To amend sections 715.72, 715.79, 715.80, 715.81, 715.82, 715.83, 5709.61, 5709.62, 5709.63, 5709.632, 5709.82, 5733.06, 5733.41, 5747.02, and 5747.41 and to repeal sections 715.73, 715.74, 715.75, 715.76, 715.761, 715.77, 715.771, and 715.78 of the Revised Code to revise the law governing the creation and operation of joint economic development districts (JEDDs) and enterprise zones.

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

Section 1. That sections 715.72, 715.79, 715.80, 715.81, 715.82, 715.83, 5709.61, 5709.62, 5709.63, 5709.632, 5709.82, 5733.06, 5733.41, 5747.02, and 5747.41 of the Revised Code be amended to read as follows:

Sec. 715.72. (A) As used in sections 715.72 to 715.81 of the Revised Code this section:

(1) "Contracting parties" means one or more municipal corporations, one or more townships, and, under division (D) of this section, one or more counties that have entered into a contract under this section to create a joint economic
(2) "District" means a joint economic development district created under sections 715.72 to 715.81 of the Revised Code.

(3) "Contract for utility services" means a contract under which a municipal corporation agrees to provide to a township or another municipal corporation water, sewer, electric, or other utility services necessary to the public health, safety, and welfare.

(4) "Business" means a sole proprietorship, a corporation for profit, a pass-through entity as defined in section 5733.04 of the Revised Code, the federal government, the state, the state's political subdivisions, a nonprofit organization, or a school district.

(5) "Owner" means a partner of a partnership, a member of a limited liability company, a majority shareholder of an S corporation, a person with a majority ownership interest in a pass-through entity, or any officer, employee, or agent with authority to make decisions legally binding upon a business.

(6) "Record owner" means the person or persons in whose name a parcel is listed on the tax list or exempt list compiled by the county auditor under section 319.28 or 5713.08 of the Revised Code.

(7) A business "operates within" a district if the net profits of the business or the income of employees of the business would be subject to an income tax levied within the district.

(8) An employee is "employed within" a district if any portion of the employee's income would be subject to an income tax levied within the district.
tax levied within the district.

(B) Sections 715.72 to 715.81 of the Revised Code provide alternative procedures and requirements to those set forth in sections 715.70 and 715.71 of the Revised Code for creating and operating a joint economic development district. Sections 715.72 to 715.81 of the Revised Code apply to municipal corporations and townships that are located in the same county or in adjacent counties.

(C) One or more municipal corporations, one or more townships, and, under division (D) of this section, one or more counties may enter into a contract pursuant to which they create designate one or more areas as a joint economic development district one or more areas for the purpose of facilitating economic development and redevelopment, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people in this state and in the area of the contracting parties.

(1) Except as otherwise provided in division (C)(2) of this section, the territory of each of the contracting parties shall be contiguous to the territory of at least one other contracting party, or contiguous to the territory of a township, municipal corporation, or county that is contiguous to another contracting party, even if the intervening township or municipal corporation is not a contracting party.

(2) Contracting parties that have entered into a contract under section 715.70 or 715.71 of the Revised Code creating a joint economic development district prior to November 15, 1995, may enter into a contract under this section even if the territory of each of the contracting parties is not contiguous to the territory of at least one other contracting party, or
contiguous to the territory of a township or municipal corporation that is contiguous to another contracting party as otherwise required under division (C)(1) of this section. The contract and district shall meet the requirements of sections 715.72 to 715.81 of the Revised Code this section.

(D) If, on or after the effective date of this amendment December 30, 2008, but on or before June 30, 2009, one or more municipal corporations and one or more townships enter into a contract or amend an existing contract under this section, one or more counties in which all of those municipal corporations or townships are located also may enter into the contract as a contracting party or parties.

(E)(1) The area or areas to be included in a joint economic development district shall meet all of the following criteria:

(a) The area or areas shall be located within the territory of one or more of the contracting parties and may consist of all of the territory of any or all of the contracting parties.

(b) No electors, except those residing in a mixed-use facility, shall reside within the area or areas on the effective date of the contract creating the district. For the purposes of this division, "mixed-use facility" means a building used concurrently for both residential and commercial or industrial purposes. A building is a "mixed-use facility" even if there are no businesses currently operating within the building if the building is zoned for a commercial or industrial use and the owner or lessee of the building is in the process of preparing the building for such use or seeking a commercial or industrial occupant.
(c) The area or areas shall not include any parcel of land owned in fee by or leased to a municipal corporation or township, unless the municipal corporation or township is a contracting party or has given its consent to have the parcel of land included in the district by the adoption of an ordinance or resolution.

(2) The contracting parties may designate excluded parcels within the boundaries of the joint economic development district. Excluded parcels are not part of the district and persons employed or residing on such parcels shall not be subject to any income tax imposed within the district under division (F)(5) of this section.

(F)(1) The contract creating a joint economic development district shall provide for the amount or nature of the contribution of each contracting party to the development and operation of the district and may provide for the sharing of the costs of the operation of and improvements for the district. The contributions may be in any form to which the contracting parties agree and may include, but are not limited to, the provision of services, money, real or personal property, facilities, or equipment.

(2) The contract may provide for the contracting parties to share revenue from taxes levied by one or more of the contracting parties if those revenues may lawfully be applied to that purpose under the legislation by which those taxes are levied.

(3) The contract shall include an economic development plan for the district that consists of a schedule for the provision of new, expanded, or additional services, facilities, or improvements. The contract may provide for expanded or
additional capacity for or other enhancement of existing services, facilities, or improvements.

(4) The contract shall enumerate the specific powers, duties, and functions of the board of directors of the district described under division (P) of this section and shall designate procedures consistent with that division for appointing members to the board. The contract shall enumerate rules to govern the board in carrying out its business under this section.

(5)(a) The contract may grant to the board the power to adopt a resolution to levy an income tax within the entire district or within portions of the district designated by the contract. The income tax shall be used to carry out the economic development plan for the district or the portion of the district in which the tax is levied and for any other lawful purpose of the contracting parties pursuant to the contract, including the provision of utility services by one or more of the contracting parties.

(b) A contract that authorizes an income tax shall specify that the tax is based on income earned by persons employed or residing within the district, based on the net profits of businesses operating within the district, or based on both the income earned by persons employed or residing within the district and the net profit of businesses operating within the district. The income tax base shall be the same for the entire district or the portions of the district in which the tax is imposed.

(c) The income tax levied within the district is subject to Chapter 718. of the Revised Code, except that no vote shall be required. The rate of the income tax shall be no higher than the highest rate being levied by a municipal corporation that is
a contracting party.

(d) If the board adopts a resolution to levy an income tax, it shall enter into an agreement with a municipal corporation that is a contracting party to administer, collect, and enforce the income tax on behalf of the district.

(e) A resolution levying an income tax under this section shall require the contracting parties to annually set aside a percentage, to be stated in the resolution, of the amount of the income tax collected for the long-term maintenance of the district.

(f) An income tax levied under this section shall apply in the district or the portion of the district in which the contract authorizes an income tax throughout the term of the contract creating the district. The tax shall not apply to any persons employed or residing on a parcel excluded from the district under division (E)(2) of this section.

(g) If there is unincorporated territory in the district, the contract shall specify that restrictions on annexation proceedings under division (R) of this section apply to such unincorporated territory. The contract may prohibit proceedings under Chapter 709. of the Revised Code proposing the annexation to, merger of, or consolidation with a municipal corporation that is a contracting party of any unincorporated territory within a township that is a contracting party during the term of the contract regardless of whether that territory is located within the district.

(G) The contract creating a joint economic development district shall continue in existence throughout its term and shall be binding on the contracting parties and on any parties
succeeding to the contracting parties, whether by annexation, merger, or consolidation. Except as provided in division (H) of this section, the contract may be amended, renewed, or terminated with the approval of the contracting parties or any parties succeeding to the contracting parties. If the contract is amended to add or remove an area to or from an existing district, the amendment shall be adopted in the manner prescribed under division (L) of this section.

(H) If two or more contracting parties previously have entered into a separate contract for utility services, then amendment, renewal, or termination of the separate contract for utility services shall not constitute any part of the consideration for the contract creating a joint economic development district. A contract creating a joint economic development district shall be rebuttably presumed to violate this division if it is entered into within two years prior or five years subsequent to the amendment, renewal, or termination of a separate contract for utility services that two or more contracting parties previously have entered into. The presumption stated in this division may be rebutted by clear and convincing evidence of both of the following:

(1) That other substantial consideration existed to support the contract creating a joint economic development district;

(2) That the contracting parties entered into the contract creating a joint economic development district freely and without duress or coercion related to the amendment, renewal, or termination of the separate contract for utility services.

A contract creating a joint economic development district that violates this division is void and unenforceable.
(I)(1) Before the legislative authority of any of the contracting parties adopts an ordinance or resolution approving a contract to create a district, the legislative authority of each of the contracting parties shall hold a public hearing concerning the contract and district. Each legislative authority shall provide at least thirty days' public notice of the time and place of the public hearing in a newspaper of general circulation in the municipal corporation, township, or county, as applicable. During the thirty-day period prior to the public hearing and until the date that an ordinance or resolution is adopted under division (K) of this section to approve the joint economic development district contract, all of the following documents shall be available for public inspection in the office of the clerk of the legislative authority of a municipal corporation and county that is a contracting party and in the office of the fiscal officer of a township that is a contracting party:

(a) A copy of the contract creating the district, including the economic development plan for the district and the schedule for the provision of new, expanded, or additional services, facilities, or improvements described in division (F)(3) of this section;

(b) A description of the area or areas to be included in the district, including a map in sufficient detail to denote the specific boundaries of the area or areas and to indicate any zoning restrictions applicable to the area or areas, and the parcel number, provided for under section 319.28 of the Revised Code, of any parcel located within the boundaries of the joint economic development district and excluded from the district under division (E)(2) of this section;
(c) If the contract authorizes the board of directors of the district to adopt a resolution to levy an income tax within the district or within portions of the district, a schedule for the collection of the tax.

(2) A public hearing held under this division shall allow for public comment and recommendations on the contract and district. The contracting parties may include in the contract any of those recommendations prior to approval of the contract.

(J) Before any of the contracting parties approves a contract under division (K) of this section, the contracting parties shall circulate one or more petitions to record owners of real property located within the proposed joint economic development district and owners of businesses operating within the proposed district. The petitions shall state that all of the documents described in divisions (I)(1)(a) to (c) of this section are available for public inspection in the office of the clerk of the legislative authority of each municipal corporation and county that is a contracting party or the office of the fiscal officer of each township that is a contracting party. The petitions shall clearly indicate that, by signing the petition, the record owner or owner consents to the proposed joint economic development district.

A contracting party may send written notice that the petitions are available for signing. The notice shall be sent by certified mail to the last known mailing addresses of any or all of the record owners of real property located within the proposed district or the owners of businesses operating within the proposed district. A record owner of real property or an owner of a business to which the notice is sent that does not respond to the contracting party within thirty days of the date
the notice was sent is deemed to have signed the petitions for the purposes of this section.

(K)(1) After the public hearings required under division (I) of this section have been held and the petitions described in division (J) of this section have been signed by one or more record owners of real property comprising the majority of acreage in the area or areas to be included in the proposed joint economic development district and by a majority of the owners of businesses, if any, operating within the proposed district, each contracting party may adopt an ordinance or resolution approving the contract to create a joint economic development district. Not later than ten days after all of the contracting parties have adopted ordinances or resolutions approving the district contract, each contracting party shall give notice of the proposed district to all of the following:

(a) Each record owner of real property to be included in the district and in the territory of that contracting party who did not sign the petitions described in division (J) of this section and who was not deemed to have signed the petitions pursuant to that division;

(b) An owner of each business operating within the district and in the territory of that contracting party no owner of which signed the petitions described in division (J) of this section or was deemed to have signed the petitions under that division.

(2) Such notices shall be given by certified mail and shall specify that the property or business is located within an area to be included in the district and that all of the documents described in divisions (I)(1)(a) to (c) of this section are available for public inspection in the office of the
clerk of the legislative authority of each municipal corporation and county that is a contracting party or the office of the fiscal officer of each township that is a contracting party.

(L)(1) The contracting parties may amend the joint economic development district contract to add any area that was not originally included in the district if the area satisfies the criteria prescribed under division (E) of this section. The contracting parties may also amend the district contract to remove any area originally included in the district or exclude one or more parcels located within the district pursuant to division (E)(2) of this section.

(2) An amendment adding an area to a district, removing an area from the district, or excluding one or more parcels from the district may be approved only by a resolution or ordinance adopted by each of the contracting parties. The contracting parties shall conduct public hearings on the amendment and provide notice in the manner required under division (I) of this section for original contracts. The contracting parties shall make available for public inspection a copy of the amendment, a description of the area to be added, removed, or excluded to or from the district, and a map of that area in sufficient detail to denote the specific boundaries of the area and to indicate any zoning restrictions applicable to the area.

(3) Before adopting a resolution or ordinance approving the addition of an area to the district, the contracting parties shall circulate petitions to the record owners of real property located within the proposed addition to the district and owners of businesses operating within the proposed addition to the district in the same manner required under division (J) of this section for original contracts. The contracting parties may
notify such record owners of real property and owners of
businesses that the petitions are available for signing and deem
nonresponsive record owners of real property and owners of
businesses to have signed the petitions in the same manner
provided by that division.

(4) The contracting parties to a joint economic
development district may vote to approve an amendment to the
district contract under this division after the public hearings
required under division (L)(2) are completed and, if the
amendment adds an area or areas to the district, the petitions
required under division (L)(3) of this section have been signed
by one or more record owners of real property comprising the
majority of acreage in the area or areas added to the district
and by a majority of the owners of businesses, if any, operating
within the proposed addition to the district.

(5) Not later than ten days after all of the contracting
parties have adopted ordinances or resolutions approving an
amendment adding one or more areas to the district, each
contracting party shall give notice of the addition to all of
the following:

(a) Each record owner of real property to be included in
the addition to the district and in the territory of that
contracting party who did not sign the petitions described in
division (L)(3) of this section and who was not deemed to have
signed the petitions pursuant to that division;

(b) An owner of each business operating within the
addition to the district and in the territory of that
contracting party no owner of which signed the petitions
described in division (L)(3) of this section or was deemed to
have signed the petitions under that division.
(M)(1) A board of township trustees that is a party to a contract creating a joint economic development district may choose not to submit its resolution approving the contract to the electors of the township if all of the following conditions are satisfied:

(a) The resolution has been approved by a unanimous vote of the members of the board of township trustees or, if a county is one of the contracting parties under division (D) of this section, the resolution has been approved by a majority vote of the members of the board of township trustees;

(b) The contracting parties have circulated petitions as required under division (J) of this section and obtained the signatures required under division (L) of this section;

(c) The territory to be included in the proposed district is zoned in a manner appropriate to the function of the district.

(2) If the board of township trustees has not invoked its authority under division (M)(1) of this section, the board, at least ninety days before the date of the election, shall file its resolution approving the district contract with the board of elections for submission to the electors of the township for approval at the next succeeding general, primary, or special election.

(3) Any contract creating a district in which a board of township trustees is a party shall provide that the contract is not effective before the thirty-first day after its approval, including approval by the electors of the township if required by this section.

(4) If the board of township trustees invokes its
authority under division (M)(1) of this section and does not submit the district contract to the electors for approval, the resolution of the board of township trustees approving the contract is subject to a referendum of the electors of the township when requested through a petition. When signed by ten per cent of the number of electors in the township who voted for the office of governor at the most recent general election, a referendum petition asking that the resolution be submitted to the electors of the township may be presented to the board of township trustees. Such a petition shall be presented within thirty days after the board of township trustees adopts the resolution approving the district contract. The board of township trustees shall, not later than four p.m. of the tenth day after receipt of the petition, certify the text of the resolution to the board of elections. The board of elections shall submit the resolution to the electors of the township for their approval or rejection at the next general, primary, or special election occurring at least ninety days after certification of the resolution.

(N) The ballot respecting a resolution to create a district or a referendum of such a resolution shall be in the following form:

"Shall the resolution of the board of township trustees approving the contract with ............... (here insert name of every other contracting party) for the creation of a joint economic development district be approved?

FOR THE RESOLUTION AND CONTRACT

AGAINST THE RESOLUTION AND CONTRACT

If a majority of the electors of the township voting on
the issue vote for the resolution and contract, the resolution shall become effective immediately and the contract shall go into effect on the thirty-first day after the election or thereafter in accordance with terms of the contract.

(O) Upon the creation of a district under this section, one of the contracting parties shall file a copy of each of the following documents with the director of development services:

(1) All of the documents described in divisions (I)(1)(a) to (c) of this section;

(2) Certified copies of the ordinances and resolutions of the contracting parties relating to the contract and district;

(3) Documentation from each contracting party that the public hearings required by division (I) of this section have been held, the date of the hearings, and evidence that notice of the hearings was published as required by that division;

(4) A copy of the signed petitions required under divisions (J) and (K) of this section.

(P) A board of directors shall govern each district created under this section.

(1) If there are businesses operating and persons employed within the district, the board shall be composed of the following members:

(a) One member representing the municipal corporations that are contracting parties;

(b) One member representing the townships that are contracting parties;

(c) One member representing the owners of businesses
operating within the district;

(d) One member representing the persons employed within the district;

(e) One member representing the counties that are contracting parties, or, if no contracting party is a county, one member selected by the members described in divisions (P)(1)(a) to (d) of this section.

The members of the board shall be appointed as provided in the district contract. Of the members initially appointed to the board, the member described in division (P)(1)(a) of this section shall serve a term of one year; the member described in division (P)(1)(b) of this section shall serve a term of two years; the member described in division (P)(1)(c) of this section shall serve a term of three years; and the members described in divisions (P)(1)(d) and (e) of this section shall serve terms of four years. Thereafter, terms for each member shall be for four years, each term ending on the same day of the same month of the year as did the term that it succeeds. A member may be reappointed to the board, but no member shall serve more than two consecutive terms on the board.

The member described in division (R)(1)(e) of this section shall serve as chairperson of the board described under division (P)(1) of this section.

(2) If there are no businesses operating or persons employed within the district, the board shall be composed of the following members:

(a) One member representing the municipal corporations that are contracting parties;

(b) One member representing the townships that are
contracting parties:

(c) One member representing the counties that are contracting parties, or if no contracting party is a county, one member selected by the members described in divisions (P)(2)(a) and (b) of this section.

The members of the board shall be appointed as provided in the district contract. Of the members initially appointed to the board, the member described in division (P)(2)(a) of this section shall serve a term of one year; the member described in division (P)(2)(b) of this section shall serve a term of two years; and the member described in division (P)(2)(c) of this section shall serve a term of three years. Thereafter, terms for each member shall be for four years, each term ending on the same day of the same month of the year as did the term that it succeeds. A member may be reappointed to the board, but no member shall serve more than two consecutive terms on the board.

The member described in division (P)(2)(c) of this section shall serve as chairperson of a board described under division (P)(2) of this section.

(3) A board described under division (P)(1) or (2) of this section has no powers except as described in this section and in the contract creating the district.

(4) Membership on the board of directors of a joint economic development district created under this section is not the holding of a public office or employment within the meaning of any section of the Revised Code prohibiting the holding of other public office or employment. Membership on such a board is not a direct or indirect interest in a contract or expenditure of money by a municipal corporation, township, county, or other
political subdivision with which a member may be affiliated.

Notwithstanding any provision of law to the contrary, no member of a board of directors of a joint economic development district shall forfeit or be disqualified from holding any public office or employment by reason of membership on the board.

(5) The board of directors of a joint economic development district is a public body for the purposes of section 121.22 of the Revised Code. Chapter 2744. of the Revised Code applies to such a board and the district.

(Q)(1) An owner of a business that operated within an unincorporated area of a joint economic development district before the effective date of the district contract may, on behalf of the business and its employees, apply to the director of development services for exemption from any income tax imposed by the board of directors of the district under division (F)(5) of this section if either of the following apply:

(a) Neither the business nor its employees has derived or will derive any material benefit from the new, expanded, or additional services, facilities, or improvements described in the economic development plan for the district;

(b) The material benefit that has, or will be, derived from the new, expanded, or additional services, facilities, or improvements described in the economic development plan is negligible in comparison to the income tax revenue generated from the net profits of the business and the income of employees of the business.

The application shall be made in the manner prescribed by the director for that purpose. The owner of the business shall submit to the director, along with the application,
documentation sufficient to prove that the owner sent copies of
the application to the legislative authority of each contracting
party.

(2) Any or all of the contracting parties may submit a
written response to the application submitted under division (Q)
(1) of this section to the director at any time before the
director makes a determination with respect to the application.
Such a contracting party shall submit to the director, along
with the response, documentation sufficient to prove that the
owner sent copies of the response to the owner of the business
who submitted the application.

(3) The director shall review each application submitted
by a business owner under division (Q)(1) of this section and
each response submitted by a contracting party under division
(Q)(2) of this section. In addition, the director may conduct a
hearing on the application and request the presence of the
business owner and the contracting parties to present evidence
relevant to the application. The director shall make a
determination on the application not sooner than thirty days but
not later than sixty days after receiving the application from
the business owner. The director may make a determination more
than sixty days after receiving the application if the business
owner and all contracting parties to the district consent.

(4) The director shall grant the exemption applied for
under division (Q)(1) of this section if the business was
operating within the district on or before the effective date of
the district contract and at least one of the criteria described
in division (Q)(1)(a) and (b) of this section applies.

(5) If neither of the conditions described in divisions
(Q)(1)(a) and (b) of this section are met, the director shall
deny the application for exemption.

(6) The director's determination with respect to the application is final. The director shall send notice of the determination to the owner of the business and each contracting party. If the director approves the application granting the exemption, the net profit of the business from operating within the district and the income of its employees from employment within the district are exempt from any income tax imposed by the board of directors of the district. If the director denies the application, no owner of the business may submit another application for exemption under division (Q)(1) of this section for the term of the district contract.

(7) The director shall adopt any rules necessary to implement division (Q) of this section in accordance with Chapter 119. of the Revised Code.

(R)(1) No proceeding pursuant to Chapter 709. of the Revised Code that proposes the annexation to, merger of, or consolidation with a municipal corporation of any unincorporated territory within a joint economic development district may be commenced at any time between the effective date of the contract creating the district and the date the contract expires, terminates, or is otherwise rendered unenforceable. This division does not apply if each board of township trustees whose territory is included within the district and whose territory is proposed to be annexed, merged, or consolidated adopts a resolution consenting to the commencement of the proceeding. Each such board of township trustees shall file a copy of the resolution with the clerk of the legislative authority of each county within which a contracting party is located.

(2) The contract creating a joint economic development
district may prohibit any annexation proceeding by a contracting municipal corporation of any unincorporated territory within the district or zone beyond the period described in division (R)(1) of this section.

(3) No contracting party is divested or relieved of its rights or obligations under the contract creating a joint economic development district because of annexation, merger, or consolidation.

(S) Contracting parties may enter into agreements pursuant to the contract creating a joint economic development district with respect to the substance and administration of zoning and other land use regulations, building codes, permanent public improvements, and other regulatory and proprietary matters determined to be for a public purpose. No contract, however, shall exempt the territory within the district from the procedures of land use regulation applicable pursuant to municipal corporation, township, and county regulations, including, but not limited to, zoning procedures.

(T) The powers granted under this section are in addition to and not in the derogation of all other powers possessed by or granted to municipal corporations, townships, and counties pursuant to law.

(1) When exercising a power or performing a function or duty under a contract entered into under this section, a municipal corporation may exercise all the powers of a municipal corporation, and may perform all the functions and duties of a municipal corporation, within the district, pursuant to and to the extent consistent with the contract.

(2) When exercising a power or performing a function or
duty under a contract entered into under division (D) of this section, a county may exercise all of the powers of a county, and may perform all the functions and duties of a county, within the district pursuant to and to the extent consistent with the contract.

(U) No political subdivision shall grant any tax exemption under Chapter 1728. or section 3735.67, 5709.62, 5709.63, or 5709.632 of the Revised Code on any property located within the district without the consent of all the contracting parties. The prohibition against granting a tax exemption under this section does not apply to any exemption filed, pending, or approved before the effective date of the contract entered into under this section.

Sec. 715.79. (A) No annexation proceeding pursuant to Chapter 709. of the Revised Code that proposes the annexation to, merger of, or consolidation with a municipal corporation of any unincorporated territory within a joint economic development district, or joint economic development zone that is subject to division (I)(2) of section 715.691 of the Revised Code, shall be commenced for a period of three years after the contract creating the district or zone is approved by the majority of the electors under section 715.77 or 715.691 of the Revised Code. This division does not apply if the contract is terminated during this period or if each board of township trustees whose territory is included within the district or zone and whose territory is proposed to be annexed, merged, or consolidated adopts a resolution consenting to the commencement of the proceeding. Each such board of township trustees shall file a copy of the resolution with the clerk of the legislative authority of each county within which a contracting party is located.
(B) The contract creating a joint economic development district, or joint economic development zone that is subject to division (I)(2) of section 715.691 of the Revised Code may prohibit any annexation proceeding by a contracting municipal corporation of any unincorporated territory within the district or zone beyond the three-year period described in division (A) of this section.

(C) No contracting party is divested or relieved of its rights or obligations under the contract creating a joint economic development district, or joint economic development zone that is subject to division (I)(2) of section 715.691 of the Revised Code because of annexation, merger, or consolidation.

Sec. 715.80. Contracting parties may enter into binding agreements pursuant to the contract creating a joint economic development district, or joint economic development zone that is subject to division (I)(2) of section 715.691 of the Revised Code with respect to the substance and administration of zoning and other land-use regulations, building codes, permanent public improvements, and other regulatory and proprietary matters determined to be for a public purpose. No contract, however, shall exempt the territory within the district or zone from the procedures of land use regulation applicable pursuant to municipal corporation, township, and county regulations, including, but not limited to, zoning procedures.

Sec. 715.81. The powers granted under sections 715.72 to 715.81 of the Revised Code are in addition to and not in the derogation of all other powers granted to municipal corporations, townships, and counties pursuant to law. When exercising a power or performing a function or duty under a
contract entered into under section 715.72 of the Revised Code, a municipal corporation may exercise all of the powers of a municipal corporation, and may perform all the functions and duties of a municipal corporation, within the joint economic development district, pursuant to and to the extent consistent with the contract. When exercising a power or performing a function or duty under a contract entered into under either section 715.691 or 715.72 of the Revised Code, a township may exercise all of the powers of a township, and may perform all the functions and duties of a township, within the joint economic development district, or joint economic development zone that is subject to division (I)(2) of section 715.691 of the Revised Code, pursuant to and to the extent consistent with the contract.

When exercising a power or performing a function or duty under a contract entered into under division (D) of section 715.72 of the Revised Code, a county may exercise all of the powers of a county, and may perform all the functions and duties of a county, within the joint economic development district, pursuant to and to the extent consistent with the contract.

No political subdivision shall grant any tax exemption under Chapter 1728. or section 3735.67, 5709.62, 5709.63, or 5709.632 of the Revised Code on any property located within the district, or zone that is subject to division (I)(2) of section 715.691 of the Revised Code, without the consent of the contracting parties. The prohibition against granting a tax exemption under this section does not apply to any exemption filed, pending, or approved before the effective date of the contract entered into under either section 715.691 or 715.72 of the Revised Code.
Sec. 715.82. A municipal corporation may issue bonds and exercise all other powers under Chapter 165. of the Revised Code for one or more projects or parts thereof located in a joint economic development district created pursuant to a contract entered into under section 715.70, 715.71, or 715.72 to 715.82 of the Revised Code to which the municipal corporation is a party, or in a township adjacent to that municipal corporation, if the legislative authority of the municipal corporation determines that the project is in furtherance of the public purposes of the state to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the municipal corporation and the township. As used in this section, "project" has the same meaning as in division (H) of section 165.01 of the Revised Code, except that a project described in this section is not required to be located within the territorial boundaries of the municipal corporation.

Sec. 715.83. If any unincorporated area or township is a party to a joint economic development district created pursuant to a contract entered into under section 715.70, 715.71, or 715.72 to 715.82 of the Revised Code that also includes as a party a municipal corporation that is an eligible area as defined in division (A)(2) of section 122.16 or division (A)(9) of section 5733.33 of the Revised Code, then any project located anywhere within the unincorporated area or township contained within the joint economic development district is eligible for any state assistance under Chapter 122. or section 5733.33 of the Revised Code for which designation as an eligible area is a criterion.

Sec. 5709.61. As used in sections 5709.61 to 5709.69 of the Revised Code:
(A) "Enterprise zone" or "zone" means any of the following:

(1) An area with a single continuous boundary designated in the manner set forth in section 5709.62 or 5709.63 of the Revised Code and certified by the director of development as having a population of at least four thousand according to the best and most recent data available to the director, and having at least two of the following characteristics:

(a) It is located in a municipal corporation defined by the United States office of management and budget as a principal city of a metropolitan statistical area;

(b) It is located in a county designated as being in the "Appalachian region" under the "Appalachian Regional Development Act of 1965," 79 Stat. 5, 40 App. U.S.C.A. 403, as amended;

(c) Its average rate of unemployment, during the most recent twelve-month period for which data are available, is equal to at least one hundred twenty-five per cent of the average rate of unemployment for the state of Ohio for the same period;

(d) There is a prevalence of commercial or industrial structures in the area that are vacant or demolished, or are vacant and the taxes charged thereon are delinquent, and certification of the area as an enterprise zone would likely result in the reduction of the rate of vacant or demolished structures or the rate of tax delinquency in the area;

(e) The population of all census tracts in the area, according to the federal census of 2000, decreased by at least ten per cent between the years 1980 and 2000;

(f) At least fifty-one per cent of the residents of the
area have incomes of less than eighty per cent of the median income of residents of the municipal corporation or municipal corporations in which the area is located, as determined in the same manner specified under section 119(b) of the "Housing and Community Development Act of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended;

(g) The area contains structures previously used for industrial purposes, but currently not so used due to age, obsolescence, deterioration, relocation of the former occupant's operations, or cessation of operations resulting from unfavorable economic conditions either generally or in a specific economic sector;

(h) It is located within one or more adjacent city, local, or exempted village school districts, the income-weighted tax capacity of each of which is less than seventy per cent of the average of the income-weighted tax capacity of all city, local, or exempted village school districts in the state according to the most recent data available to the director from the department of taxation.

The director of development shall adopt rules in accordance with Chapter 119. of the Revised Code establishing conditions constituting the characteristics described in divisions (A)(1)(d), (g), and (h) of this section.

If an area could not be certified as an enterprise zone unless it satisfied division (A)(1)(g) of this section, the legislative authority may enter into agreements in that zone under section 5709.62, 5709.63, or 5709.632 of the Revised Code only if such agreements result in the development of the facilities described in that division, the parcel of land on which such facilities are situated, or adjacent parcels. The
director of development annually shall review all agreements in such zones to determine whether the agreements have resulted in such development; if the director determines that the agreements have not resulted in such development, the director immediately shall revoke certification of the zone and notify the legislative authority of such revocation. Any agreements entered into prior to revocation under this paragraph shall continue in effect for the period provided in the agreement.

(2) An area with a single continuous boundary designated in the manner set forth in section 5709.63 of the Revised Code and certified by the director of development as having all of the following characteristics:

(a) Being located within a county that contains a population of three hundred thousand or less;

(b) Having a population of at least one thousand according to the best and most recent data available to the director;

(c) Having at least two of the characteristics described in divisions (A)(1)(b) to (h) of this section.

(3) An area with a single continuous boundary designated in the manner set forth under division (A)(1) of section 5709.632 of the Revised Code and certified by the director of development as having a population of at least four thousand, or under division (A)(2) of that section and certified as having a population of at least one thousand, according to the best and most recent data available to the director.

(B) "Enterprise" means any form of business organization including, but not limited to, any partnership, sole proprietorship, or corporation, including an S corporation as defined in section 1361 of the Internal Revenue Code and any
corporation that is majority work-owned either directly through
the ownership of stock or indirectly through participation in an
employee stock ownership plan.

(C) "Facility" means an enterprise's place of business in
a zone, including land, buildings, machinery, equipment, and
other materials, except inventory, used in business. "Facility"
includes land, buildings, machinery, production and station
equipment, other equipment, and other materials, except
inventory, used in business to generate electricity, provided
that, for purposes of sections 5709.61 to 5709.69 of the Revised
Code, the value of the property at such a facility shall be
reduced by the value, if any, that is not apportioned under
section 5727.15 of the Revised Code to the taxing district in
which the facility is physically located. In the case of such a
facility that is physically located in two adjacent taxing
districts, the property located in each taxing district
constitutes a separate facility.

"Facility" does not include any portion of an enterprise's
place of business used primarily for making retail sales, unless
the place of business is located in an impacted city as defined
in section 1728.01 of the Revised Code.

(D) "Vacant facility" means a facility that has been
vacant for at least ninety days immediately preceding the date
on which an agreement is entered into under section 5709.62 or
5709.63 of the Revised Code.

(E) "Expand" means to make expenditures to add land,
buildings, machinery, equipment, or other materials, except
inventory, to a facility that equal at least ten per cent of the
market value of the facility prior to such expenditures, as
determined for the purposes of local property taxation.
(F) "Renovate" means to make expenditures to alter or repair a facility that equal at least fifty per cent of the market value of the facility prior to such expenditures, as determined for the purposes of local property taxation.

(G) "Occupy" means to make expenditures to alter or repair a vacant facility equal to at least twenty per cent of the market value of the facility prior to such expenditures, as determined for the purposes of local property taxation.

(H) "Project site" means all or any part of a facility that is newly constructed, expanded, renovated, or occupied by an enterprise.

(I) "Project" means any undertaking by an enterprise to establish a facility or to improve a project site by expansion, renovation, or occupancy.

(J) "Position" means the position of one full-time employee performing a particular set of tasks and duties.

(K) "Full-time employee" means an individual who is employed for consideration by an enterprise for at least thirty-five hours a week, or who renders any other standard of service generally accepted by custom or specified by contract as full-time employment.

(L) "New employee" means a full-time employee first employed by an enterprise at a facility that is a project site after the enterprise enters an agreement under section 5709.62 or 5709.63 of the Revised Code. "New employee" does not include an employee if, immediately prior to being employed by the enterprise, the employee was employed by an enterprise that is a related member or predecessor enterprise of that enterprise.

(M) "Unemployed person" means any person who is totally
unemployed in this state, as that term is defined in division (M) of section 4141.01 of the Revised Code, for at least ten consecutive weeks immediately preceding that person's employment at a facility that is a project site, or who is so unemployed for at least twenty-six of the fifty-two weeks immediately preceding that person's employment at such a facility.


(O) "First used in business" means that the property referred to has not been used in business in this state by the enterprise that owns it, or by an enterprise that is a related member or predecessor enterprise of such an enterprise, other than as inventory, prior to being used in business at a facility as the result of a project.

(P) "Training program" means any noncredit training program or course of study that is offered by any state college or university; university branch district; community college; technical college; nonprofit college or university certified under section 1713.02 of the Revised Code; school district; joint vocational school district; school registered and authorized to offer programs under section 3332.05 of the Revised Code; an entity administering any federal, state, or local adult education and training program; or any enterprise; and that meets all of the following requirements:

(1) It is approved by the director of development;

(2) It is established or operated to satisfy the need of a particular industry or enterprise for skilled or semi-skilled
employees;

(3) An individual is required to complete the course or program before filling a position at a project site.

(Q) "Development" means to engage in the process of clearing and grading land, making, installing, or constructing water distribution systems, sewers, sewage collection systems, steam, gas, and electric lines, roads, curbs, gutters, sidewalks, storm drainage facilities, and construction of other facilities or buildings equal to at least fifty per cent of the market value of the facility prior to the expenditures, as determined for the purposes of local property taxation.

(R) "Large manufacturing facility" means a single Ohio facility that employed an average of at least one thousand individuals during the five calendar years preceding an agreement authorized under division (C)(3) of section 5709.62 or division (B)(2) of section 5709.63 of the Revised Code. For purposes of this division, both of the following apply:

(1) A single Ohio manufacturing facility employed an average of at least one thousand individuals during the five calendar years preceding entering into such an agreement if one-fifth of the sum of the number of employees employed on the highest employment day during each of the five calendar years equals or exceeds one thousand.

(2) The highest employment day is the day or days during a calendar year on which the number of employees employed at a single Ohio manufacturing facility was greater than on any other day during the calendar year.

(S) "Business cycle" means the cycle of business activity usually regarded as passing through alternating stages of
As Introduced

prosperity and depression.

(T) "Making retail sales" means the effecting of point-of-final-purchase transactions at a facility open to the consuming public, wherein one party is obligated to pay the price and the other party is obligated to provide a service or to transfer title to or possession of the item sold.

(U) "Environmentally contaminated" means that hazardous substances exist at a facility under conditions that have caused or would cause the facility to be identified as contaminated by the state or federal environmental protection agency. These may include facilities located at sites identified in the master sites list or similar database maintained by the state environmental protection agency if the sites have been investigated by the agency and found to be contaminated.

(V) "Remediate" means to make expenditures to clean up an environmentally contaminated facility so that it is no longer environmentally contaminated that equal at least ten per cent of the real property market value of the facility prior to such expenditures as determined for the purposes of property taxation.

(W) "Related member" has the same meaning as defined in section 5733.042 of the Revised Code without regard to division (B) of that section, except that it is used with respect to an enterprise rather than a taxpayer.

(X) "Predecessor enterprise" means an enterprise from which the assets or equity of another enterprise has been transferred, which transfer resulted in the full or partial nonrecognition of gain or loss, or resulted in a carryover basis, both as determined by rule adopted by the tax
"Successor enterprise" means an enterprise to which the assets or equity of another enterprise has been transferred, which transfer resulted in the full or partial nonrecognition of gain or loss, or resulted in a carryover basis, both as determined by rule adopted by the tax commissioner.

Sec. 5709.62. (A) In any municipal corporation that is defined by the United States office of management and budget as a principal city of a metropolitan statistical area, the legislative authority of the municipal corporation may designate one or more areas within its municipal corporation as proposed enterprise zones. Upon designating an area, the legislative authority shall petition the director of development services for certification of the area as having the characteristics set forth in division (A)(1) of section 5709.61 of the Revised Code as amended by Substitute Senate Bill No. 19 of the 120th general assembly. Except as otherwise provided in division (E) of this section, on and after July 1, 1994, legislative authorities shall not enter into agreements under this section unless the legislative authority has petitioned the director and the director has certified the zone under this section as amended by that act; however, all agreements entered into under this section as it existed prior to July 1, 1994, and the incentives granted under those agreements shall remain in effect for the period agreed to under those agreements. Within sixty days after receiving such a petition, the director shall determine whether the area has the characteristics set forth in division (A)(1) of section 5709.61 of the Revised Code, and shall forward the findings to the legislative authority of the municipal
corporation. If the director certifies the area as having those characteristics, and thereby certifies it as a zone, the legislative authority may enter into an agreement with an enterprise under division (C) of this section.

(2) Petition the board of education of each city, local, or exempted village school district within the territory of which the proposed enterprise zone is located. If each board of education verifies that the proposed zone has the characteristics set forth in division (A)(1) of section 5709.61 of the Revised Code, the board, by resolution adopted by the majority of the board, may approve the proposed enterprise zone. Approval by each affected board of education constitutes certification of a zone under this section for the purposes of sections 5709.61 to 5709.69 of the Revised Code. Unless otherwise provided in the resolution, a board of education does not waive its right to approve agreements or receive notice under division (D) of this section by approving an enterprise zone proposal under this division. Upon approval by the board of education of each affected school district, the legislative authority of the municipal corporation may enter into an agreement with an enterprise under division (C) of this section.

Except as otherwise provided in division (E) of this section, a legislative authority may not enter into agreements under this section unless the legislative authority has petitioned the director or board of education under division (A)(1) or (2) of this section and the director or board has certified the zone as having the characteristics set forth in division (A)(1) of section 5709.61 of the Revised Code.

(B) Any enterprise that wishes to enter into an agreement with a municipal corporation under division (C) of this section
shall submit a proposal to the legislative authority of the municipal corporation on a form prescribed by the director of development services, together with the application fee established under section 5709.68 of the Revised Code. The form shall require the following information:

(1) An estimate of the number of new employees whom the enterprise intends to hire, or of the number of employees whom the enterprise intends to retain, within the zone at a facility that is a project site, and an estimate of the amount of payroll of the enterprise attributable to these employees;

(2) An estimate of the amount to be invested by the enterprise to establish, expand, renovate, or occupy a facility, including investment in new buildings, additions or improvements to existing buildings, machinery, equipment, furniture, fixtures, and inventory;

(3) A listing of the enterprise's current investment, if any, in a facility as of the date of the proposal's submission.

The enterprise shall review and update the listings required under this division to reflect material changes, and any agreement entered into under division (C) of this section shall set forth final estimates and listings as of the time the agreement is entered into. The legislative authority may, on a separate form and at any time, require any additional information necessary to determine whether an enterprise is in compliance with an agreement and to collect the information required to be reported under section 5709.68 of the Revised Code.

(C) Upon receipt and investigation of a proposal under division (B) of this section, if the legislative authority finds
that the enterprise submitting the proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation, the legislative authority, on or before October 15, 2015, may do one of the following:

(1) Enter into an agreement with the enterprise under which the enterprise agrees to establish, expand, renovate, or occupy a facility and hire new employees, or preserve employment opportunities for existing employees, in return for one or more of the following incentives:

(a) Exemption for a specified number of years, not to exceed fifteen, of a specified portion, up to seventy-five per cent, of the assessed value of tangible personal property first used in business at the project site as a result of the agreement. If an exemption for inventory is specifically granted in the agreement pursuant to this division, the exemption applies to inventory required to be listed pursuant to sections 5711.15 and 5711.16 of the Revised Code, except that, in the instance of an expansion or other situations in which an enterprise was in business at the facility prior to the establishment of the zone, the inventory that is exempt is that amount or value of inventory in excess of the amount or value of inventory required to be listed in the personal property tax return of the enterprise in the return for the tax year in which the agreement is entered into.

(b) Exemption for a specified number of years, not to exceed fifteen, of a specified portion, up to seventy-five per cent, of the increase in the assessed valuation of real property constituting the project site subsequent to formal approval of
the agreement by the legislative authority;

(c) Provision for a specified number of years, not to exceed fifteen, of any optional services or assistance that the municipal corporation is authorized to provide with regard to the project site.

(2) Enter into an agreement under which the enterprise agrees to remediate an environmentally contaminated facility, to spend an amount equal to at least two hundred fifty per cent of the true value in money of the real property of the facility prior to remediation as determined for the purposes of property taxation to establish, expand, renovate, or occupy the remediated facility, and to hire new employees or preserve employment opportunities for existing employees at the remediated facility, in return for one or more of the following incentives:

(a) Exemption for a specified number of years, not to exceed fifteen, of a specified portion, not to exceed fifty per cent, of the assessed valuation of the real property of the facility prior to remediation;

(b) Exemption for a specified number of years, not to exceed fifteen, of a specified portion, not to exceed one hundred per cent, of the increase in the assessed valuation of the real property of the facility during or after remediation;

(c) The incentive under division (C)(1)(a) of this section, except that the percentage of the assessed value of such property exempted from taxation shall not exceed one hundred per cent;

(d) The incentive under division (C)(1)(c) of this section.
(3) Enter into an agreement with an enterprise that plans to purchase and operate a large manufacturing facility that has ceased operation or announced its intention to cease operation, in return for exemption for a specified number of years, not to exceed fifteen, of a specified portion, up to one hundred percent, of the assessed value of tangible personal property used in business at the project site as a result of the agreement, or of the assessed valuation of real property constituting the project site, or both.

(D)(1) Notwithstanding divisions (C)(1)(a) and (b) of this section, the portion of the assessed value of tangible personal property or of the increase in the assessed valuation of real property exempted from taxation under those divisions may exceed seventy-five per cent in any year for which that portion is exempted if the average percentage exempted for all years in which the agreement is in effect does not exceed sixty per cent, or if the board of education of the city, local, or exempted village school district within the territory of which the property is or will be located approves a percentage in excess of seventy-five per cent.

(2) Notwithstanding any provision of the Revised Code to the contrary, the exemptions described in divisions (C)(1)(a), (b), and (c), (C)(2)(a), (b), and (c), and (C)(3) of this section may be for up to fifteen years if the board of education of the city, local, or exempted village school district within the territory of which the property is or will be located approves a number of years in excess of ten.

(3) For the purpose of obtaining the approval of a city, local, or exempted village school district under division (D)(1) or (2) of this section, the legislative authority shall deliver
to the board of education a notice not later than forty-five
days prior to approving the agreement, excluding Saturdays,
Sundays, and legal holidays as defined in section 1.14 of the
Revised Code. The notice shall state the percentage to be
exempted, an estimate of the true value of the property to be
exempted, and the number of years the property is to be
exempted. The board of education, by resolution adopted by a
majority of the board, shall approve or disapprove the agreement
and certify a copy of the resolution to the legislative
authority not later than fourteen days prior to the date
stipulated by the legislative authority as the date upon which
approval of the agreement is to be formally considered by the
legislative authority. The board of education may include in the
resolution conditions under which the board would approve the
agreement, including the execution of an agreement to compensate
the school district under division (B) of section 5709.82 of the
Revised Code. The legislative authority may approve the
agreement at any time after the board of education certifies its
resolution approving the agreement to the legislative authority,
or, if the board approves the agreement conditionally, at any
time after the conditions are agreed to by the board and the
legislative authority.

If a board of education has adopted a resolution waiving
its right to approve agreements and the resolution remains in
effect, approval of an agreement by the board is not required
under this division. If a board of education has adopted a
resolution allowing a legislative authority to deliver the
notice required under this division fewer than forty-five
business days prior to the legislative authority's approval of
the agreement, the legislative authority shall deliver the
notice to the board not later than the number of days prior to
such approval as prescribed by the board in its resolution. If a board of education adopts a resolution waiving its right to approve agreements or shortening the notification period, the board shall certify a copy of the resolution to the legislative authority. If the board of education rescinds such a resolution, it shall certify notice of the rescission to the legislative authority.

(4) The legislative authority shall comply with section 5709.83 of the Revised Code unless the board of education has adopted a resolution under that section waiving its right to receive such notice.

(E) This division applies to zones certified by the director of development services under this section prior to July 22, 1994.

On or before October 15, 2015, the legislative authority that designated a zone to which this division applies may enter into an agreement with an enterprise if the legislative authority finds that the enterprise satisfies one of the criteria described in divisions (E)(1) to (5) of this section:

(1) The enterprise currently has no operations in this state and, subject to approval of the agreement, intends to establish operations in the zone;

(2) The enterprise currently has operations in this state and, subject to approval of the agreement, intends to establish operations at a new location in the zone that would not result in a reduction in the number of employee positions at any of the enterprise's other locations in this state;

(3) The enterprise, subject to approval of the agreement, intends to relocate operations, currently located in another
state, to the zone;

(4) The enterprise, subject to approval of the agreement, intends to expand operations at an existing site in the zone that the enterprise currently operates;

(5) The enterprise, subject to approval of the agreement, intends to relocate operations, currently located in this state, to the zone, and the director of development services has issued a waiver for the enterprise under division (B) of section 5709.633 of the Revised Code.

The agreement shall require the enterprise to agree to establish, expand, renovate, or occupy a facility in the zone and hire new employees, or preserve employment opportunities for existing employees, in return for one or more of the incentives described in division (C) of this section.

(F) All agreements entered into under this section shall be in the form prescribed under section 5709.631 of the Revised Code. After an agreement is entered into under this section, if the legislative authority revokes its designation of a zone, or if the director of development services revokes a zone's certification, any entitlements granted under the agreement shall continue for the number of years specified in the agreement.

(G) Except as otherwise provided in this division, an agreement entered into under this section shall require that the enterprise pay an annual fee equal to the greater of one per cent of the dollar value of incentives offered under the agreement or five hundred dollars; provided, however, that if the value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred
dollars. The fee shall be payable to the legislative authority once per year for each year the agreement is effective on the days and in the form specified in the agreement. Fees paid shall be deposited in a special fund created for such purpose by the legislative authority and shall be used by the legislative authority exclusively for the purpose of complying with section 5709.68 of the Revised Code and by the tax incentive review council created under section 5709.85 of the Revised Code exclusively for the purposes of performing the duties prescribed under that section. The legislative authority may waive or reduce the amount of the fee charged against an enterprise, but such a waiver or reduction does not affect the obligations of the legislative authority or the tax incentive review council to comply with section 5709.68 or 5709.85 of the Revised Code.

(H) When an agreement is entered into pursuant to this section, the legislative authority authorizing the agreement shall forward a copy of the agreement to the director of development services and to the tax commissioner within fifteen days after the agreement is entered into. If any agreement includes terms not provided for in section 5709.631 of the Revised Code affecting the revenue of a city, local, or exempted village school district or causing revenue to be forgone by the district, including any compensation to be paid to the school district pursuant to section 5709.82 of the Revised Code, those terms also shall be forwarded in writing to the director of development services along with the copy of the agreement forwarded under this division.

(I) After an agreement is entered into, the enterprise shall file with each personal property tax return required to be filed, or annual report required to be filed under section 5727.08 of the Revised Code, while the agreement is in effect,
an informational return, on a form prescribed by the tax commissioner for that purpose, setting forth separately the property, and related costs and values, exempted from taxation under the agreement.

(J) Enterprises may agree to give preference to residents of the zone within which the agreement applies relative to residents of this state who do not reside in the zone when hiring new employees under the agreement.

(K) An agreement entered into under this section may include a provision requiring the enterprise to create one or more temporary internship positions for students enrolled in a course of study at a school or other educational institution in the vicinity, and to create a scholarship or provide another form of educational financial assistance for students holding such a position in exchange for the student's commitment to work for the enterprise at the completion of the internship.

(L) The tax commissioner's authority in determining the accuracy of any exemption granted by an agreement entered into under this section is limited to divisions (C)(1)(a) and (b), (C)(2)(a), (b), and (c), (C)(3), (D), and (I) of this section and divisions (B)(1) to (10) of section 5709.631 of the Revised Code and, as authorized by law, to enforcing any modification to, or revocation of, that agreement by the legislative authority of a municipal corporation or the director of development services.

Sec. 5709.63. (A) With the consent of the legislative authority of each affected municipal corporation or of a board of township trustees, a board of county commissioners may, in the manner set forth in section 5709.62 of the Revised Code, designate one or more areas in one or more municipal
corporations or in unincorporated areas of the county as proposed enterprise zones. A board of county commissioners may designate no more than one area within a township, or within adjacent townships, as a proposed enterprise zone. The board shall petition the director of development services for certification of the area as having the characteristics set forth in division (A)(1) or (2) of section 5709.61 of the Revised Code as amended by Substitute Senate Bill No. 19 of the 120th general assembly or shall petition the board of education of each city, local, or exempted village school district within the territory of which the proposed enterprise zone is located for approval of the zone. If each board of education verifies that the area has the characteristics set forth in those divisions, each board may approve the zone area in the same manner as provided under section 5709.62 of the Revised Code. Approval by all affected boards constitutes certification of the zone under this section for the purposes of sections 5709.61 to 5709.69 of the Revised Code. Except as otherwise provided in division (D) of this section, on and after July 1, 1994, boards of county commissioners shall not enter into agreements under this section unless the board has petitioned the director or board of education and the director or board of education has certified the zone under this section as amended by that act; however, all agreements entered into under this section as it existed prior to July 1, 1994, and the incentives granted under those agreements shall remain in effect for the period agreed to under those agreements. The director shall make the determination in the manner provided under section 5709.62 of the Revised Code.

Any enterprise wishing to enter into an agreement with the board under division (B) or (D) of this section shall submit a
proposal to the board on the form and accompanied by the
application fee prescribed under division (B) of section 5709.62
of the Revised Code. The enterprise shall review and update the
estimates and listings required by the form in the manner
required under that division. The board may, on a separate form
and at any time, require any additional information necessary to
determine whether an enterprise is in compliance with an
agreement and to collect the information required to be reported
under section 5709.68 of the Revised Code.

(B) If the board of county commissioners finds that an
enterprise submitting a proposal is qualified by financial
responsibility and business experience to create and preserve
employment opportunities in the zone and to improve the economic
climate of the municipal corporation or municipal corporations
or the unincorporated areas in which the zone is located and to
which the proposal applies, the board, on or before October 15,
2015, and with the consent of the legislative authority of each
affected municipal corporation or of the board of township
trustees may do either of the following:

(1) Enter into an agreement with the enterprise under
which the enterprise agrees to establish, expand, renovate, or
occupy a facility in the zone and hire new employees, or
preserve employment opportunities for existing employees, in
return for the following incentives:

(a) When the facility is located in a municipal
corporation, the board may enter into an agreement for one or
more of the incentives provided in division (C) of section
5709.62 of the Revised Code, subject to division (D) of that
section;

(b) When the facility is located in an unincorporated
area, the board may enter into an agreement for one or more of the following incentives:

(i) Exemption for a specified number of years, not to exceed fifteen, of a specified portion, up to sixty per cent, of the assessed value of tangible personal property first used in business at a project site as a result of the agreement. If an exemption for inventory is specifically granted in the agreement pursuant to this division, the exemption applies to inventory required to be listed pursuant to sections 5711.15 and 5711.16 of the Revised Code, except, in the instance of an expansion or other situations in which an enterprise was in business at the facility prior to the establishment of the zone, the inventory that is exempt is that amount or value of inventory in excess of the amount or value of inventory required to be listed in the personal property tax return of the enterprise in the return for the tax year in which the agreement is entered into.

(ii) Exemption for a specified number of years, not to exceed fifteen, of a specified portion, up to sixty per cent, of the increase in the assessed valuation of real property constituting the project site subsequent to formal approval of the agreement by the board;

(iii) Provision for a specified number of years, not to exceed fifteen, of any optional services or assistance the board is authorized to provide with regard to the project site;

(iv) The incentive described in division (C)(2) of section 5709.62 of the Revised Code.

(2) Enter into an agreement with an enterprise that plans to purchase and operate a large manufacturing facility that has ceased operation or has announced its intention to cease
operation, in return for exemption for a specified number of
years, not to exceed fifteen, of a specified portion, up to one
hundred per cent, of tangible personal property used in business
at the project site as a result of the agreement, or of real
property constituting the project site, or both.

(C)(1)(a) Notwithstanding divisions (B)(1)(b)(i) and (ii)
of this section, the portion of the assessed value of tangible
personal property or of the increase in the assessed valuation
of real property exempted from taxation under those divisions
may exceed sixty per cent in any year for which that portion is
exempted if the average percentage exempted for all years in
which the agreement is in effect does not exceed fifty per cent,
or if the board of education of the city, local, or exempted
village school district within the territory of which the
property is or will be located approves a percentage in excess
of sixty per cent.

(b) Notwithstanding any provision of the Revised Code to
the contrary, the exemptions described in divisions (B)(1)(b)
(i), (ii), (iii), and (iv) and (B)(2) of this section may be for
up to fifteen years if the board of education of the city,
local, or exempted village school district within the territory
of which the property is or will be located approves a number of
years in excess of ten.

(c) For the purpose of obtaining the approval of a city,
local, or exempted village school district under division (C)(1)
(a) or (b) of this section, the board of county commissioners
shall deliver to the board of education a notice not later than
forty-five days prior to approving the agreement, excluding
Saturdays, Sundays, and legal holidays as defined in section
1.14 of the Revised Code. The notice shall state the percentage
to be exempted, an estimate of the true value of the property to be exempted, and the number of years the property is to be exempted. The board of education, by resolution adopted by a majority of the board, shall approve or disapprove the agreement and certify a copy of the resolution to the board of county commissioners not later than fourteen days prior to the date stipulated by the board of county commissioners as the date upon which approval of the agreement is to be formally considered by the board of county commissioners. The board of education may include in the resolution conditions under which the board would approve the agreement, including the execution of an agreement to compensate the school district under division (B) of section 5709.82 of the Revised Code. The board of county commissioners may approve the agreement at any time after the board of education certifies its resolution approving the agreement to the board of county commissioners, or, if the board of education approves the agreement conditionally, at any time after the conditions are agreed to by the board of education and the board of county commissioners.

If a board of education has adopted a resolution waiving its right to approve agreements and the resolution remains in effect, approval of an agreement by the board of education is not required under division (C) of this section. If a board of education has adopted a resolution allowing a board of county commissioners to deliver the notice required under this division fewer than forty-five business days prior to approval of the agreement by the board of county commissioners, the board of county commissioners shall deliver the notice to the board of education not later than the number of days prior to such approval as prescribed by the board of education in its resolution. If a board of education adopts a resolution waiving
its right to approve agreements or shortening the notification period, the board of education shall certify a copy of the resolution to the board of county commissioners. If the board of education rescinds such a resolution, it shall certify notice of the rescission to the board of county commissioners.

(2) The board of county commissioners shall comply with section 5709.83 of the Revised Code unless the board of education has adopted a resolution under that section waiving its right to receive such notice.

(D) This division applies to zones certified by the director of development services under this section prior to July 22, 1994.

On or before October 15, 2015, and with the consent of the legislative authority of each affected municipal corporation or board of township trustees of each affected township, the board of county commissioners that designated a zone to which this division applies may enter into an agreement with an enterprise if the board finds that the enterprise satisfies one of the criteria described in divisions (D)(1) to (5) of this section:

(1) The enterprise currently has no operations in this state and, subject to approval of the agreement, intends to establish operations in the zone;

(2) The enterprise currently has operations in this state and, subject to approval of the agreement, intends to establish operations at a new location in the zone that would not result in a reduction in the number of employee positions at any of the enterprise's other locations in this state;

(3) The enterprise, subject to approval of the agreement, intends to relocate operations, currently located in another
state, to the zone;

(4) The enterprise, subject to approval of the agreement, intends to expand operations at an existing site in the zone that the enterprise currently operates;

(5) The enterprise, subject to approval of the agreement, intends to relocate operations, currently located in this state, to the zone, and the director of development services has issued a waiver for the enterprise under division (B) of section 5709.633 of the Revised Code.

The agreement shall require the enterprise to agree to establish, expand, renovate, or occupy a facility in the zone and hire new employees, or preserve employment opportunities for existing employees, in return for one or more of the incentives described in division (B) of this section.

(E) All agreements entered into under this section shall be in the form prescribed under section 5709.631 of the Revised Code. After an agreement under this section is entered into, if the board of county commissioners revokes its designation of a zone, or if the director of development services revokes a zone's certification, any entitlements granted under the agreement shall continue for the number of years specified in the agreement.

(F) Except as otherwise provided in this division, an agreement entered into under this section shall require that the enterprise pay an annual fee equal to the greater of one percent of the dollar value of incentives offered under the agreement or five hundred dollars; provided, however, that if the value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred
dollars. The fee shall be payable to the board of county commissioners once per year for each year the agreement is effective on the days and in the form specified in the agreement. Fees paid shall be deposited in a special fund created for such purpose by the board and shall be used by the board exclusively for the purpose of complying with section 5709.68 of the Revised Code and by the tax incentive review council created under section 5709.85 of the Revised Code exclusively for the purposes of performing the duties prescribed under that section. The board may waive or reduce the amount of the fee charged against an enterprise, but such waiver or reduction does not affect the obligations of the board or the tax incentive review council to comply with section 5709.68 or 5709.85 of the Revised Code, respectively.

(G) With the approval of the legislative authority of a municipal corporation or the board of township trustees of a township in which a zone is designated under division (A) of this section, the board of county commissioners may delegate to that legislative authority or board any powers and duties of the board of county commissioners to negotiate and administer agreements with regard to that zone under this section.

(H) When an agreement is entered into pursuant to this section, the board of county commissioners authorizing the agreement or the legislative authority or board of township trustees that negotiates and administers the agreement shall forward a copy of the agreement to the director of development services and to the tax commissioner within fifteen days after the agreement is entered into. If any agreement includes terms not provided for in section 5709.631 of the Revised Code affecting the revenue of a city, local, or exempted village school district or causing revenue to be foregone by the
district, including any compensation to be paid to the school district pursuant to section 5709.82 of the Revised Code, those terms also shall be forwarded in writing to the director of development services along with the copy of the agreement forwarded under this division.

(I) After an agreement is entered into, the enterprise shall file with each personal property tax return required to be filed, or annual report that is required to be filed under section 5727.08 of the Revised Code, while the agreement is in effect, an informational return, on a form prescribed by the tax commissioner for that purpose, setting forth separately the property, and related costs and values, exempted from taxation under the agreement.

(J) Enterprises may agree to give preference to residents of the zone within which the agreement applies relative to residents of this state who do not reside in the zone when hiring new employees under the agreement.

(K) An agreement entered into under this section may include a provision requiring the enterprise to create one or more temporary internship positions for students enrolled in a course of study at a school or other educational institution in the vicinity, and to create a scholarship or provide another form of educational financial assistance for students holding such a position in exchange for the student's commitment to work for the enterprise at the completion of the internship.

(L) The tax commissioner's authority in determining the accuracy of any exemption granted by an agreement entered into under this section is limited to divisions (B)(1)(b)(i) and (ii), (B)(2), (C), and (I) of this section, division (B)(1)(b)(iv) of this section as it pertains to divisions (C)(2)(a), (b), (c), and (e).
and (c) of section 5709.62 of the Revised Code, and divisions (B)(1) to (10) of section 5709.631 of the Revised Code and, as authorized by law, to enforcing any modification to, or revocation of, that agreement by the board of county commissioners or the director of development services or, if the board's powers and duties are delegated under division (G) of this section, by the legislative authority of a municipal corporation or board of township trustees.

Sec. 5709.632. (A)(1) The legislative authority of a municipal corporation defined by the United States office of management and budget as a principal city of a metropolitan statistical area may, in the manner set forth in section 5709.62 of the Revised Code, designate one or more areas in the municipal corporation as a proposed enterprise zone.

(2) With the consent of the legislative authority of each affected municipal corporation or of a board of township trustees, a board of county commissioners may, in the manner set forth in section 5709.62 of the Revised Code, designate one or more areas in one or more municipal corporations or in unincorporated areas of the county as proposed urban jobs and enterprise zones, except that a board of county commissioners may designate no more than one area within a township, or within adjacent townships, as a proposed urban jobs and enterprise zone.

(3) The legislative authority or board of county commissioners may petition the either of the following for certification of an enterprise zone:

(a) The director of development services for certification of, who shall determine if the area as having has the characteristics set forth in division (A)(3) of section 5709.61
of the Revised Code. Within sixty days after receiving such a petition, the director shall determine whether the area has the characteristics set forth in that division and forward the findings to the legislative authority or board of county commissioners. If the director certifies the area as having those characteristics and thereby certifies it as a zone, the legislative authority or board may enter into agreements with enterprises under division (B) of this section.

(b) The board of education of each city, local, or exempted village school district within the territory of which the proposed enterprise zone is located. If each board of education verifies that the proposed zone has the characteristics set forth in division (A)(3) of section 5709.61 of the Revised Code, each board, by resolution adopted by the majority of the board, may approve the proposed enterprise zone. Approval by all affected boards of education constitutes certification of a zone under this section for the purposes of sections 5709.61 to 5709.69 of the Revised Code. Unless otherwise provided in the resolution, the board of education does not waive its right to approve agreements or receive notice of agreements under this section by approving an enterprise zone proposal under this division. Upon approval of the board of education of each affected school district, the legislative authority or board may enter into agreements with enterprises under division (B) of this section.

Any enterprise wishing to enter into an agreement with a legislative authority or board of county commissioners under this section and satisfying one of the criteria described in divisions (B)(1) to (5) of this section shall submit a proposal to the legislative authority or board on the form prescribed under division (B) of section 5709.62 of the Revised Code and
shall review and update the estimates and listings required by
the form in the manner required under that division. The
legislative authority or board may, on a separate form and at
any time, require any additional information necessary to
determine whether an enterprise is in compliance with an
agreement and to collect the information required to be reported
under section 5709.68 of the Revised Code.

(B) Prior to entering into an agreement with an
enterprise, the legislative authority or board of county
commissioners shall determine whether the enterprise submitting
the proposal is qualified by financial responsibility and
business experience to create and preserve employment
opportunities in the zone and to improve the economic climate of
the municipal corporation or municipal corporations or the
unincorporated areas in which the zone is located and to which
the proposal applies, and whether the enterprise satisfies one
of the following criteria:

(1) The enterprise currently has no operations in this
state and, subject to approval of the agreement, intends to
establish operations in the zone;

(2) The enterprise currently has operations in this state
and, subject to approval of the agreement, intends to establish
operations at a new location in the zone that would not result
in a reduction in the number of employee positions at any of the
enterprise's other locations in this state;

(3) The enterprise, subject to approval of the agreement,
intends to relocate operations, currently located in another
state, to the zone;

(4) The enterprise, subject to approval of the agreement,
intends to expand operations at an existing site in the zone that the enterprise currently operates;

(5) The enterprise, subject to approval of the agreement, intends to relocate operations, currently located in this state, to the zone, and the director of development services has issued a waiver for the enterprise under division (B) of section 5709.633 of the Revised Code.

(C) If the legislative authority or board determines that the enterprise is so qualified and satisfies one of the criteria described in divisions (B)(1) to (5) of this section, the legislative authority or board may, after complying with section 5709.83 of the Revised Code and on or before October 15, 2015, and, in the case of a board of commissioners, with the consent of the legislative authority of each affected municipal corporation or of the board of township trustees, enter into an agreement with the enterprise under which the enterprise agrees to establish, expand, renovate, or occupy a facility in the zone and hire new employees, or preserve employment opportunities for existing employees, in return for the following incentives:

(1) When the facility is located in a municipal corporation, a legislative authority or board of commissioners may enter into an agreement for one or more of the incentives provided in division (C) of section 5709.62 of the Revised Code, subject to division (D) of that section;

(2) When the facility is located in an unincorporated area, a board of commissioners may enter into an agreement for one or more of the incentives provided in divisions (B)(1)(b), (B)(2), and (B)(3) of section 5709.63 of the Revised Code, subject to division (C) of that section.
(D) All agreements entered into under this section shall be in the form prescribed under section 5709.631 of the Revised Code. After an agreement under this section is entered into, if the legislative authority or board of county commissioners revokes its designation of the zone, or if the director of development services revokes the zone's certification, any entitlements granted under the agreement shall continue for the number of years specified in the agreement.

(E) Except as otherwise provided in this division, an agreement entered into under this section shall require that the enterprise pay an annual fee equal to the greater of one percent of the dollar value of incentives offered under the agreement or five hundred dollars; provided, however, that if the value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred dollars. The fee shall be payable to the legislative authority or board of commissioners once per year for each year the agreement is effective on the days and in the form specified in the agreement. Fees paid shall be deposited in a special fund created for such purpose by the legislative authority or board and shall be used by the legislative authority or board exclusively for the purpose of complying with section 5709.68 of the Revised Code and by the tax incentive review council created under section 5709.85 of the Revised Code exclusively for the purposes of performing the duties prescribed under that section. The legislative authority or board may waive or reduce the amount of the fee charged against an enterprise, but such waiver or reduction does not affect the obligations of the legislative authority or board or the tax incentive review council to comply with section 5709.68 or 5709.85 of the Revised Code, respectively.
(F) With the approval of the legislative authority of a municipal corporation or the board of township trustees of a township in which a zone is designated under division (A)(2) of this section, the board of county commissioners may delegate to that legislative authority or board any powers and duties of the board to negotiate and administer agreements with regard to that zone under this section.

(G) When an agreement is entered into pursuant to this section, the legislative authority or board of commissioners authorizing the agreement shall forward a copy of the agreement to the director of development services and to the tax commissioner within fifteen days after the agreement is entered into. If any agreement includes terms not provided for in section 5709.631 of the Revised Code affecting the revenue of a city, local, or exempted village school district or causing revenue to be forgone by the district, including any compensation to be paid to the school district pursuant to section 5709.82 of the Revised Code, those terms also shall be forwarded in writing to the director of development services along with the copy of the agreement forwarded under this division.

(H) After an agreement is entered into, the enterprise shall file with each personal property tax return required to be filed while the agreement is in effect, an informational return, on a form prescribed by the tax commissioner for that purpose, setting forth separately the property, and related costs and values, exempted from taxation under the agreement.

(I) An agreement entered into under this section may include a provision requiring the enterprise to create one or more temporary internship positions for students enrolled in a
course of study at a school or other educational institution in the vicinity, and to create a scholarship or provide another form of educational financial assistance for students holding such a position in exchange for the student's commitment to work for the enterprise at the completion of the internship.

Sec. 5709.82. (A) As used in this section:

(1) "New employee" means both of the following:

(a) Persons employed in the construction of real property exempted from taxation under the chapters or sections of the Revised Code enumerated in division (B) of this section;

(b) Persons not described by division (A)(1)(a) of this section who are first employed at the site of such property and who within the two previous years have not been subject, prior to being employed at that site, to income taxation by the municipal corporation within whose territory the site is located on income derived from employment for the person's current employer. "New employee" does not include any person who replaces a person who is not a new employee under division (A)(1) of this section.

(2) "Infrastructure costs" means costs incurred by a municipal corporation in a calendar year to acquire, construct, reconstruct, improve, plan, or equip real or tangible personal property that directly benefits or will directly benefit the exempted property. If the municipal corporation finances the acquisition, construction, reconstruction, improvement, planning, or equipping of real or tangible personal property that directly benefits the exempted property by issuing debt, "infrastructure costs" means the annual debt charges incurred by the municipal corporation from the issuance of such debt. Real
or tangible personal property directly benefits exempted
property only if the exempted property places or will place
direct, additional demand on the real or tangible personal
property for which such costs were or will be incurred.

(3) "Taxing unit" has the same meaning as in division (H)
of section 5705.01 of the Revised Code.

(B)(1) Except as otherwise provided under division (C) of
this section, the legislative authority of any political
subdivision that has acted under the authority of Chapter 725.
or 1728., sections 3735.65 to 3735.70, or section 5709.40,
5709.41, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 5709.84,
or 5709.88 of the Revised Code to grant an exemption from
taxation for real or tangible personal property may negotiate
with the board of education of each city, local, exempted
village, or joint vocational school district or other taxing
unit within the territory of which the exempted property is
located, and enter into an agreement whereby the school district
or taxing unit is compensated for tax revenue foregone by the
school district or taxing unit as a result of the exemption.

Except as otherwise provided in division (B)(1) of this section,
if a political subdivision enters into more than one agreement
under this section with respect to a tax exemption, the
political subdivision shall provide to each school district or
taxing unit with which it contracts the same percentage of tax
revenue foregone by the school district or taxing unit, which
may be based on a good faith projection made at the time the
exemption is granted. Such percentage shall be calculated on the
basis of amounts paid by the political subdivision and any
amounts paid by an owner under division (B)(2) of this section.
A political subdivision may provide a school district or other
taxing unit with a smaller percentage of foregone tax revenue
than that provided to other school districts or taxing units
only if the school district or taxing unit expressly consents in
the agreement to receiving a smaller percentage. If a
subdivision has acted under the authority of section 5709.40,
5709.41, 5709.73, or 5709.78 of the Revised Code and enters into
a compensation agreement with a city, local, or exempted village
school district, the subdivision shall provide compensation to
the joint vocational school district within the territory of
which the exempted property is located at the same rate and
under the same terms as received by the city, local, or exempted
village school district.

(2) An owner of property exempted from taxation under the
authority described in division (B)(1) of this section may, by
becoming a party to an agreement described in division (B)(1) of
this section or by entering into a separate agreement with a
school district or other taxing unit, agree to compensate the
school district or taxing unit by paying cash or by providing
property or services by gift, loan, or otherwise. If the owner's
property is exempted under the authority of section 5709.40,
5709.41, 5709.73, or 5709.78 of the Revised Code and the owner
enters into a compensation agreement with a city, local, or
exempted village school district, the owner shall provide
compensation to the joint vocational school district within the
territory of which the owner's property is located at the same
rate and under the same terms as received by the city, local, or
exempted village school district.

(C) This division does not apply to the following:

(1) The legislative authority of a municipal corporation
that has acted under the authority of division (H) of section
715.70 or division (U) of section 715.81-715.72 of the Revised
Code to consent to the granting of an exemption from taxation
for real or tangible personal property in a joint economic
development district.

(2) The legislative authority of a municipal corporation
that has specified in an ordinance adopted under section 5709.40
or 5709.41 of the Revised Code that payments in lieu of taxes
provided for under section 5709.42 of the Revised Code shall be
paid to the city, local, or exempted village school district in
which the improvements are located in the amount of taxes that
would have been payable to the school district if the
improvements had not been exempted from taxation, as directed in
the ordinance.

If the legislative authority of any municipal corporation
has acted under the authority of Chapter 725. or 1728. or
section 3735.671, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632,
or 5709.88, or a housing officer under section 3735.67 of the
Revised Code, to grant or consent to the granting of an
exemption from taxation for real or tangible personal property
on or after July 1, 1994, the municipal corporation imposes a
tax on incomes, and the payroll of new employees resulting from
the exercise of that authority equals or exceeds one million
dollars in any tax year for which such property is exempted, the
legislative authority and the board of education of each city,
local, or exempted village school district within the territory
of which the exempted property is located shall attempt to
negotiate an agreement providing for compensation to the school
district for all or a portion of the tax revenue the school
district would have received had the property not been exempted
from taxation. The agreement may include as a party the owner of
the property exempted or to be exempted from taxation and may
include provisions obligating the owner to compensate the school
district by paying cash or providing property or services by

gift, loan, or otherwise. Such an obligation is enforceable by
the board of education of the school district pursuant to the
terms of the agreement.

If the legislative authority and board of education fail
to negotiate an agreement that is mutually acceptable within six
months of formal approval by the legislative authority of the
instrument granting the exemption, the legislative authority
shall compensate the school district in the amount and manner
prescribed by division (D) of this section.

(D) Annually, the legislative authority of a municipal
corporation subject to this division shall pay to the city,
local, or exempted village school district within the territory
of which the exempted property is located an amount equal to
fifty per cent of the difference between the amount of taxes
levied and collected by the municipal corporation on the incomes
of new employees in the calendar year ending on the day the
payment is required to be made, and the amount of any
infrastructure costs incurred in that calendar year. For
purposes of such computation, the amount of infrastructure costs
shall not exceed thirty-five per cent of the amount of those
taxes unless the board of education of the school district, by
resolution adopted by a majority of the board, approves an
amount in excess of that percentage. If the amount of those
taxes or infrastructure costs must be estimated at the time the
payment is made, payments in subsequent years shall be adjusted
to compensate for any departure of those estimates from the
actual amount of those taxes.

A municipal corporation required to make a payment under
this section shall make the payment from its general fund or a
special fund established for the purpose. The payment is payable on the thirty-first day of December of the tax year for or in which the exemption from taxation commences and on that day for each subsequent tax year property is exempted and the legislative authority and board fail to negotiate an acceptable agreement under division (C) of this section.

Sec. 5733.06. For tax years prior to tax year 2014, the tax hereby charged each corporation subject to this chapter shall be the greater of the sum of divisions (A) and (B) of this section, after the reduction, if any, provided by division (J) of this section, or division (C) of this section, after the reduction, if any, provided by division (J) of this section, except that the tax hereby charged each financial institution subject to this chapter shall be the amount computed under division (D) of this section:

(A) Except as set forth in division (F) of this section, five and one-tenth per cent upon the first fifty thousand dollars of the value of the taxpayer's issued and outstanding shares of stock as determined under division (B) of section 5733.05 of the Revised Code;

(B) Except as set forth in division (F) of this section, eight and one-half per cent upon the value so determined in excess of fifty thousand dollars; or

(C)(1) Except as otherwise provided under division (G) of this section, four mills times that portion of the value of the issued and outstanding shares of stock as determined under division (C) of section 5733.05 of the Revised Code. For the purposes of division (C) of this section, division (C)(2) of section 5733.065, and division (C) of section 5733.066 of the Revised Code, the value of the issued and outstanding shares of
(2) As used in division (C) of this section, "eligible corporation" means a person treated as a corporation for federal income tax purposes that meets all of the following criteria:

(a) The corporation conducts business for an entire taxable year as a qualified trade or business as defined by division (C) of section 122.15 of the Revised Code, as that section existed before its repeal by H.B. 59 of the 130th general assembly.

(b) The corporation uses more than fifty per cent of the corporation's assets, based on net book value, that are located in Ohio solely to conduct activities that constitute a qualified trade or business as defined by section 122.15 of the Revised Code, as that section existed before its repeal by H.B. 59 of the 130th general assembly.

(c) The corporation has been formed or organized not more than three years before the report required to be filed by section 5733.02 of the Revised Code is due, without regard to any extensions.

(d) The corporation is not a related member, as defined in section 5733.042 of the Revised Code, at any time during the taxable year with respect to another person treated as a corporation for federal income tax purposes. A corporation is not a related member if during the entire taxable year at least seventy-five per cent of the corporation's stock is owned directly or through a pass-through entity by individuals, estates, and grantor trusts, and the individuals, estates, and grantor trusts do not directly or indirectly own more than...
twenty per cent of the value of another person treated as a
corporation for federal income tax purposes that is conducting a
qualified trade or business.

(D) The tax charged each financial institution subject to
this chapter shall be that portion of the value of the issued
and outstanding shares of stock as determined under division (A)
of section 5733.05 of the Revised Code, multiplied by the
following amounts:

(1) For tax years prior to the 1999 tax year, fifteen
mills;

(2) For the 1999 tax year, fourteen mills;

(3) For tax year 2000 and thereafter, thirteen mills.

(E) No tax shall be charged from any corporation that has
been adjudicated bankrupt, or for which a receiver has been
appointed, or that has made a general assignment for the benefit
of creditors, except for the portion of the then current tax
year during which the tax commissioner finds such corporation
had the power to exercise its corporate franchise unimpaired by
such proceedings or act. The minimum payment for each
corporation shall be as follows:

(1) One thousand dollars in the case of a corporation
having gross receipts for the taxable year equal to at least
five million dollars from activities within or outside this
state or in the case of a corporation employing at least three
hundred employees at some time during the taxable year within or
outside this state;

(2) Fifty dollars in the case of any other corporation.

The tax charged to corporations under this chapter for the
privilege of engaging in business in this state, which is an excise tax levied on the value of the issued and outstanding shares of stock, shall in no manner be construed as prohibiting or otherwise limiting the powers of municipal corporations, joint economic development zones created under section 715.691 of the Revised Code, and joint economic development districts created under section 715.70 or 715.71, or sections 715.72 to 715.81 of the Revised Code in this state to impose an income tax on the income of such corporations.

(F) If two or more taxpayers satisfy the ownership or control requirements of division (A) of section 5733.052 of the Revised Code, each such taxpayer shall substitute "the taxpayer's pro-rata amount" for "fifty thousand dollars" in divisions (A) and (B) of this section. For purposes of this division, "the taxpayer's pro-rata amount" is an amount that, when added to the other such taxpayers' pro-rata amounts, does not exceed fifty thousand dollars. For the purpose of making that computation, the taxpayer's pro-rata amount shall not be less than zero. Nothing in this division derogates from or eliminates the requirement to make the alternative computation of tax under division (C) of this section.

(G) The tax liability of any corporation under division (C) of this section shall not exceed one hundred fifty thousand dollars.

(H)(1) For the purposes of division (H) of this section, "exiting corporation" means a corporation that satisfies all of the following conditions:

(a) The corporation had nexus with or in this state under the Constitution of the United States during any portion of a calendar year;
(b) The corporation was not a corporation described in division (A) of section 5733.01 of the Revised Code on the first day of January immediately following that calendar year;

(c) The corporation was not a financial institution on the first day of January immediately following that calendar year;

(d) If the corporation was a transferor as defined in section 5733.053 of the Revised Code, the corporation's transferee was not required to add to the transferee's net income the income of the transferor pursuant to division (B) of that section;

(e) During any portion of that calendar year, or any portion of the immediately preceding calendar year, the corporation had net income that was not included in a report filed by the corporation or its transferee pursuant to section 5733.02, 5733.021, 5733.03, 5733.031, or 5733.053 of the Revised Code;

(f) The corporation would have been subject to the tax computed under divisions (A), (B), (C), (F), and (G) of this section if the corporation is assumed to be a corporation described in division (A) of section 5733.01 of the Revised Code on the first day of January immediately following the calendar year to which division (H)(1)(a) of this section refers.

(2) For the purposes of division (H) of this section, "unreported net income" means net income that was not previously included in a report filed pursuant to section 5733.02, 5733.021, 5733.03, 5733.031, or 5733.053 of the Revised Code and that was realized or recognized during the calendar year to which division (H)(1) of this section refers or the immediately preceding calendar year.
(3) Each exiting corporation shall pay a tax computed by first allocating and apportioning the unreported net income pursuant to division (B) of section 5733.05 and section 5733.051 and, if applicable, section 5733.052 of the Revised Code. The exiting corporation then shall compute the tax due on its unreported net income allocated and apportioned to this state by applying divisions (A), (B), and (F) of this section to that income.

(4) Divisions (C) and (G) of this section, division (D)(2) of section 5733.065, and division (C) of section 5733.066 of the Revised Code do not apply to an exiting corporation, but exiting corporations are subject to every other provision of this chapter.

(5) Notwithstanding division (B) of section 5733.01 or sections 5733.02, 5733.021, and 5733.03 of the Revised Code to the contrary, each exiting corporation shall report and pay the tax due under division (H) of this section on or before the thirty-first day of May immediately following the calendar year to which division (H)(1)(a) of this section refers. The exiting corporation shall file that report on the form most recently prescribed by the tax commissioner for the purposes of complying with sections 5733.02 and 5733.03 of the Revised Code. Upon request by the corporation, the tax commissioner may extend the date for filing the report.

(6) If, on account of the application of section 5733.053 of the Revised Code, net income is subject to the tax imposed by divisions (A) and (B) of this section, such income shall not be subject to the tax imposed by division (H)(3) of this section.

(7) The amendments made to division (H) of this section by Am. Sub. S.B. 287 of the 123rd general assembly do not apply to
any transfer, as defined in section 5733.053 of the Revised Code, for which negotiations began prior to January 1, 2001, and that was commenced in and completed during calendar year 2001, unless the taxpayer makes an election prior to December 31, 2001, to apply those amendments.

(8) The tax commissioner may adopt rules governing division (H) of this section.

(I) Any reference in the Revised Code to "the tax imposed by section 5733.06 of the Revised Code" or "the tax due under section 5733.06 of the Revised Code" includes the taxes imposed under sections 5733.065 and 5733.066 of the Revised Code.

(J)(1) Division (J) of this section applies solely to a combined company. Section 5733.057 of the Revised Code shall apply when calculating the adjustments required by division (J) of this section.

(2) Subject to division (J)(4) of this section, the total tax calculated in divisions (A) and (B) of this section shall be reduced by an amount calculated by multiplying such tax by a fraction, the numerator of which is the total taxable gross receipts attributed to providing public utility activity other than as an electric company under section 5727.03 of the Revised Code for the year upon which the taxable gross receipts are measured immediately preceding the tax year, and the denominator of which is the total gross receipts from all sources for the year upon which the taxable gross receipts are measured immediately preceding the tax year. Nothing herein shall be construed to exclude from the denominator any item of income described in section 5733.051 of the Revised Code.

(3) Subject to division (J)(4) of this section, the total
tax calculated in division (C) of this section shall be reduced by an amount calculated by multiplying such tax by the fraction described in division (J)(2) of this section.

(4) In no event shall the reduction provided by division (J)(2) or (J)(3) of this section exceed the amount of the excise tax paid in accordance with section 5727.38 of the Revised Code, for the year upon which the taxable gross receipts are measured immediately preceding the tax year.

Sec. 5733.41. The purpose of the tax imposed by this section is to complement and to reinforce the tax imposed under section 5733.06 of the Revised Code.

For the same purposes for which the tax is levied under section 5733.06 of the Revised Code, there is hereby levied a tax on every qualifying pass-through entity having at least one qualifying investor that is not an individual. The tax imposed by this section is imposed on the sum of the adjusted qualifying amounts of the qualifying pass-through entity's qualifying investors that are not individuals as follows: for qualifying investors subject to division (G)(2) of section 5733.01 of the Revised Code, at six and eight-tenths per cent for the entity's taxable year ending in 2005, at five and one-tenth per cent for the entity's taxable year ending in 2006, at three and four-tenths per cent for the entity's taxable year ending in 2007, at one and seven-tenths per cent for the entity's taxable year ending in 2008, and at zero per cent for the entity's taxable year ending in 2009 or in subsequent years; and for all other qualifying investors that are not individuals, at the rate of eight and one-half per cent.

The tax imposed by this section applies only if the qualifying entity has nexus with this state under the
Constitution of the United States for any portion of the qualifying entity's qualifying taxable year, and the sum of the qualifying entity's adjusted qualifying amounts exceeds one thousand dollars for the qualifying entity's qualifying taxable year. This section does not apply to a pass-through entity if all of the partners, shareholders, members, or investors of the pass-through entity are taxpayers for the purposes of section 5733.04 of the Revised Code without regard to section 5733.09 of the Revised Code for the entire qualifying taxable year of the pass-through entity.

If, prior to the due date of the return, a qualifying pass-through entity receives from an investor a written representation, under penalties of perjury, that the investor is described in division (I)(1), (2), (6), (7), (8), or (9) of section 5733.40 of the Revised Code for the qualifying pass-through entity's entire qualifying taxable year, the qualifying pass-through entity is not required to withhold or pay the taxes or estimated taxes imposed under this section or sections 5747.41 to 5747.453 of the Revised Code with respect to that investor for that qualifying taxable year, and is not subject to any interest or interest penalties for failure to withhold or pay those taxes or estimated taxes with respect to that investor for that qualifying taxable year.

If, prior to the due date of the return, a qualifying trust receives from a beneficiary of that trust a written representation, under penalties of perjury, that the beneficiary is a resident taxpayer for the purposes of Chapter 5747. of the Revised Code for the qualifying trust's entire qualifying taxable year, the qualifying trust is not required to withhold or pay the taxes or estimated taxes imposed under this section or sections 5747.41 to 5747.453 of the Revised Code with respect
to that beneficiary for that qualifying taxable year, and is not subject to any interest or interest penalties for failure to withhold or pay those taxes or estimated taxes with respect to that beneficiary for that qualifying taxable year.

The tax commissioner may adopt rules for the purpose of the tax levied by this section or section 5747.41 of the Revised Code, including a rule defining "qualifying investor" or "qualifying beneficiary," and a rule requiring or permitting a qualifying entity to combine its income with related members and to pay the tax and estimated tax on a combined basis.

Sections 5747.10 to 5747.19 and 5747.42 to 5747.453 of the Revised Code apply to a qualifying entity subject to the tax imposed under this section.

The levy of the tax under this section does not prevent a municipal corporation or a joint economic development district created under section 715.70 or sections 715.71 to 715.81 of the Revised Code from levying a tax on income.

Sec. 5747.02. (A) For the purpose of providing revenue for the support of schools and local government functions, to provide relief to property taxpayers, to provide revenue for the general revenue fund, and to meet the expenses of administering the tax levied by this chapter, there is hereby levied on every individual, trust, and estate residing in or earning or receiving income in this state, on every individual, trust, and estate earning or receiving lottery winnings, prizes, or awards pursuant to Chapter 3770. of the Revised Code, on every individual, trust, and estate earning or receiving winnings on casino gaming, and on every individual, trust, and estate otherwise having nexus with or in this state under the Constitution of the United States, an annual tax measured in the
case of individuals by Ohio adjusted gross income less an  
exemption for the taxpayer, the taxpayer's spouse, and each  
dependent as provided in section 5747.025 of the Revised Code;  
measured in the case of trusts by modified Ohio taxable income  
under division (D) of this section; and measured in the case of  
estates by Ohio taxable income. The tax imposed by this section  
on the balance thus obtained is hereby levied as follows:

(1) For taxable years beginning in 2004:

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>OHIO ADJUSTED GROSS INCOME LESS</td>
<td></td>
</tr>
<tr>
<td>OR</td>
<td></td>
</tr>
<tr>
<td>MODIFIED OHIO</td>
<td></td>
</tr>
<tr>
<td>TAXABLE INCOME (TRUSTS)</td>
<td></td>
</tr>
<tr>
<td>OR</td>
<td></td>
</tr>
<tr>
<td>OHIO TAXABLE INCOME (ESTATES)</td>
<td></td>
</tr>
<tr>
<td>$5,000 or less</td>
<td>.743%</td>
</tr>
<tr>
<td>More than $5,000 but not more than $10,000</td>
<td>$37.15 plus 1.486% of the amount</td>
</tr>
<tr>
<td>More than $10,000 but not more than $15,000</td>
<td>$111.45 plus 2.972% of the amount</td>
</tr>
<tr>
<td>More than $15,000 but not more than $20,000</td>
<td>$260.05 plus 3.715% of the amount</td>
</tr>
<tr>
<td>More than $20,000 but not more than $40,000</td>
<td>$445.80 plus 4.457% of the amount</td>
</tr>
<tr>
<td>More than $40,000 but not more than $80,000</td>
<td>$1,337.20 plus 5.201% of the amount</td>
</tr>
<tr>
<td>More than $80,000 but not more than $100,000</td>
<td>$3,417.60 plus 5.943% of the amount</td>
</tr>
<tr>
<td>More than $100,000 but not more than $200,000</td>
<td>$4,606.20 plus 6.9% of the amount</td>
</tr>
</tbody>
</table>
More than $200,000 $11,506.20 plus 7.5% of the amount
in excess of $200,000

(2) For taxable years beginning in 2005:

OHIO ADJUSTED GROSS INCOME LESS

EXEMPTIONS (INDIVIDUALS)
OR
MODIFIED OHIO TAXABLE INCOME (TRUSTS)
OR
OHIO TAXABLE INCOME (ESTATES) TAX

$5,000 or less .712%
More than $5,000 but $35.60 plus 1.424% of the amount
not more than $10,000 in excess of $5,000
More than $10,000 but $106.80 plus 2.847% of the amount
not more than $15,000 in excess of $10,000
More than $15,000 but $249.15 plus 3.559% of the amount
not more than $20,000 in excess of $15,000
More than $20,000 but $427.10 plus 4.27% of the amount
not more than $40,000 in excess of $20,000
More than $40,000 but $1,281.10 plus 4.983% of the amount
not more than $80,000 in excess of $40,000
More than $80,000 but $3,274.30 plus 5.693% of the amount
not more than $100,000 in excess of $80,000
More than $100,000 but $4,412.90 plus 6.61% of the amount
not more than $200,000 in excess of $100,000
More than $200,000 $11,022.90 plus 7.185% of the amount in excess of $200,000

(3) For taxable years beginning in 2006:

OHIO ADJUSTED GROSS INCOME LESS
EXEMPTIONS (INDIVIDUALS)
OR
MODIFIED OHIO
TAXABLE INCOME (TRUSTS)
OR
OHIO TAXABLE INCOME (ESTATES)

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 or less</td>
<td>.681%</td>
</tr>
<tr>
<td>More than $5,000 but $10,000</td>
<td>$34.05 plus 1.361% of the amount</td>
</tr>
<tr>
<td>not more than $10,000</td>
<td>in excess of $5,000</td>
</tr>
<tr>
<td>More than $10,000 but $15,000</td>
<td>$102.10 plus 2.722% of the amount</td>
</tr>
<tr>
<td>not more than $15,000</td>
<td>in excess of $10,000</td>
</tr>
<tr>
<td>More than $15,000 but $20,000</td>
<td>$238.20 plus 3.403% of the amount</td>
</tr>
<tr>
<td>not more than $20,000</td>
<td>in excess of $15,000</td>
</tr>
<tr>
<td>More than $20,000 but $40,000</td>
<td>$408.35 plus 4.083% of the amount</td>
</tr>
<tr>
<td>not more than $40,000</td>
<td>in excess of $20,000</td>
</tr>
<tr>
<td>More than $40,000 but $80,000</td>
<td>$1,224.95 plus 4.764% of the amount</td>
</tr>
<tr>
<td>not more than $80,000</td>
<td>in excess of $40,000</td>
</tr>
<tr>
<td>More than $80,000 but $100,000</td>
<td>$3,130.55 plus 5.444% of the amount</td>
</tr>
<tr>
<td>not more than $100,000</td>
<td>in excess of $80,000</td>
</tr>
<tr>
<td>More than $100,000 but $200,000</td>
<td>$4,219.35 plus 6.32% of the amount</td>
</tr>
<tr>
<td>not more than $200,000</td>
<td>in excess of $100,000</td>
</tr>
<tr>
<td>More than $200,000</td>
<td>$10,539.35 plus 6.87% of the amount</td>
</tr>
<tr>
<td></td>
<td>in excess of $200,000</td>
</tr>
</tbody>
</table>

(4) For taxable years beginning in 2007:

OHIO ADJUSTED GROSS INCOME LESS

EXEMPTIONS (INDIVIDUALS)
OR
MODIFIED OHIO
TAXABLE INCOME (TRUSTS)
OR
OHIO TAXABLE INCOME (ESTATES)  TAX

<table>
<thead>
<tr>
<th>Threshold</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 or less</td>
<td>.649%</td>
</tr>
<tr>
<td>More than $5,000 but</td>
<td>$32.45 plus 1.299% of the amount</td>
</tr>
<tr>
<td>not more than $10,000</td>
<td>in excess of $5,000</td>
</tr>
<tr>
<td>More than $10,000 but</td>
<td>$97.40 plus 2.598% of the amount</td>
</tr>
<tr>
<td>not more than $15,000</td>
<td>in excess of $10,000</td>
</tr>
<tr>
<td>More than $15,000 but</td>
<td>$227.30 plus 3.247% of the amount</td>
</tr>
<tr>
<td>not more than $20,000</td>
<td>in excess of $15,000</td>
</tr>
<tr>
<td>More than $20,000 but</td>
<td>$389.65 plus 3.895% of the amount</td>
</tr>
<tr>
<td>not more than $40,000</td>
<td>in excess of $20,000</td>
</tr>
<tr>
<td>More than $40,000 but</td>
<td>$1,168.65 plus 4.546% of the amount</td>
</tr>
<tr>
<td>not more than $80,000</td>
<td>in excess of $40,000</td>
</tr>
<tr>
<td>More than $80,000 but</td>
<td>$2,987.05 plus 5.194% of the amount</td>
</tr>
<tr>
<td>not more than $100,000</td>
<td>in excess of $80,000</td>
</tr>
<tr>
<td>More than $100,000 but</td>
<td>$4,025.85 plus 6.031% of the amount</td>
</tr>
<tr>
<td>not more than $200,000</td>
<td>in excess of $100,000</td>
</tr>
<tr>
<td>More than $200,000</td>
<td>$10,056.85 plus 6.555% of the amount</td>
</tr>
</tbody>
</table>

(5) For taxable years beginning in 2008, 2009, or 2010:

OHIO ADJUSTED GROSS INCOME LESS

EXEMPTIONS (INDIVIDUALS)

OR

MODIFIED OHIO

TAXABLE INCOME (TRUSTS)

OR

OHIO TAXABLE INCOME (ESTATES)  TAX

<table>
<thead>
<tr>
<th>Threshold</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 or less</td>
<td>.618%</td>
</tr>
<tr>
<td>More than $5,000 but</td>
<td>$30.90 plus 1.236% of the amount</td>
</tr>
<tr>
<td>not more than $10,000</td>
<td>in excess of $5,000</td>
</tr>
<tr>
<td>Income Range</td>
<td>Tax Calculation</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------</td>
</tr>
<tr>
<td>More than $10,000 but not more than $15,000</td>
<td>$92.70 plus 2.473% of the amount</td>
</tr>
<tr>
<td>More than $15,000 but not more than $20,000</td>
<td>$216.35 plus 3.091% of the amount</td>
</tr>
<tr>
<td>More than $20,000 but not more than $40,000</td>
<td>$370.90 plus 3.708% of the amount</td>
</tr>
<tr>
<td>More than $40,000 but not more than $80,000</td>
<td>$1,112.50 plus 4.327% of the amount</td>
</tr>
<tr>
<td>More than $80,000 but not more than $150,000</td>
<td>$2,843.30 plus 4.945% of the amount</td>
</tr>
<tr>
<td>More than $150,000 but not more than $200,000</td>
<td>$3,832.30 plus 5.741% of the amount</td>
</tr>
<tr>
<td>More than $200,000</td>
<td>$9,573.30 plus 6.24% of the amount</td>
</tr>
</tbody>
</table>

(6) For taxable years beginning in 2011 or 2012:

<table>
<thead>
<tr>
<th>OHIO ADJUSTED GROSS INCOME LESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXEMPTIONS (INDIVIDUALS)</td>
</tr>
<tr>
<td>OR</td>
</tr>
<tr>
<td>MODIFIED OHIO</td>
</tr>
<tr>
<td>TAXABLE INCOME (TRUSTS)</td>
</tr>
<tr>
<td>OR</td>
</tr>
<tr>
<td>OHIO TAXABLE INCOME (ESTATES)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 or less</td>
<td>.587%</td>
</tr>
<tr>
<td>More than $5,000 but not more than $10,000</td>
<td>$29.35 plus 1.174% of the amount</td>
</tr>
<tr>
<td>More than $10,000 but not more than $15,000</td>
<td>$88.05 plus 2.348% of the amount</td>
</tr>
<tr>
<td>More than $15,000 but not more than $20,000</td>
<td>$205.45 plus 2.935% of the amount</td>
</tr>
<tr>
<td>More than $20,000 but</td>
<td>$352.20 plus 3.521% of the amount</td>
</tr>
</tbody>
</table>
not more than $40,000 & in excess of $20,000 & 2367  
More than $40,000 but & $1,056.40 plus 4.109% of the amount & 2368  
not more than $80,000 & in excess of $40,000 & 2369  
More than $80,000 but & $2,700.00 plus 4.695% of the amount & 2370  
not more than $100,000 & in excess of $80,000 & 2371  
More than $100,000 but & $3,639.00 plus 5.451% of the amount & 2372  
not more than $200,000 & in excess of $100,000 & 2373  
More than $200,000 & $9,090.00 plus 5.925% of the amount & 2374  
in excess of $200,000 & 2375  

(7) For taxable years beginning in 2013:

<table>
<thead>
<tr>
<th>OHIO ADJUSTED GROSS INCOME LESS</th>
<th>TAX</th>
</tr>
</thead>
</table>
| EXEMPTIONS (INDIVIDUALS) | .537% | 2384  
| OR | 2385  
| MODIFIED OHIO TAXABLE INCOME (TRUSTS) | 2386  
| OR | 2387  
| OHIO TAXABLE INCOME (ESTATES) | 2388  
| $5,000 or less | 2389  
| More than $5,000 but | $26.86 plus 1.074% of the amount | 2390  
| not more than $10,000 | in excess of $5,000 | 2391  
| More than $10,000 but | $80.57 plus 2.148% of the amount | 2392  
| not more than $15,000 | in excess of $10,000 | 2393  
| More than $15,000 but | $187.99 plus 2.686% of the amount | 2394  
| not more than $20,000 | in excess of $15,000 | 2395  
| More than $20,000 but | $322.26 plus 3.222% of the amount | 2396  
| not more than $40,000 | in excess of $20,000 | 2397  
| More than $40,000 but | $966.61 plus 3.760% of the amount | 2398  
| not more than $80,000 | in excess of $40,000 | 2399  
| More than $80,000 but | $2,470.50 plus 4.296% of the amount | 2400  
| not more than $100,000 | in excess of $80,000 | 2401  

2367 2368 2369 2370 2371 2372 2373 2374 2375 2376 2377 2378 2379 2380 2381 2382 2383 2384 2385 2386 2387 2388 2389 2390 2391 2392 2393 2394 2395 2396
(8) For taxable years beginning in 2014 or thereafter:

OHIO ADJUSTED GROSS INCOME LESS

EXEMPTIONS (INDIVIDUALS)

OR

MODIFIED OHIO

TAXABLE INCOME (TRUSTS)

OR

OHIO TAXABLE INCOME (ESTATES)

$5,000 or less  .528%

More than $5,000 but $26.41 plus 1.057% of the amount

not more than $10,000 in excess of $5,000

More than $10,000 but $79.24 plus 2.113% of the amount

not more than $15,000 in excess of $10,000

More than $15,000 but $184.90 plus 2.642% of the amount

not more than $20,000 in excess of $15,000

More than $20,000 but $316.98 plus 3.169% of the amount

not more than $40,000 in excess of $20,000

More than $40,000 but $950.76 plus 3.698% of the amount

not more than $80,000 in excess of $40,000

More than $80,000 but $2,430.00 plus 4.226% of the amount

not more than $100,000 in excess of $80,000

More than $100,000 but $3,275.10 plus 4.906% of the amount

not more than $200,000 in excess of $100,000

More than $200,000 $8,181.00 plus 5.333% of the amount

in excess of $200,000
Except as otherwise provided in this division, in August of each year, the tax commissioner shall make a new adjustment to the income amounts prescribed in this division by multiplying the percentage increase in the gross domestic product deflator computed that year under section 5747.025 of the Revised Code by each of the income amounts resulting from the adjustment under this division in the preceding year, adding the resulting product to the corresponding income amount resulting from the adjustment in the preceding year, and rounding the resulting sum to the nearest multiple of fifty dollars. The tax commissioner also shall recompute each of the tax dollar amounts to the extent necessary to reflect the new adjustment of the income amounts. The rates of taxation shall not be adjusted.

The adjusted amounts apply to taxable years beginning in the calendar year in which the adjustments are made and to taxable years beginning in each ensuing calendar year until a calendar year in which a new adjustment is made pursuant to this division. The tax commissioner shall not make a new adjustment in any year in which the amount resulting from the adjustment would be less than the amount resulting from the adjustment in the preceding year. The commissioner shall not make a new adjustment for taxable years beginning in 2013, 2014, or 2015.

(B) If the director of budget and management makes a certification to the tax commissioner under division (B) of section 131.44 of the Revised Code, the amount of tax as determined under division (A) of this section shall be reduced by the percentage prescribed in that certification for taxable years beginning in the calendar year in which that certification is made.

(C) The levy of this tax on income does not prevent a
municipal corporation, a joint economic development zone created under section 715.691, or a joint economic development district created under section 715.70 or 715.71, or sections 715.72 to 715.81 of the Revised Code from levying a tax on income.

(D) This division applies only to taxable years of a trust beginning in 2002 or thereafter.

(1) The tax imposed by this section on a trust shall be computed by multiplying the Ohio modified taxable income of the trust by the rates prescribed by division (A) of this section.

(2) A resident trust may claim a credit against the tax computed under division (D) of this section equal to the lesser of (1) the tax paid to another state or the District of Columbia on the resident trust's modified nonbusiness income, other than the portion of the resident trust's nonbusiness income that is qualifying investment income as defined in section 5747.012 of the Revised Code, or (2) the effective tax rate, based on modified Ohio taxable income, multiplied by the resident trust's modified nonbusiness income other than the portion of the resident trust's nonbusiness income that is qualifying investment income. The credit applies before any other applicable credits.

(3) The credits enumerated in divisions (A)(1) to (13) of section 5747.98 of the Revised Code do not apply to a trust subject to division (D) of this section. Any credits enumerated in other divisions of section 5747.98 of the Revised Code apply to a trust subject to division (D) of this section. To the extent that the trust distributes income for the taxable year for which a credit is available to the trust, the credit shall be shared by the trust and its beneficiaries. The tax commissioner and the trust shall be guided by applicable
regulations of the United States treasury regarding the sharing of credits.

(E) For the purposes of this section, "trust" means any trust described in Subchapter J of Chapter 1 of the Internal Revenue Code, excluding trusts that are not irrevocable as defined in division (I)(3)(b) of section 5747.01 of the Revised Code and that have no modified Ohio taxable income for the taxable year, charitable remainder trusts, qualified funeral trusts and preneed funeral contract trusts established pursuant to sections 4717.31 to 4717.38 of the Revised Code that are not qualified funeral trusts, endowment and perpetual care trusts, qualified settlement trusts and funds, designated settlement trusts and funds, and trusts exempted from taxation under section 501(a) of the Internal Revenue Code.

Sec. 5747.41. For the same purposes for which the tax is levied under section 5747.02 of the Revised Code, there is hereby levied a withholding tax on every qualifying pass-through entity having at least one qualifying investor who is an individual and on every qualifying trust having at least one qualifying beneficiary who is an individual. The withholding tax imposed by this section is imposed on the sum of the adjusted qualifying amounts of a qualifying pass-through entity's qualifying investors who are individuals and on the sum of the adjusted qualifying amounts of a qualifying trust's qualifying beneficiaries, at the rate of five per cent of that sum.

The tax imposed by this section applies only if the qualifying entity has nexus with this state under the Constitution of the United States for any portion of the qualifying entity's qualifying taxable year, and the sum of the qualifying entity's adjusted qualifying amounts exceeds one
thousand dollars for the qualifying entity's qualifying taxable year.

The levy of the tax under this section does not prevent a municipal corporation or a joint economic development district created under section 715.70 or 715.71, or sections 715.72 to 715.81 of the Revised Code from levying a tax on income.

Section 2. That existing sections 715.72, 715.79, 715.80, 715.81, 715.82, 715.83, 5709.61, 5709.62, 5709.63, 5709.632, 5709.82, 5733.06, 5733.41, 5747.02, and 5747.41 and sections 715.73, 715.74, 715.75, 715.76, 715.761, 715.77, 715.771, and 715.78 of the Revised Code are hereby repealed.