December 1, 2020. The delayed election shall be conducted 21321
as provided for in section 145.058, 3307.075, 3309.075, or 21322
5505.047 of the Revised Code. 21323

The Ohio Police and Fire Pension Fund Board of Trustees 21324
may delay an election of members to the Board that is scheduled 21325
to take place during the period of the emergency declared by 21326
Executive Order 2020-01D, issued on March 9, 2020, but before 21327
December 1, 2020, until December 1, 2020. The delayed election 21328
shall be conducted as provided in section 742.04 of the Revised 21329
Code, except that the Board shall adjust the dates in that 21330

section for nominating petitions to be filed and ballots to be 21331
returned to the Board to reflect the new election date. 21332

If a board delays an election in accordance with this 21333
section, the elected members of the board whose terms were set 21334
to expire following the original election date shall continue in 21335
office subsequent to the expiration date of the member's term 21336
until the member's successor is elected and takes office. 21337

Section 24. Notwithstanding sections 3.16, 305.02, 731.43, 21338
733.08, 733.31, 1901.31, and 3513.31 of the Revised Code, the 21339
county central committee of the political party that is 21340
responsible for filling any vacancy shall have an additional 21341
forty-five days to fill the vacancy from the date the vacancy 21342
was required to be filled during the period of the emergency 21343
declared by Executive Order 2020-01D, issued on March 9, 2020. 21344

Section 25. The Auditor of State, on a case-by-case basis, 21345
may determine that the requirement under division (D) of section 21346
117.114 of the Revised Code to have one audit performed under 21347
division (A) of section 117.11 or division (A) of section 117.12 21348
of the Revised Code may be waived, if the waiver applies to an 21349
audit period during which the emergency declared by Executive 21350
Order 2020-01D, issued on March 9, 2020, is or was in effect. 21351

Section 26. The Auditor of State, on a case-by-case basis, 21352
may determine that a qualifying subdivision that fails to meet 21353
any of the criteria established by rule under division (B) of 21354
section 117.114 of the Revised Code is otherwise eligible for an 21355
agreed-upon procedure audit and may, in writing, grant a waiver 21356
of particular criteria, if the waiver applies to an audit period 21357
during which the emergency declared by Executive Order 2020-01D, 21358
issued on March 9, 2020, is or was in effect. 21359

Section 27. During the period of the emergency declared by 21360
Executive Order 2020-01D, issued on March 9, 2020, but not 21361
beyond December 1, 2020, all of the following apply: 21362

(A) Notwithstanding Chapter 164. of the Revised Code or 21363
any other provision of law to the contrary, the Ohio Public 21364
Works Commission may automatically extend project schedules. The 21365
extension shall be for a duration determined by the Commission. 21366
The Commission shall not provide for an extension if federal law 21367
does not provide for or allow an extension regarding any 21368
particular project. The Commission also may waive penalties and 21369
late fees owed to the Commission from the issuance of 21370
outstanding loans. 21371

(B) Notwithstanding Chapter 6121. or 6123. of the Revised 21372
Code or any other provision of law to the contrary, the Ohio 21373
Water Development Authority may waive penalties and late fees 21374
owed to the Authority from the issuance of outstanding loans. 21375

(C) Notwithstanding Chapter 3734., 3745., or 6119. of the 21376
Revised Code or any other provision of law to the contrary, the 21377
Ohio Environmental Protection Agency may waive penalties or late 21378
fees owed to the Agency from the issuance of outstanding loans 21379
or permits. The Agency also may suspend reporting requirements 21380
for water research recovery facilities or solid waste 21381
facilities. 21382

Section 28. (A) Notwithstanding section 5703.35 of the 21383
Revised Code, the Tax Commissioner may do any of the following 21384
during the period of the emergency declared by Executive Order 21385
2020-01D, issued on March 9, 2020: 21386

(1) Extend to any company, firm, corporation, person, 21387
association, partnership, or public utility affected by the 21388

emergency a further specified time within which to file any 21389
report required by law to be filed with the Commissioner, in 21390
which event the attaching of any penalty for failure to file 21391
such report or pay any tax or fee shall be extended accordingly, 21392
without regard to the forty-five-day limitation of section 21393
5703.35 of the Revised Code; 21394

(2) Extend to any company, firm, corporation, person, 21395
association, partnership, or public utility affected by the 21396
emergency a further specified time within which to make any 21397
estimated or accelerated payment that would otherwise be due 21398
pursuant to Chapter 718., 3734., 3769., 4303., or 4305., or 21399
Title LVII of the Revised Code, in which event the attaching of 21400
any penalty for failure to file such report or pay any tax or 21401
fee shall be extended accordingly; 21402

(3) Waive the payment of interest that is calculated at 21403
the rate per annum prescribed by section 5703.47 of the Revised 21404
Code and that would otherwise be due pursuant to Chapter 718., 21405
3734., 3769., 4303., or 4305., or Title LVII of the Revised Code 21406
for any payment extended under division (A) (1) or (2) of this 21407
section. 21408

(B) If the Tax Commissioner extends for all taxpayers the 21409
date for filing state income tax returns under division (A) of 21410
this section or division (G) of section 5747.08 of the Revised 21411
Code during the period of the emergency declared by Executive 21412
Order 2020-01D, issued on March 9, 2020, a taxpayer shall 21413
automatically receive an extension for the filing of a municipal 21414
net profit tax return under section 718.85 of the Revised Code 21415
during that period. The extended due date of the municipal net 21416
profit tax return shall be the same as the extended due date of 21417
the state income tax return. 21418

Section 29. Notwithstanding section 718.011 of the Revised Code, and for the purposes of Chapter 718. of the Revised Code, during the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, and for thirty days after the conclusion of that period, any day on which an employee performs personal services at a location, including the employee's home, to which the employee is required to report for employment duties because of the declaration shall be deemed to be a day performing personal services at the employee's principal place of work.

Section 30. (A) During the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, the requirement of division (A)(2)(a) of section 4723.09 of the Revised Code is suspended. Accordingly, during such period, the Board of Nursing shall grant to an applicant described in division (A) of section 4723.09 of the Revised Code a temporary license to practice nursing as a registered nurse or as a licensed practical nurse if the conditions of divisions (A)(1) and (A)(2)(b) to (d) of section 4723.09 of the Revised Code have been met.

(B) A temporary license issued under this section shall be valid until whichever of the following dates occurs first:

- (1) The date that is ninety days after December 1, 2020;
- (2) The date that is ninety days after the duration of the period of the emergency described in division (A) of this section.

Section 31. (A) Notwithstanding section 3310.03 of the Revised Code, Section 265.210 of H.B. 166 of the 133rd General Assembly, as amended by S.B. 120 of the 133rd General Assembly,

and any other provision of law to the contrary, the Department 21448
of Education shall not accept, process, or award first-time 21449
performance-based Educational Choice scholarships under section 21450
3310.03 of the Revised Code for the 2020-2021 school year to 21451
students who are eligible for the scholarship for the first time 21452
for the 2020-2021 school year and whose scholarships would have 21453
been paid for under Section 265.210 of H.B. 166 of the 133rd 21454
General Assembly, as amended by S.B. 120 of the 133rd General 21455
Assembly. 21456

However, the Department shall accept, process, and award 21457
scholarships for any of the following: 21458

(1) Students who received a scholarship in the 2019-2020 21459
school year; 21460

(2) A student who satisfies all of the following criteria: 21461

(a) The student's sibling received a scholarship under 21462
section 3310.03 of the Revised Code during the 2019-2020 school 21463
year. 21464

(b) The student is enrolled in or would be enrolled in a 21465
building that, in the 2019-2020 school year, met any of the 21466
conditions prescribed in section 3310.03 of the Revised Code. 21467

(c) The student was enrolled in a public or nonpublic 21468
school in any of grades kindergarten through twelve or was 21469
homeschooled for the equivalent of those grades for the 2019- 21470
2020 school year, or will be enrolled in kindergarten or will 21471
start homeschooling for the equivalent of kindergarten in the 21472
2020-2021 school year. 21473

As used in this section, "sibling" means a brother, half- 21474
brother, sister, or half-sister, by birth, adoption, or 21475
marriage, without regard to residence or custodial status, or a 21476

child residing in the same household as a foster child or under 21477
a guardianship or custodial order. As used in this section, 21478
"foster child" means a child placed in a family foster home, as 21479
defined in section 5103.02 of the Revised Code. 21480

(3) Students who were eligible for scholarships for the 21481
2019-2020 school year, regardless of whether the students 21482
received scholarships for that school year, and remain eligible 21483
for the 2020-2021 school year; 21484

(4) Students who did not receive a scholarship for the 21485
2019-2020 school year but, for the 2020-2021 school year are or 21486
would be newly enrolled in a building operated by the students' 21487
resident district that met the conditions prescribed in section 21488
3310.03 of the Revised Code for the 2019-2020 school year, as 21489
that section existed for that school year, and also continued to 21490
meet the conditions for the 2020-2021 school year, including 21491
students entering kindergarten, entering high school students, 21492
or students who have recently relocated to the district or 21493
building's attendance territory. 21494

Scholarships for students described in divisions (A)(1), 21495
(2), (3), and (4) of this section shall be funded through 21496
deductions from the students' resident school districts in the 21497
manner described in section 3310.08 of the Revised Code. 21498

The Department shall accept, process, or award 21499
performance-based Educational Choice scholarships for the 2020- 21500
2021 school year for students described in divisions (A)(1) to 21501
(4) of this section under the sixty-day-application period that 21502
begins on April 1, 2020, pursuant to Section 265.210 of H.B. 166 21503
of the 133rd General Assembly, as amended by S.B. 120 of the 21504
133rd General Assembly. 21505

(B) The Department shall accept, process, and award 21506
performance-based Educational Choice scholarships under section 21507
3310.03 of the Revised Code on February 1, 2021, for the 2021- 21508
2022 school year. 21509

(C) This section does not affect the awarding of income- 21510
based scholarships. 21511

Section 32. Notwithstanding any contrary provision of the 21512
Revised Code: 21513

(A) Secretary of State Directive 2020-06, issued on March 21514
16, 2020, is void. 21515

(B) During the period beginning on the effective date of 21516
this section and ending at 7:30 p.m. on April 28, 2020, no board 21517
of elections, and no election official, shall do any of the 21518
following: 21519

(1) Count any ballots cast in the March 17, 2020, primary 21520
election, or in any special election held on the day of the 21521
primary election; 21522

(2) Release the count or any portion of the count of any 21523
ballots cast in the March 17, 2020, primary election, or in any 21524
special election held on the day of the primary election; 21525

(3) Process any voter registration application submitted 21526
after February 18, 2020. 21527

(C) (1) (a) An elector who has not already cast a ballot in 21528
the March 17, 2020, primary election, or in any special election 21529
held on the day of the primary election, and who was registered 21530
to vote in this state as of February 18, 2020, may vote in that 21531
election in accordance with this section. 21532

(b) An elector who was registered to vote in this state as 21533

of February 18, 2020, and who cast a ballot at any time before 21534
the effective date of this section in the March 17, 2020, 21535
primary election, or in any special election held on the day of 21536
the primary election, shall have the elector's ballot counted if 21537
it is received at the office of the board not later than the 21538
applicable deadline specified in division (E) of this section 21539
and is otherwise eligible to be counted. 21540

(2) As soon as possible after the effective date of this 21541
section, the Secretary of State shall send a postcard to each 21542
registered elector in this state, notifying the elector of the 21543
methods by which the elector may obtain an application for 21544
absent voter's ballots, the procedures and deadlines to apply 21545
for absent voter's ballots under this section, and the 21546
procedures and deadline to return voted ballots to the office of 21547
the board of elections under this section. 21548

(3) An elector described in division (C)(1)(a) of this 21549
section may apply by mail to the appropriate board of elections 21550
for absent voter's ballots. If the elector is eligible to cast 21551
absent voter's ballots with the assistance of election officials 21552
under section 3509.08 of the Revised Code, the elector may 21553
include with the elector's application a request that the board 21554
of elections assist the elector in casting the elector's ballots 21555
in accordance with section 3509.08 of the Revised Code. All 21556
applications submitted under this division shall be received at 21557
the office of the board not later than noon on April 25, 2020, 21558
except that an application submitted by an elector described in 21559
division (C)(1)(a) of this section who would be eligible to 21560
apply for absent voter's ballots not later than 3:00 p.m. on the 21561
day of an election under section 3509.08 of the Revised Code 21562
shall be received at the office of the board not later than 3:00 21563
p.m. on April 28, 2020. Any application received after the 21564

applicable deadline shall be invalid. 21565

(4) At the end of each day, the board of elections shall 21566
compile and transmit to the Secretary of State a list of all 21567
applications the board received that day, provided that the list 21568
shall exclude all information that is not considered a public 21569
record under the laws of this state. The Secretary of State 21570
shall make the list available to the public upon request. 21571

(5) (a) If a board of elections receives an application 21572
under this section that does not contain all of the required 21573
information, the board promptly shall notify the applicant of 21574
the additional information required to be provided by the 21575
applicant to complete that application. In order for the 21576
application to be valid, the applicant shall provide that 21577
additional information to the board not later than the 21578
applicable deadline under division (C) (3) of this section. 21579

(b) An application submitted under this section shall not 21580
be considered invalid solely on the basis that the applicant 21581
indicated a date other than March 17, 2020, as the date of the 21582
2020 primary election or of any special election held on the day 21583
of the election. 21584

(6) If the board of elections determines that an 21585
application submitted under this section is valid, the board 21586
promptly shall deliver absent voter's ballots to the elector. 21587
The board shall deliver those ballots by mail, except as 21588
otherwise provided in division (D) of this section and except in 21589
the case of an elector whom the board assists in casting the 21590
elector's ballots in accordance with section 3509.08 of the 21591
Revised Code. When the board delivers those ballots by mail, it 21592
shall prepay the return postage for the ballots. 21593

(7) If the board of elections determines that an application submitted under this section is not valid because the applicant is an elector who has moved or had a change of name without updating the elector's registration, as described in section 3503.16 of the Revised Code, or for any other reason, the board promptly shall deliver a provisional ballot to the applicant. The board shall deliver the ballot by mail, except as otherwise provided in division (D) of this section and except in the case of an elector whom the board assists in casting the elector's ballot in accordance with section 3509.08 of the Revised Code. When the board delivers the ballot by mail, it shall prepay the return postage for the ballot. The board shall include all of the following with the provisional ballot:

(a) The reason the applicant has received a provisional ballot instead of absent voter's ballots;

(b) Instructions for the applicant to complete the provisional ballot affirmation, including an option to submit a copy of a form of identification described in section 3505.182 of the Revised Code;

(c) Instructions for the applicant to return the provisional ballot in the same manner as absent voter's ballots and a return envelope in which the applicant may return the provisional ballot;

(d) Instructions for the applicant to ascertain the status of the applicant's provisional ballot, as described in section 3505.181 of the Revised Code.

(D)(1) Only the following electors may apply for and cast absent voter's ballots in person at the office of the board of elections on April 28, 2020, not later than 7:30 p.m., instead

of applying to receive those ballots by mail: 21623

(a) An elector to whom division (C)(1)(a) of this section 21624
applies, who has a disability, and who wishes to cast absent 21625
voter's ballots using a direct recording electronic voting 21626
machine or marking device that is accessible for voters with 21627
disabilities, including nonvisual accessibility for the blind 21628
and visually impaired, in a manner that provides the same 21629
opportunity for access and participation, including privacy and 21630
independence, as for other voters. Each board shall have at 21631
least one such machine or device available for use at the office 21632
of the board. 21633

(b) An elector to whom division (C)(1)(a) of this section 21634
applies and who is unable to receive mail at the place where the 21635
elector resides or at another location. 21636

(2) All eligible electors waiting in line to cast ballots 21637
in person under division (D) of this section as of 7:30 p.m. on 21638
April 28, 2020, shall be permitted to cast absent voter's 21639
ballots. 21640

(E)(1) Absent voter's ballots and provisional ballots cast 21641
at any time before or after the effective date of this section 21642
by electors who were registered to vote in this state as of 21643
February 18, 2020, for the March 17, 2020, primary election, or 21644
for any special election held on the day of the primary 21645
election, shall be eligible to be counted if they are received 21646
at the office of the appropriate board of elections not later 21647
than 7:30 p.m. on April 28, 2020. The board shall place a secure 21648
receptacle outside the office of the board for the return of 21649
ballots under this section. Except as otherwise provided in 21650
divisions (E)(2) and (3) of this section, ballots received after 21651
7:30 p.m. on April 28, 2020, shall not be counted. 21652

(2) Ballots received by mail at the office of the board 21653
after 7:30 p.m. on April 28, 2020, and not later than May 8, 21654
2020, are eligible to be counted if they are postmarked on or 21655
before April 27, 2020, and are not postmarked using a postage 21656
evidencing system, including a postage meter, as defined in 39 21657
C.F.R. 501.1. 21658

(3) Ballots cast by uniformed services and overseas absent 21659
voters that are received by mail at the office of the board 21660
after 7:30 p.m. on April 28, 2020, and not later than May 8, 21661
2020, are eligible to be counted if they were submitted for 21662
mailing not later than 12:01 a.m. at the place where the voter 21663
completed the ballots on April 28, 2020, regardless of whether 21664
the ballots are postmarked. 21665

(F) (1) If the election officials find that the 21666
identification envelope statement of voter containing absent 21667
voter's ballots for the March 17, 2020, primary election, or for 21668
any special election held on the day of the primary election, is 21669
incomplete or that the information contained in that statement 21670
does not conform to the information contained in the Statewide 21671
Voter Registration Database concerning the voter, as described 21672
in section 3509.06 of the Revised Code, the voter shall provide 21673
the necessary information to the board of elections in 21674
accordance with that section not later than May 5, 2020. 21675

(2) An individual who casts a provisional ballot under 21676
this section and who is required under sections 3505.181 to 21677
3505.183 of the Revised Code to provide identification or 21678
additional information to the board of elections shall provide 21679
the necessary identification or information to the board in 21680
accordance with those sections not later than May 5, 2020. 21681

(G) The boards of elections and the Secretary of State 21682

shall complete the unofficial count, the canvass of the election 21683
returns, and all other post-election procedures with respect to 21684
the March 17, 2020, primary election, and any special election 21685
held on the day of the primary election, on the dates provided 21686
in the Revised Code, except that each deadline shall be 21687
calculated by adding 42 days. 21688

(H) For the purpose of the contribution limits described 21689
in section 3517.102 of the Revised Code, the date of the 2020 21690
primary election is March 17, 2020. However, the statements of 21691
contributions and expenditures required to be filed under 21692
division (A)(2) of section 3517.10 of the Revised Code after the 21693
primary election shall be filed not later than 4:00 p.m. on June 21694
5, 2020. 21695

(I) In implementing this act, the Secretary of State shall 21696
proceed as though the Department of Administrative Services has 21697
suspended, under section 125.061 of the Revised Code, the 21698
purchasing and contracting requirements contained in Chapter 21699
125. of the Revised Code that otherwise would apply to the 21700
Secretary of State. The Secretary of State shall comply with 21701
division (E) of that section. 21702

Section 33. All items in this section are hereby 21703
appropriated as designated out of any moneys in the state 21704
treasury to the credit of the designated fund. For all 21705
appropriations made in this act, those in the first column are 21706
for fiscal year 2020 and those in the second column are for 21707
fiscal year 2021. The appropriations made in this act are in 21708
addition to any other appropriations made for the FY 2020-FY 21709
2021 biennium. 21710

21711

	1	2	3	4	5
A	SOS SECRETARY OF STATE				
B	Dedicated Purpose Fund Group				
C	5RG0	050627	Absent Voter's	\$ 7,000,000	\$ 0
			Ballot		
			Application		
			Mailings		
D	TOTAL Dedicated Purpose Fund Group			\$ 7,000,000	\$ 0
E	TOTAL ALL BUDGET FUND GROUPS			\$ 7,000,000	\$ 0

ABSENT VOTER'S BALLOT APPLICATION MAILINGS 21712

The foregoing appropriation item 050627, Absent Voter's 21713
Ballot Application Mailings, shall be used by the Secretary of 21714
State to pay for expenses related to implementing this act. 21715

An amount equal to the unexpended, unencumbered portion of 21716
the foregoing appropriation item 050627, Absent Voter's Ballot 21717
Application Mailings, at the end of fiscal year 2020 is hereby 21718
reappropriated to the Secretary of State for the same purpose in 21719
fiscal year 2021. 21720

On the effective date of this section, or as soon as 21721
possible thereafter, the Director of Budget and Management shall 21722
transfer \$7,000,000 cash from the Controlling Board Emergency 21723
Purposes/Contingencies Fund (Fund 5KM0) to the Absent Voter's 21724
Ballot Application Mailing Fund (Fund 5RG0). 21725

Within the limits set forth in this act, the Director of 21726

Budget and Management shall establish accounts indicating the 21727
source and amount of funds for each appropriation made in this 21728
act, and shall determine the form and manner in which 21729
appropriation accounts shall be maintained. Expenditures from 21730
appropriations contained in this act shall be accounted for as 21731
though made in the main operating appropriations act of the 21732
133rd General Assembly. 21733

The appropriations made in this act are subject to all 21734
provisions of H.B. 166 of the 133rd General Assembly that are 21735
generally applicable to such appropriations. 21736

Section 34. All items in this section are hereby 21737
appropriated as designated out of any moneys in the state 21738
treasury to the credit of the designated fund. All 21739
appropriations made in this section are for the capital biennium 21740
ending June 30, 2020, and are in addition to any other 21741
appropriations made for the capital biennium ending June 30, 21742
2020. 21743

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A	DAS DEPARTMENT OF ADMINISTRATIVE SERVICES		
B	Administrative Building Fund (Fund 7026)		
C	C10050	State Agency Capital Projects	\$ 20,000,000
D	TOTAL Administrative Building Fund		\$ 20,000,000
E	TOTAL ALL FUNDS		\$ 20,000,000

Within the limits set forth in this section, the Director
of Budget and Management shall establish accounts indicating the
source and amount of funds for each appropriation made in this
section, and shall determine the form and manner in which
appropriation accounts shall be maintained. Expenditures from
appropriations contained in this section shall be accounted for
as though made in H.B. 529 of the 132nd General Assembly.

The appropriations made in this section are subject to all
provisions of H.B. 529 of the 132nd General Assembly that are
generally applicable to such appropriations.

Section 35. Upon request of the Director of Administrative
Services, the Director of Budget and Management may transfer up
to \$20,000,000 cash from the Building Improvement Fund (Fund
5KZ0) to the Administrative Building Fund (Fund 7026) to pay
costs associated with state agency capital projects. When the
cash balance in Fund 7026 can support such an action, the
Director of Administrative Services shall request that the
Director of Budget and Management transfer cash from Fund 7026
to Fund 5KZ0 in an amount equal to the initial cash transfer
made under this section.

Section 36. BUDGET STABILIZATION FUND TRANSFER

Notwithstanding division (D) of section 127.14 of the
Revised Code, the Director of Budget and Management may request,
prior to the end of fiscal year 2020, approval from the
Controlling Board for a transfer of cash from the Budget
Stabilization Fund to the General Revenue Fund to help ensure
that the available revenue receipts and balances in the General
Revenue Fund are not less than the expenditures for fiscal year
2020. Upon the approval of at least two members of the
Controlling Board who are members of the Senate and at least two

members of the Controlling Board who are members of the House of 21775
Representatives, the Director may transfer cash in the amount 21776
approved from the Budget Stabilization Fund to the General 21777
Revenue Fund. 21778

Section 37. Notwithstanding any other amendment to the 21779
title of H.B. 197 adopted during Third Consideration in the 21780
Senate, the title shall express the bill's content as follows: 21781
"to continue essential operations of state government and 21782
maintain the continuity of the state tax code in response to the 21783
declared pandemic and global health emergency related to COVID- 21784
19, to make appropriations, and to declare an emergency" 21785

Notwithstanding any other amendment revising the emergency 21786
clause of H.B. 197, or adding an emergency clause to H.B. 197, 21787
adopted during Third Consideration in the Senate, only one 21788
section of the bill shall declare an emergency, which shall be 21789
the last section of the bill, to read as follows: "This act is 21790
hereby declared to be an emergency measure necessary for the 21791
immediate preservation of the public peace, health, and safety. 21792
The reason for such necessity is to continue essential operation 21793
of various facets of state government, maintain the continuity 21794
of the state tax code, and respond to the declared pandemic and 21795
global health emergency related to COVID-19. Therefore, this act 21796
shall go into immediate effect." 21797

Section 38. The items of law contained in this act, and 21798
their applications, are severable. If any item of law contained 21799
in this act, or if any application of any item of law contained 21800
in this act, is held invalid, the invalidity does not affect 21801
other items of law contained in this act and their applications 21802
that can be given effect without the invalid item of law or 21803
application. 21804

Section 39. The General Assembly, applying the principle 21805
stated in division (B) of section 1.52 of the Revised Code that 21806
amendments are to be harmonized if reasonably capable of 21807
simultaneous operation, finds that the following sections, 21808
presented in this act as composites of the sections as amended 21809
by the acts indicated, are the resulting versions of the 21810
sections in effect prior to the effective date of the sections 21811
as presented in this act: 21812

Section 133.18 of the Revised Code as amended by Am. Sub. 21813
H.B. 48 of the 128th General Assembly and Am. Sub. H.B. 153 of 21814
the 129th General Assembly. 21815

Section 5705.19 of the Revised Code as amended by both 21816
Sub. H.B. 122 and Sub. H.B. 500 of the 132nd General Assembly. 21817

Section 40. This act is hereby declared to be an emergency 21818
measure necessary for the immediate preservation of the public 21819
peace, health, and safety. The reason for such necessity is to 21820
continue essential operation of various facets of state 21821
government, maintain the continuity of the state tax code, and 21822
respond to the declared pandemic and global health emergency 21823
related to COVID-19. Therefore, this act shall go into immediate 21824
effect. 21825