

**As Introduced**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**S. B. No. 276**

**Senators Roegner, Manning**

**Cosponsors: Senators Brenner, Hackett, Eklund**

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**A BILL**

To amend sections 111.16, 122.16, 122.173, 135.14, 1  
135.142, 135.35, 150.05, 718.01, 1329.01, 2  
1329.02, 1701.03, 1701.05, 1701.791, 1702.05, 3  
1702.411, 1703.04, 1729.36, 1729.38, 1745.461, 4  
1751.01, 1776.69, 1776.82, 1782.02, 1782.432, 5  
1785.09, 3345.203, 3964.03, 3964.17, 4701.14, 6  
4703.18, 4703.331, 4715.18, 4715.22, 4715.365, 7  
4715.431, 4717.06, 4723.16, 4725.33, 4729.161, 8  
4729.541, 4731.226, 4731.228, 4732.28, 4733.16, 9  
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 10  
5715.19, 5733.04, 5733.33, 5733.42, 5747.01, and 11  
5751.01; to enact sections 1706.01, 1706.02, 12  
1706.03, 1706.04, 1706.05, 1706.06, 1706.061, 13  
1706.07, 1706.08, 1706.081, 1706.082, 1706.09, 14  
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1706.173, 1706.174, 1706.175, 1706.18, 1706.19, 16  
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1706.766, 1706.767, 1706.768, 1706.769,	29
1706.7610, 1706.7611, 1706.7612, 1706.7613,	30
1706.81, 1706.82, 1706.83, and 1706.84; and to	31
repeal sections 1705.01, 1705.02, 1705.03,	32
1705.031, 1705.04, 1705.05, 1705.06, 1705.07,	33
1705.08, 1705.081, 1705.09, 1705.10, 1705.11,	34
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1705.53, 1705.54, 1705.55, 1705.56, 1705.57,	45
1705.58, and 1705.61 of the Revised Code to	46
enact the Ohio Revised Limited Liability Company	47
Act.	48

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

<b>Section 1.</b> That sections 111.16, 122.16, 122.173, 135.14,	49
135.142, 135.35, 150.05, 718.01, 1329.01, 1329.02, 1701.03,	50

1701.05, 1701.791, 1702.05, 1702.411, 1703.04, 1729.36, 1729.38, 51  
1745.461, 1751.01, 1776.69, 1776.82, 1782.02, 1782.432, 1785.09, 52  
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4729.161, 4729.541, 4731.226, 4731.228, 4732.28, 4733.16, 55  
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 5715.19, 5733.04, 56  
5733.33, 5733.42, 5747.01, and 5751.01 be amended and sections 57  
1706.01, 1706.02, 1706.03, 1706.04, 1706.05, 1706.06, 1706.061, 58  
1706.07, 1706.08, 1706.081, 1706.082, 1706.09, 1706.16, 59  
1706.161, 1706.17, 1706.171, 1706.172, 1706.173, 1706.174, 60  
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1706.281, 1706.29, 1706.30, 1706.31, 1706.311, 1706.32, 1706.33, 62  
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1706.512, 1706.513, 1706.515, 1706.516, 1706.61, 1706.611, 66  
1706.612, 1706.613, 1706.614, 1706.615, 1706.616, 1706.617, 67  
1706.618, 1706.71, 1706.711, 1706.712, 1706.713, 1706.72, 68  
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1706.761, 1706.762, 1706.763, 1706.764, 1706.765, 1706.766, 70  
1706.767, 1706.768, 1706.769, 1706.7610, 1706.7611, 1706.7612, 71  
1706.7613, 1706.81, 1706.82, 1706.83, and 1706.84 of the Revised 72  
Code be enacted to read as follows: 73

**Sec. 111.16.** Except as provided in section 1701.041 of the 74  
Revised Code, the secretary of state shall charge and collect, 75  
for the benefit of the state, the following fees: 76

(A) For filing and recording articles of incorporation of 77  
a domestic corporation, including designation of agent: 78

(1) Wherein the corporation shall not be authorized to 79  
issue any shares of capital stock, ninety-nine dollars; 80

(2) Wherein the corporation shall be authorized to issue shares of capital stock, with or without par value:	81 82
(a) Ten cents for each share authorized up to and including one thousand shares;	83 84
(b) Five cents for each share authorized in excess of one thousand shares up to and including ten thousand shares;	85 86
(c) Two cents for each share authorized in excess of ten thousand shares up to and including fifty thousand shares;	87 88
(d) One cent for each share authorized in excess of fifty thousand shares up to and including one hundred thousand shares;	89 90
(e) One-half cent for each share authorized in excess of one hundred thousand shares up to and including five hundred thousand shares;	91 92 93
(f) One-quarter cent for each share authorized in excess of five hundred thousand shares; provided no fee shall be less than ninety-nine dollars or greater than one hundred thousand dollars.	94 95 96 97
(B) For filing and recording a certificate of amendment to or amended articles of incorporation of a domestic corporation, or for filing and recording a certificate of reorganization, a certificate of dissolution, or an amendment to a foreign license application:	98 99 100 101 102
(1) If the domestic corporation is not authorized to issue any shares of capital stock, fifty dollars;	103 104
(2) If the domestic corporation is authorized to issue shares of capital stock, fifty dollars, and in case of any increase in the number of shares authorized to be issued, a further sum computed in accordance with the schedule set forth	105 106 107 108

in division (A) (2) of this section less a credit computed in the 109  
same manner for the number of shares previously authorized to be 110  
issued by the corporation; provided no fee under division (B) (2) 111  
of this section shall be greater than one hundred thousand 112  
dollars; 113

(3) If the foreign corporation is not authorized to issue 114  
any shares of capital stock, fifty dollars; 115

(4) If the foreign corporation is authorized to issue 116  
shares of capital stock, fifty dollars. 117

(C) For filing and recording articles of incorporation of 118  
a savings and loan association, ninety-nine dollars; and for 119  
filing and recording a certificate of amendment to or amended 120  
articles of incorporation of a savings and loan association, 121  
fifty dollars; 122

(D) For filing and recording a certificate of conversion, 123  
including a designation of agent, a certificate of merger, or a 124  
certificate of consolidation, ninety-nine dollars and, in the 125  
case of any new corporation resulting from a consolidation or 126  
any surviving corporation that has an increased number of shares 127  
authorized to be issued resulting from a merger, an additional 128  
sum computed in accordance with the schedule set forth in 129  
division (A) (2) of this section less a credit computed in the 130  
same manner for the number of shares previously authorized to be 131  
issued or represented in this state by each of the corporations 132  
for which a consolidation or merger is effected by the 133  
certificate; 134

(E) For filing and recording articles of incorporation of 135  
a credit union or the American credit union guaranty 136  
association, ninety-nine dollars, and for filing and recording a 137

certificate of increase in capital stock or any other amendment	138
of the articles of incorporation of a credit union or the	139
association, fifty dollars;	140
(F) For filing and recording articles of organization of a	141
limited liability company, for filing and recording an	142
application to become a registered foreign limited liability	143
company, for filing and recording a registration application to	144
become a domestic limited liability partnership, or for filing	145
and recording an application to become a registered foreign	146
limited liability partnership, ninety-nine dollars;	147
(G) For filing and recording a certificate of limited	148
partnership or an application for registration as a foreign	149
limited partnership, or for filing an initial statement of	150
partnership authority pursuant to section 1776.33 of the Revised	151
Code, ninety-nine dollars;	152
(H) For filing a copy of papers evidencing the	153
incorporation of a municipal corporation or of annexation of	154
territory by a municipal corporation, five dollars, to be paid	155
by the municipal corporation, the petitioners therefor, or their	156
agent;	157
(I) For filing and recording any of the following:	158
(1) A license to transact business in this state by a	159
foreign corporation for profit pursuant to section 1703.04 of	160
the Revised Code or a foreign nonprofit corporation pursuant to	161
section 1703.27 of the Revised Code, ninety-nine dollars;	162
(2) A biennial report or biennial statement pursuant to	163
section 1775.63, 1776.83, or 1785.06 of the Revised Code,	164
twenty-five dollars;	165
(3) Except as otherwise provided in this section or any	166

other section of the Revised Code, any other certificate or 167  
paper that is required to be filed and recorded or is permitted 168  
to be filed and recorded by any provision of the Revised Code 169  
with the secretary of state, twenty-five dollars. 170

(J) For filing any certificate or paper not required to be 171  
recorded, five dollars; 172

(K) (1) For making copies of any certificate or other paper 173  
filed in the office of the secretary of state, a fee not to 174  
exceed one dollar per page, except as otherwise provided in the 175  
Revised Code, and for creating and affixing the seal of the 176  
office of the secretary of state to any good standing or other 177  
certificate, five dollars. For copies of certificates or papers 178  
required by state officers for official purpose, no charge shall 179  
be made. 180

(2) For creating and affixing the seal of the office of 181  
the secretary of state to the certificates described in division 182  
(E) of section 1701.81, division (E) of section 1701.811, 183  
division (E) of section 1705.38, division (E) of section 184  
1705.381, division (D) of section 1702.43, division (E) of 185  
section 1775.47, division (E) of section 1775.55, division (E) 186  
of section 1776.70, division (E) of section 1776.74, division 187  
(E) of section 1782.433, or division (E) of section 1782.4310 of 188  
the Revised Code, twenty-five dollars. 189

(L) For a minister's license to solemnize marriages, ten 190  
dollars; 191

(M) For examining documents to be filed at a later date 192  
for the purpose of advising as to the acceptability of the 193  
proposed filing, fifty dollars; 194

(N) Fifty dollars for filing and recording any of the 195

following:	196
(1) A certificate of dissolution and accompanying documents, or a certificate of cancellation, under section 1701.86, 1702.47, 1705.43, <u>1706.471</u> , 1776.65, or 1782.10 of the Revised Code;	197 198 199 200
(2) A notice of dissolution of a foreign licensed corporation or a certificate of surrender of license by a foreign licensed corporation under section 1703.17 of the Revised Code;	201 202 203 204
(3) The withdrawal of registration of a foreign or domestic limited liability partnership under section 1775.61, 1775.64, 1776.81, or 1776.86 of the Revised Code, or the certificate of cancellation of registration of a foreign limited liability company under section 1705.57 <u>or 1706.515</u> of the Revised Code;	205 206 207 208 209 210
(4) The filing of a statement of denial under section 1776.34 of the Revised Code, a statement of dissociation under section 1776.57 of the Revised Code, a statement of disclaimer of general partner status under Chapter 1782. of the Revised Code, or a cancellation of disclaimer of general partner status under Chapter 1782. of the Revised Code.	211 212 213 214 215 216
(O) For filing a statement of continued existence by a nonprofit corporation, twenty-five dollars;	217 218
(P) For filing a restatement under section 1705.08, <u>1706.161</u> , or 1782.09 of the Revised Code, an amendment to a certificate of cancellation under section 1782.10 of the Revised Code, an amendment under section 1705.08, <u>1706.161</u> , or 1782.09 of the Revised Code, or a correction under section 1705.55, <u>1706.173, 1706.511, 1706.513, 1775.61, 1775.64, 1776.12, or</u>	219 220 221 222 223 224



1782.52 of the Revised Code, fifty dollars;	225
(Q) For filing for reinstatement of an entity cancelled by operation of law, by the secretary of state, by order of the department of taxation, or by order of a court, twenty-five dollars;	226 227 228 229
(R) For filing and recording any of the following:	230
(1) A change of agent, resignation of agent, or change of agent's address under section 1701.07, 1702.06, 1703.041, 1703.27, 1705.06, 1705.55, <u>1706.09</u> , 1746.04, 1747.03, 1776.07, or 1782.04 of the Revised Code, twenty-five dollars;	231 232 233 234
(2) A multiple change of agent name or address, standardization of agent address, or resignation of agent under section 1701.07, 1702.06, 1703.041, 1703.27, 1705.06, 1705.55, <u>1706.09</u> , 1746.04, 1747.03, 1776.07, or 1782.04 of the Revised Code, one hundred twenty-five dollars, plus three dollars per entity record being changed, by the multiple agent update.	235 236 237 238 239 240
(S) For filing and recording any of the following:	241
(1) An application for the exclusive right to use a name or an application to reserve a name for future use under section 1701.05, 1702.05, 1703.31, 1705.05, <u>1706.07</u> , or 1746.06 of the Revised Code, thirty-nine dollars;	242 243 244 245
(2) A trade name or fictitious name registration or report, thirty-nine dollars;	246 247
(3) An application to renew any item covered by division (S) (1) or (2) of this section that is permitted to be renewed, twenty-five dollars;	248 249 250
(4) An assignment of rights for use of a name covered by division (S) (1), (2), or (3) of this section, the cancellation	251 252

of a name registration or name reservation that is so covered, 253  
or notice of a change of address of the registrant of a name 254  
that is so covered, twenty-five dollars. 255

(T) For filing and recording a report to operate a 256  
business trust or a real estate investment trust, either foreign 257  
or domestic, ninety-nine dollars; and for filing and recording 258  
an amendment to a report or associated trust instrument, or a 259  
surrender of authority, to operate a business trust or real 260  
estate investment trust, fifty dollars; 261

(U) (1) For filing and recording the registration of a 262  
trademark, service mark, or mark of ownership, one hundred 263  
twenty-five dollars; 264

(2) For filing and recording the change of address of a 265  
registrant, the assignment of rights to a registration, a 266  
renewal of a registration, or the cancellation of a registration 267  
associated with a trademark, service mark, or mark of ownership, 268  
twenty-five dollars. 269

(V) For filing a service of process with the secretary of 270  
state, ~~five~~ thirty-five dollars, except as otherwise provided in 271  
any section of the Revised Code; 272

(W) For making, recording, and forwarding a commission 273  
under section 107.06 of the Revised Code, the applicable fee 274  
specified in that section. 275

Fees specified in this section may be paid by cash, check, 276  
or money order, by credit card in accordance with section 113.40 277  
of the Revised Code, or by an alternative payment program in 278  
accordance with division (B) of section 111.18 of the Revised 279  
Code. Any credit card number or the expiration date of any 280  
credit card is not subject to disclosure under Chapter 149. of 281

the Revised Code.	282
<b>Sec. 122.16.</b> (A) As used in this section:	283
(1) "Distressed area" means either a municipal corporation	284
that has a population of at least fifty thousand or a county,	285
that meets two of the following criteria:	286
(a) Its average rate of unemployment, during the most	287
recent five-year period for which data are available, is equal	288
to at least one hundred twenty-five per cent of the average rate	289
of unemployment for the United States for the same period.	290
(b) It has a per capita income equal to or below eighty	291
per cent of the median county per capita income of the United	292
States as determined by the most recently available figures from	293
the United States census bureau.	294
(c) (i) In the case of a municipal corporation, at least	295
twenty per cent of the residents have a total income for the	296
most recent census year that is below the official poverty line.	297
(ii) In the case of a county, in intercensal years, the	298
county has a ratio of transfer payment income to total county	299
income equal to or greater than twenty-five per cent.	300
(2) "Eligible area" means a distressed area, a labor	301
surplus area, an inner city area, or a situational distress	302
area.	303
(3) "Eligible costs associated with a voluntary action"	304
means costs incurred during the qualifying period in performing	305
a remedy or remedial activities, as defined in section 3746.01	306
of the Revised Code, and any costs incurred during the	307
qualifying period in performing both a phase I and phase II	308
property assessment, as defined in the rules adopted under	309

section 3746.04 of the Revised Code, provided that the 310  
performance of the phase I and phase II property assessment 311  
resulted in the implementation of the remedy or remedial 312  
activities. 313

(4) "Inner city area" means, in a municipal corporation 314  
that has a population of at least one hundred thousand and does 315  
not meet the criteria of a labor surplus area or a distressed 316  
area, targeted investment areas established by the municipal 317  
corporation within its boundaries that are comprised of the most 318  
recent census block tracts that individually have at least 319  
twenty per cent of their population at or below the state 320  
poverty level or other census block tracts contiguous to such 321  
census block tracts. 322

(5) "Labor surplus area" means an area designated as a 323  
labor surplus area by the United States department of labor. 324

(6) "Official poverty line" has the same meaning as in 325  
division (A) of section 3923.51 of the Revised Code. 326

(7) "Partner" includes a member of a limited liability 327  
company formed under Chapter 1705. or 1706. of the Revised Code 328  
or under the laws of any other state if the limited liability 329  
company is not treated as a corporation for purposes of Chapter 330  
5733. of the Revised Code and is not classified as an 331  
association taxable as a corporation for federal income tax 332  
purposes. 333

(8) "Partnership" includes a limited liability company 334  
formed under Chapter 1705. or 1706. of the Revised Code or under 335  
the laws of any other state if the limited liability company is 336  
not treated as a corporation for purposes of Chapter 5733. of 337  
the Revised Code and is not classified as an association taxable 338

as a corporation for federal income tax purposes.	339
(9) "Qualifying period" means the period that begins July 1, 1996, and ends June 30, 1999.	340 341
(10) "S corporation" means a corporation that has made an election under subchapter S of chapter one of subtitle A of the Internal Revenue Code for its taxable year under the Internal Revenue Code;	342 343 344 345
(11) "Situational distress area" means a county or a municipal corporation that has experienced or is experiencing a closing or downsizing of a major employer that will adversely affect the economy of the county or municipal corporation. In order for a county or municipal corporation to be designated as a situational distress area, the governing body of the county or municipal corporation shall submit a petition to the director of development in the form prescribed by the director. A county or municipal corporation may be designated as a situational distress area for a period not exceeding thirty-six months.	346 347 348 349 350 351 352 353 354 355
The petition shall include written documentation that demonstrates all of the following:	356 357
(a) The number of jobs lost by the closing or downsizing;	358
(b) The impact that the job loss has on the unemployment rate of the county or municipal corporation as measured by the director of job and family services;	359 360 361
(c) The annual payroll associated with the job loss;	362
(d) The amount of state and local taxes associated with the job loss;	363 364
(e) The impact that the closing or downsizing has on the suppliers located in the county or municipal corporation.	365 366

(12) "Voluntary action" has the same meaning as in section 3746.01 of the Revised Code.	367 368
(13) "Taxpayer" means a corporation subject to the tax imposed by section 5733.06 of the Revised Code or any person subject to the tax imposed by section 5747.02 of the Revised Code.	369 370 371 372
(14) "Governing body" means the board of county commissioners of a county, the board of township trustees of a township, or the legislative authority of a municipal corporation.	373 374 375 376
(15) "Eligible site" means property for which a covenant not to sue has been issued under section 3746.12 of the Revised Code.	377 378 379
(B) (1) A taxpayer, partnership, or S corporation that has been issued, under section 3746.12 of the Revised Code, a covenant not to sue for a site by the director of environmental protection during the qualifying period may apply to the director of development, in the manner prescribed by the director, to enter into an agreement under which the applicant agrees to economically redevelop the site in a manner that will create employment opportunities and a credit will be granted to the applicant against the tax imposed by section 5733.06 or 5747.02 of the Revised Code. The application shall state the eligible costs associated with a voluntary action incurred by the applicant. The application shall be accompanied by proof, in a form prescribed by the director of development, that the covenant not to sue has been issued.	380 381 382 383 384 385 386 387 388 389 390 391 392 393
The applicant shall request the certified professional that submitted the no further action letter for the eligible	394 395

site under section 3746.11 of the Revised Code to submit an affidavit to the director of development verifying the eligible costs associated with the voluntary action at that site.

The director shall review the applications in the order they are received. If the director determines that the applicant meets the requirements of this section, the director may enter into an agreement granting a credit against the tax imposed by section 5733.06 or 5747.02 of the Revised Code. In making the determination, the director may consider the extent to which political subdivisions and other units of government will cooperate with the applicant to redevelop the eligible site. The agreement shall state the amount of the tax credit and the reporting requirements described in division (F) of this section.

(2) The maximum annual amount of credits the director of development may grant under such agreements shall be as follows:

- 1996 \$5,000,000
- 1997 \$10,000,000
- 1998 \$10,000,000
- 1999 \$5,000,000

For any year in which the director of development does not grant tax credits under this section equal to the maximum annual amount, the amount not granted for that year shall be added to the maximum annual amount that may be granted for the following year. However, the director shall not grant any tax credits under this section after June 30, 1999.

(C) (1) If the covenant not to sue was issued in connection with a site that is not located in an eligible area, the credit

amount is equal to the lesser of five hundred thousand dollars 424  
or ten per cent of the eligible costs associated with a 425  
voluntary action incurred by the taxpayer, partnership, or S 426  
corporation. 427

(2) If a covenant not to sue was issued in connection with 428  
a site that is located in an eligible area, the credit amount is 429  
equal to the lesser of seven hundred fifty thousand dollars or 430  
fifteen per cent of the eligible costs associated with a 431  
voluntary action incurred by the taxpayer, partnership, or S 432  
corporation. 433

(3) A taxpayer, partnership, or S corporation that has 434  
been issued covenants not to sue under section 3746.12 of the 435  
Revised Code for more than one site may apply to the director of 436  
development to enter into more than one agreement granting a 437  
credit against the tax imposed by section 5733.06 or 5747.02 of 438  
the Revised Code. 439

(4) For each year for which a taxpayer, partnership, or S 440  
corporation has been granted a credit under an agreement entered 441  
into under this section, the director of development shall issue 442  
a certificate to the taxpayer, partnership, or S corporation 443  
indicating the amount of the credit the taxpayer, the partners 444  
of the partnership, or the shareholders of the S corporation may 445  
claim for that year, not including any amount that may be 446  
carried forward from previous years under section 5733.34 of the 447  
Revised Code. 448

(D) (1) Each agreement entered into under this section 449  
shall incorporate a commitment by the taxpayer, partnership, or 450  
S corporation not to permit the use of an eligible site to cause 451  
the relocation of employment positions to that site from 452  
elsewhere in this state, except as otherwise provided in 453



division (D) (2) of this section. The commitment shall be binding 454  
on the taxpayer, partnership, or S corporation for the lesser of 455  
five years from the date the agreement is entered into or the 456  
number of years the taxpayer, partnership, or S corporation is 457  
entitled to claim the tax credit under the agreement. 458

(2) An eligible site may be the site of employment 459  
positions relocated from elsewhere in this state if the director 460  
of development determines both of the following: 461

(a) That the site from which the employment positions 462  
would be relocated is inadequate to meet market and industry 463  
conditions, expansion plans, consolidation plans, or other 464  
business considerations affecting the relocating employer; 465

(b) That the governing body of the county, township, or 466  
municipal corporation from which the employment positions would 467  
be relocated has been notified of the possible relocation. 468

For purposes of this section, the movement of an 469  
employment position from one political subdivision to another 470  
political subdivision shall be considered a relocation of an 471  
employment position, but the transfer of an individual employee 472  
from one political subdivision to another political subdivision 473  
shall not be considered a relocation of an employment position 474  
as long as the individual's employment position in the first 475  
political subdivision is refilled. 476

(E) A taxpayer, partnership, or S corporation that has 477  
entered into an agreement granting a credit against the tax 478  
imposed by section 5733.06 or 5747.02 of the Revised Code that 479  
subsequently recovers in a lawsuit or settlement of a lawsuit at 480  
least seventy-five per cent of the eligible costs associated 481  
with a voluntary action shall not claim any credit amount 482

remaining, including any amounts carried forward from prior 483  
years, beginning with the taxable year in which the judgment in 484  
the lawsuit is entered or the settlement is finally agreed to. 485

Any amount of credit that a taxpayer, partnership, or S 486  
corporation may not claim by reason of this division shall not 487  
be considered to have been granted for the purpose of 488  
determining the total amount of credits that may be issued under 489  
division (B) (2) of this section. 490

(F) Each year for which a taxpayer, partnership, or S 491  
corporation claims a credit under section 5733.34 of the Revised 492  
Code, the taxpayer, partnership, or S corporation shall report 493  
the following to the director of development: 494

(1) The status of all cost recovery litigation described 495  
in division (E) of this section to which it was a party during 496  
the previous year; 497

(2) Confirmation that the covenant not to sue has not been 498  
revoked or has not been voided; 499

(3) Confirmation that the taxpayer, partnership, or S 500  
corporation has not permitted the eligible site to be used in 501  
such a manner as to cause the relocation of employment positions 502  
from elsewhere in this state in violation of the commitment 503  
required under division (D) of this section; 504

(4) Any other information the director of development 505  
requires to perform the director's duties under this section. 506

(G) The director of development shall annually certify, by 507  
the first day of January of each year during the qualifying 508  
period, the eligible areas for the calendar year that includes 509  
that first day of January. 510

(H) The director of development, in accordance with 511  
Chapter 119. of the Revised Code, shall adopt rules necessary to 512  
implement this section, including rules prescribing forms 513  
required for administering this section. 514

**Sec. 122.173.** (A) As used in this section: 515

(1) "Manufacturing machinery and equipment" means engines 516  
and machinery, and tools and implements, of every kind used, or 517  
designed to be used, in refining and manufacturing. 518

"Manufacturing machinery and equipment" does not include 519  
property acquired after December 31, 1999, that is used: 520

(a) For the transmission and distribution of electricity; 521

(b) For the generation of electricity, if fifty per cent 522  
or more of the electricity that the property generates is 523  
consumed, during the one-hundred-twenty-month period commencing 524  
with the date the property is placed in service, by persons that 525  
are not related members to the person who generates the 526  
electricity. 527

(2) "New manufacturing machinery and equipment" means 528  
manufacturing machinery and equipment, the original use in this 529  
state of which commences with the taxpayer or with a partnership 530  
of which the taxpayer is a partner. "New manufacturing machinery 531  
and equipment" does not include property acquired after December 532  
31, 1999, that is used: 533

(a) For the transmission and distribution of electricity; 534

(b) For the generation of electricity, if fifty per cent 535  
or more of the electricity that the property generates is 536  
consumed, during the one-hundred-twenty-month period commencing 537  
with the date the property is placed in service, by persons that 538  
are not related members to the person who generates the 539

electricity.	540
(3) (a) "Purchase" has the same meaning as in section	541
179(d) (2) of the Internal Revenue Code.	542
(b) For purposes of this section, any property that is not	543
manufactured or assembled primarily by the taxpayer is	544
considered purchased at the time the agreement to acquire the	545
property becomes binding. Any property that is manufactured or	546
assembled primarily by the taxpayer is considered purchased at	547
the time the taxpayer places the property in service in the	548
county for which the taxpayer will calculate the county excess	549
amount.	550
(c) Notwithstanding section 179(d) of the Internal Revenue	551
Code, a taxpayer's direct or indirect acquisition of new	552
manufacturing machinery and equipment is not purchased on or	553
after July 1, 1995, if the taxpayer, or a person whose	554
relationship to the taxpayer is described in subparagraphs (A),	555
(B), or (C) of section 179(d) (2) of the Internal Revenue Code,	556
had directly or indirectly entered into a binding agreement to	557
acquire the property at any time prior to July 1, 1995.	558
(4) "Qualifying period" means the period that begins July	559
1, 1995, and ends June 30, 2005.	560
(5) "County average new manufacturing machinery and	561
equipment investment" means either of the following:	562
(a) The average annual cost of new manufacturing machinery	563
and equipment purchased for use in the county during baseline	564
years, in the case of a taxpayer that was in existence for more	565
than one year during baseline years.	566
(b) Zero, in the case of a taxpayer that was not in	567
existence for more than one year during baseline years.	568

(6) "Partnership" includes a limited liability company 569  
formed under Chapter 1705. or 1706. of the Revised Code or under 570  
the laws of any other state, provided that the company is not 571  
classified for federal income tax purposes as an association 572  
taxable as a corporation. 573

(7) "Partner" includes a member of a limited liability 574  
company formed under Chapter 1705. or 1706. of the Revised Code 575  
or under the laws of any other state, provided that the company 576  
is not classified for federal income tax purposes as an 577  
association taxable as a corporation. 578

(8) "Distressed area" means either a municipal corporation 579  
that has a population of at least fifty thousand or a county 580  
that meets two of the following criteria of economic distress, 581  
or a municipal corporation the majority of the population of 582  
which is situated in such a county: 583

(a) Its average rate of unemployment, during the most 584  
recent five-year period for which data are available, is equal 585  
to at least one hundred twenty-five per cent of the average rate 586  
of unemployment for the United States for the same period; 587

(b) It has a per capita income equal to or below eighty 588  
per cent of the median county per capita income of the United 589  
States as determined by the most recently available figures from 590  
the United States census bureau; 591

(c) (i) In the case of a municipal corporation, at least 592  
twenty per cent of the residents have a total income for the 593  
most recent census year that is below the official poverty line; 594

(ii) In the case of a county, in intercensal years, the 595  
county has a ratio of transfer payment income to total county 596  
income equal to or greater than twenty-five per cent. 597

(9) "Eligible area" means a distressed area, a labor surplus area, an inner city area, or a situational distress area. 598  
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(10) "Inner city area" means, in a municipal corporation that has a population of at least one hundred thousand and does not meet the criteria of a labor surplus area or a distressed area, targeted investment areas established by the municipal corporation within its boundaries that are comprised of the most recent census block tracts that individually have at least twenty per cent of their population at or below the state poverty level or other census block tracts contiguous to such census block tracts. 601  
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(11) "Labor surplus area" means an area designated as a labor surplus area by the United States department of labor. 610  
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(12) "Official poverty line" has the same meaning as in division (A) of section 3923.51 of the Revised Code. 612  
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(13) "Situational distress area" means a county or a municipal corporation that has experienced or is experiencing a closing or downsizing of a major employer that will adversely affect the county's or municipal corporation's economy. In order to be designated as a situational distress area, for a period not to exceed thirty-six months, the county or municipal corporation may petition the director of development. The petition shall include written documentation that demonstrates all of the following adverse effects on the local economy: 614  
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(a) The number of jobs lost by the closing or downsizing; 623

(b) The impact that the job loss has on the county's or municipal corporation's unemployment rate as measured by the state director of job and family services; 624  
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(c) The annual payroll associated with the job loss;	627
(d) The amount of state and local taxes associated with the job loss;	628 629
(e) The impact that the closing or downsizing has on suppliers located in the county or municipal corporation.	630 631
(14) "Cost" has the same meaning and limitation as in section 179(d) (3) of the Internal Revenue Code.	632 633
(15) "Baseline years" means:	634
(a) Calendar years 1992, 1993, and 1994, with regard to a grant claimed for the purchase during calendar year 1995, 1996, 1997, or 1998 of new manufacturing machinery and equipment;	635 636 637
(b) Calendar years 1993, 1994, and 1995, with regard to a grant claimed for the purchase during calendar year 1999 of new manufacturing machinery and equipment;	638 639 640
(c) Calendar years 1994, 1995, and 1996, with regard to a grant claimed for the purchase during calendar year 2000 of new manufacturing machinery and equipment;	641 642 643
(d) Calendar years 1995, 1996, and 1997, with regard to a grant claimed for the purchase during calendar year 2001 of new manufacturing machinery and equipment;	644 645 646
(e) Calendar years 1996, 1997, and 1998, with regard to a grant claimed for the purchase during calendar year 2002 of new manufacturing machinery and equipment;	647 648 649
(f) Calendar years 1997, 1998, and 1999, with regard to a grant claimed for the purchase during calendar year 2003 of new manufacturing machinery and equipment;	650 651 652
(g) Calendar years 1998, 1999, and 2000, with regard to a	653

grant claimed for the purchase during calendar year 2004 of new manufacturing machinery and equipment; 654  
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(h) Calendar years 1999, 2000, and 2001, with regard to a grant claimed for the purchase on or after January 1, 2005, and on or before June 30, 2005, of new manufacturing machinery and equipment. 656  
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(16) "Related member" has the same meaning as in section 5733.042 of the Revised Code. 660  
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(17) "Qualifying controlled group" has the same meaning as in section 5733.04 of the Revised Code. 662  
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(18) "Tax liability" has the same meaning as in section 122.172 of the Revised Code. 664  
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(B) (1) Subject to divisions (I) and (J) of this section, a grant is allowed against the tax imposed by section 5733.06 or 5747.02 of the Revised Code for a taxpayer that purchases new manufacturing machinery and equipment during the qualifying period, provided that the new manufacturing machinery and equipment are installed in this state not later than June 30, 2006. 666  
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(2) (a) Except as otherwise provided in division (B) (2) (b) of this section, a grant may be claimed under this section in excess of one million dollars only if the cost of all manufacturing machinery and equipment owned in this state by the taxpayer claiming the grant on the last day of the calendar year exceeds the cost of all manufacturing machinery and equipment owned in this state by the taxpayer on the first day of that calendar year. 673  
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As used in division (B) (2) (a) of this section, "calendar year" means the calendar year in which the machinery and 681  
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equipment for which the grant is claimed was purchased. 683

(b) Division (B) (2) (a) of this section does not apply if 684  
the taxpayer claiming the grant applies for and is issued a 685  
waiver of the requirement of that division. A taxpayer may apply 686  
to the director of development for such a waiver in the manner 687  
prescribed by the director, and the director may issue such a 688  
waiver if the director determines that granting the grant is 689  
necessary to increase or retain employees in this state, and 690  
that the grant has not caused relocation of manufacturing 691  
machinery and equipment among counties within this state for the 692  
primary purpose of qualifying for the grant. 693

(C) (1) Except as otherwise provided in division (C) (2) and 694  
division (I) of this section, the grant amount is equal to seven 695  
and one-half per cent of the excess of the cost of the new 696  
manufacturing machinery and equipment purchased during the 697  
calendar year for use in a county over the county average new 698  
manufacturing machinery and equipment investment for that 699  
county. 700

(2) Subject to division (I) of this section, as used in 701  
division (C) (2) of this section, "county excess" means the 702  
taxpayer's excess cost for a county as computed under division 703  
(C) (1) of this section. 704

Subject to division (I) of this section, a taxpayer with a 705  
county excess, whose purchases included purchases for use in any 706  
eligible area in the county, the grant amount is equal to 707  
thirteen and one-half per cent of the cost of the new 708  
manufacturing machinery and equipment purchased during the 709  
calendar year for use in the eligible areas in the county, 710  
provided that the cost subject to the thirteen and one-half per 711  
cent rate shall not exceed the county excess. If the county 712

excess is greater than the cost of the new manufacturing 713  
machinery and equipment purchased during the calendar year for 714  
use in eligible areas in the county, the grant amount also shall 715  
include an amount equal to seven and one-half per cent of the 716  
amount of the difference. 717

(3) If a taxpayer is allowed a grant for purchases of new 718  
manufacturing machinery and equipment in more than one county or 719  
eligible area, it shall aggregate the amount of those grants 720  
each year. 721

(4) Except as provided in division (J) of this section, 722  
the taxpayer shall claim one-seventh of the grant amount for the 723  
taxable year ending in the calendar year in which the new 724  
manufacturing machinery and equipment is purchased for use in 725  
the county by the taxpayer or partnership. One-seventh of the 726  
taxpayer grant amount is allowed for each of the six ensuing 727  
taxable years. Except for carried-forward amounts, the taxpayer 728  
is not allowed any grant amount remaining if the new 729  
manufacturing machinery and equipment is sold by the taxpayer or 730  
partnership or is transferred by the taxpayer or partnership out 731  
of the county before the end of the seven-year period unless, at 732  
the time of the sale or transfer, the new manufacturing 733  
machinery and equipment has been fully depreciated for federal 734  
income tax purposes. 735

(5) (a) A taxpayer that acquires manufacturing machinery 736  
and equipment as a result of a merger with the taxpayer with 737  
whom commenced the original use in this state of the 738  
manufacturing machinery and equipment, or with a taxpayer that 739  
was a partner in a partnership with whom commenced the original 740  
use in this state of the manufacturing machinery and equipment, 741  
is entitled to any remaining or carried-forward grant amounts to 742

which the taxpayer was entitled. 743

(b) A taxpayer that enters into an agreement under 744  
division (C) (3) of section 5709.62 of the Revised Code and that 745  
acquires manufacturing machinery or equipment as a result of 746  
purchasing a large manufacturing facility, as defined in section 747  
5709.61 of the Revised Code, from another taxpayer with whom 748  
commenced the original use in this state of the manufacturing 749  
machinery or equipment, and that operates the large 750  
manufacturing facility so purchased, is entitled to any 751  
remaining or carried-forward grant amounts to which the other 752  
taxpayer who sold the facility would have been entitled under 753  
this section had the other taxpayer not sold the manufacturing 754  
facility or equipment. 755

(c) New manufacturing machinery and equipment is not 756  
considered sold if a pass-through entity transfers to another 757  
pass-through entity substantially all of its assets as part of a 758  
plan of reorganization under which substantially all gain and 759  
loss is not recognized by the pass-through entity that is 760  
transferring the new manufacturing machinery and equipment to 761  
the transferee and under which the transferee's basis in the new 762  
manufacturing machinery and equipment is determined, in whole or 763  
in part, by reference to the basis of the pass-through entity 764  
that transferred the new manufacturing machinery and equipment 765  
to the transferee. 766

(d) Division (C) (5) of this section applies only if the 767  
acquiring taxpayer or transferee does not sell the new 768  
manufacturing machinery and equipment or transfer the new 769  
manufacturing machinery and equipment out of the county before 770  
the end of the seven-year period to which division (C) (4) of 771  
this section refers. 772

(e) Division (C) (5) (b) of this section applies only to the 773  
extent that the taxpayer that sold the manufacturing machinery 774  
or equipment, upon request, timely provides to the tax 775  
commissioner any information that the tax commissioner considers 776  
to be necessary to ascertain any remaining or carried-forward 777  
amounts to which the taxpayer that sold the facility would have 778  
been entitled under this section had the taxpayer not sold the 779  
manufacturing machinery or equipment. Nothing in division (C) (5) 780  
(b) or (e) of this section shall be construed to allow a 781  
taxpayer to claim any grant amount with respect to the acquired 782  
manufacturing machinery or equipment that is greater than the 783  
amount that would have been available to the other taxpayer that 784  
sold the manufacturing machinery or equipment had the other 785  
taxpayer not sold the manufacturing machinery or equipment. 786

(D) The taxpayer shall claim the grant allowed by this 787  
section in the manner provided by section 122.172 of the Revised 788  
Code. Any portion of the grant in excess of the taxpayer's tax 789  
liability for the taxable year shall not be refundable but may 790  
be carried forward for the next three consecutive taxable years. 791

(E) A taxpayer purchasing new manufacturing machinery and 792  
equipment and intending to claim the grant shall file, with the 793  
director of development, a notice of intent to claim the grant 794  
on a form prescribed by the director of development. The 795  
director of development shall inform the tax commissioner of the 796  
notice of intent to claim the grant. No grant may be claimed 797  
under this section for any manufacturing machinery and equipment 798  
with respect to which a notice was not filed by the date of a 799  
timely filed return, including extensions, for the taxable year 800  
that includes September 30, 2005, but a notice filed on or 801  
before such date under division (E) of section 5733.33 of the 802  
Revised Code of the intent to claim the credit under that 803

section also shall be considered a notice of the intent to claim 804  
a grant under this section. 805

(F) The director of development shall annually certify, by 806  
the first day of January of each year during the qualifying 807  
period, the eligible areas for the tax grant for the calendar 808  
year that includes that first day of January. The director shall 809  
send a copy of the certification to the tax commissioner. 810

(G) New manufacturing machinery and equipment for which a 811  
taxpayer claims the credit under section 5733.31 or 5733.311 of 812  
the Revised Code shall not be considered new manufacturing 813  
machinery and equipment for purposes of the grant under this 814  
section. 815

(H) (1) Notwithstanding sections 5733.11 and 5747.13 of the 816  
Revised Code, but subject to division (H) (2) of this section, 817  
the tax commissioner may issue an assessment against a person 818  
with respect to a grant claimed under this section for new 819  
manufacturing machinery and equipment described in division (A) 820  
(1) (b) or (2) (b) of this section, if the machinery or equipment 821  
subsequently does not qualify for the grant. 822

(2) Division (H) (1) of this section shall not apply after 823  
the twenty-fourth month following the last day of the period 824  
described in divisions (A) (1) (b) and (2) (b) of this section. 825

(I) Notwithstanding any other provision of this section to 826  
the contrary, in the case of a qualifying controlled group, the 827  
grant available under this section to a taxpayer or taxpayers in 828  
the qualifying controlled group shall be computed as if all 829  
corporations in the group were a single corporation. The grant 830  
shall be allocated to such a taxpayer or taxpayers in the group 831  
in any amount elected for the taxable year by the group. The 832

election shall be revocable and amendable during the period 833  
described in division (B) of section 5733.12 of the Revised 834  
Code. 835

This division applies to all purchases of new 836  
manufacturing machinery and equipment made on or after January 837  
1, 2001, and to all baseline years used to compute any grant 838  
attributable to such purchases; provided, that this division may 839  
be applied solely at the election of the qualifying controlled 840  
group with respect to all purchases of new manufacturing 841  
machinery and equipment made before that date, and to all 842  
baseline years used to compute any grant attributable to such 843  
purchases. The qualifying controlled group at any time may elect 844  
to apply this division to purchases made prior to January 1, 845  
2001, subject to the following: 846

(1) The election is irrevocable; 847

(2) The election need not accompany a timely filed report, 848  
but the election may accompany a subsequently filed but timely 849  
application for refund, a subsequently filed but timely amended 850  
report, or a subsequently filed but timely petition for 851  
reassessment. 852

(J) Except as provided in division (B) of section 122.172 853  
of the Revised Code, no grant under this section may be claimed 854  
for any taxable year for which a credit is allowed under section 855  
5733.33 of the Revised Code. If the tax imposed by section 856  
5733.06 of the Revised Code for which a grant is allowed under 857  
this section has been prorated under division (G)(2) of section 858  
5733.01 of the Revised Code, the grant shall be prorated by the 859  
same percentage as the tax. 860

**Sec. 135.14.** (A) As used in this section: 861

(1) "Treasurer" does not include the treasurer of state, 862  
and "governing board" does not include the state board of 863  
deposit. 864

(2) "Other obligations" includes notes whether or not 865  
issued in anticipation of the issuance of bonds. 866

(B) The treasurer or governing board may invest or deposit 867  
any part or all of the interim moneys. The following 868  
classifications of obligations shall be eligible for such 869  
investment or deposit: 870

(1) United States treasury bills, notes, bonds, or any 871  
other obligation or security issued by the United States 872  
treasury or any other obligation guaranteed as to principal and 873  
interest by the United States. 874

Nothing in the classification of eligible obligations set 875  
forth in division (B) (1) of this section or in the 876  
classifications of eligible obligations set forth in divisions 877  
(B) (2) to (7) of this section shall be construed to authorize 878  
any investment in stripped principal or interest obligations of 879  
such eligible obligations. 880

(2) Bonds, notes, debentures, or any other obligations or 881  
securities issued by any federal government agency or 882  
instrumentality, including but not limited to, the federal 883  
national mortgage association, federal home loan bank, federal 884  
farm credit bank, federal home loan mortgage corporation, and 885  
government national mortgage association. All federal agency 886  
securities shall be direct issuances of federal government 887  
agencies or instrumentalities. 888

(3) Interim deposits in the eligible institutions applying 889  
for interim moneys as provided in section 135.08 of the Revised 890

Code. The award of interim deposits shall be made in accordance 891  
with section 135.09 of the Revised Code and the treasurer or the 892  
governing board shall determine the periods for which such 893  
interim deposits are to be made and shall award such interim 894  
deposits for such periods, provided that any eligible 895  
institution receiving an interim deposit award may, upon 896  
notification that the award has been made, decline to accept the 897  
interim deposit in which event the award shall be made as though 898  
the institution had not applied for such interim deposit. 899

(4) Bonds and other obligations of this state, or the 900  
political subdivisions of this state, provided that, with 901  
respect to bonds or other obligations of political subdivisions, 902  
all of the following apply: 903

(a) The bonds or other obligations are payable from 904  
general revenues of the political subdivision and backed by the 905  
full faith and credit of the political subdivision. 906

(b) The bonds or other obligations are rated at the time 907  
of purchase in the three highest classifications established by 908  
at least one nationally recognized standard rating service and 909  
purchased through a registered securities broker or dealer. 910

(c) The aggregate value of the bonds or other obligations 911  
does not exceed twenty per cent of interim moneys available for 912  
investment at the time of purchase. 913

(d) The treasurer or governing board is not the sole 914  
purchaser of the bonds or other obligations at original 915  
issuance. 916

(e) The bonds or other obligations mature within ten years 917  
from the date of settlement. 918

No investment shall be made under division (B) (4) of this 919



section unless the treasurer or governing board has completed 920  
additional training for making the investments authorized by 921  
division (B)(4) of this section. The type and amount of 922  
additional training shall be approved by the treasurer of state 923  
and may be conducted by or provided under the supervision of the 924  
treasurer of state. 925

(5) No-load money market mutual funds consisting 926  
exclusively of obligations described in division (B)(1) or (2) 927  
of this section and repurchase agreements secured by such 928  
obligations, provided that investments in securities described 929  
in this division are made only through eligible institutions 930  
mentioned in section 135.03 of the Revised Code; 931

(6) The Ohio subdivision's fund as provided in section 932  
135.45 of the Revised Code; 933

(7) Up to forty per cent of interim moneys available for 934  
investment in either of the following: 935

(a) Commercial paper notes issued by an entity that is 936  
defined in division (D) of section 1705.01 or division (E) of 937  
section 1706.01 of the Revised Code and that has assets 938  
exceeding five hundred million dollars, to which notes all of 939  
the following apply: 940

(i) The notes are rated at the time of purchase in the 941  
highest classification established by at least two nationally 942  
recognized standard rating services. 943

(ii) The aggregate value of the notes does not exceed ten 944  
per cent of the aggregate value of the outstanding commercial 945  
paper of the issuing corporation. 946

(iii) The notes mature not later than two hundred seventy 947  
days after purchase. 948

(iv) The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five per cent of interim moneys available for investment at the time of purchase.

(b) Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than one hundred eighty days after purchase.

No investment shall be made pursuant to division (B) (7) of this section unless the treasurer or governing board has completed additional training for making the investments authorized by division (B) (7) of this section. The type and amount of additional training shall be approved by the treasurer of state and may be conducted by or provided under the supervision of the treasurer of state.

(C) Nothing in the classifications of eligible obligations set forth in divisions (B) (1) to (7) of this section shall be construed to authorize any investment in a derivative, and no treasurer or governing board shall invest in a derivative. For purposes of this division, "derivative" means a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself. Any security, obligation, trust account, or other instrument that is created from an issue of the United States treasury or is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument. An eligible investment described in this section with a variable interest rate payment, based upon a single interest payment or single index comprised of other eligible investments provided for in division (B) (1) or (2) of this section, is not a derivative, provided that such variable

rate investment has a maximum maturity of two years. 979

(D) Except as provided in division (B) (4) or (E) of this 980  
section, any investment made pursuant to this section must 981  
mature within five years from the date of settlement, unless the 982  
investment is matched to a specific obligation or debt of the 983  
subdivision. 984

(E) The treasurer or governing board may also enter into a 985  
written repurchase agreement with any eligible institution 986  
mentioned in section 135.03 of the Revised Code or any eligible 987  
dealer pursuant to division (M) of this section, under the terms 988  
of which agreement the treasurer or governing board purchases, 989  
and such institution or dealer agrees unconditionally to 990  
repurchase any of the securities listed in divisions (D) (1) to 991  
(5), except letters of credit described in division (D) (2), of 992  
section 135.18 of the Revised Code. The market value of 993  
securities subject to an overnight written repurchase agreement 994  
must exceed the principal value of the overnight written 995  
repurchase agreement by at least two per cent. A written 996  
repurchase agreement shall not exceed thirty days and the market 997  
value of securities subject to a written repurchase agreement 998  
must exceed the principal value of the written repurchase 999  
agreement by at least two per cent and be marked to market 1000  
daily. All securities purchased pursuant to this division shall 1001  
be delivered into the custody of the treasurer or governing 1002  
board or an agent designated by the treasurer or governing 1003  
board. A written repurchase agreement with an eligible 1004  
securities dealer shall be transacted on a delivery versus 1005  
payment basis. The agreement shall contain the requirement that 1006  
for each transaction pursuant to the agreement the participating 1007  
institution or dealer shall provide all of the following 1008  
information: 1009

(1) The par value of the securities;	1010
(2) The type, rate, and maturity date of the securities;	1011
(3) A numerical identifier generally accepted in the securities industry that designates the securities.	1012 1013
No treasurer or governing board shall enter into a written repurchase agreement under the terms of which the treasurer or governing board agrees to sell securities owned by the subdivision to a purchaser and agrees with that purchaser to unconditionally repurchase those securities.	1014 1015 1016 1017 1018
(F) No treasurer or governing board shall make an investment under this section, unless the treasurer or governing board, at the time of making the investment, reasonably expects that the investment can be held until its maturity.	1019 1020 1021 1022
(G) No treasurer or governing board shall pay interim moneys into a fund established by another subdivision, treasurer, governing board, or investing authority, if that fund was established for the purpose of investing the public moneys of other subdivisions. This division does not apply to the payment of public moneys into either of the following:	1023 1024 1025 1026 1027 1028
(1) The Ohio subdivision's fund pursuant to division (B) (6) of this section;	1029 1030
(2) A fund created solely for the purpose of acquiring, constructing, owning, leasing, or operating municipal utilities pursuant to the authority provided under section 715.02 of the Revised Code or Section 4 of Article XVIII, Ohio Constitution.	1031 1032 1033 1034
For purposes of division (G) of this section, "subdivision" includes a county.	1035 1036
(H) The use of leverage, in which the treasurer or	1037

governing board uses its current investment assets as collateral 1038  
for the purpose of purchasing other assets, is prohibited. The 1039  
issuance of taxable notes for the purpose of arbitrage is 1040  
prohibited. Contracting to sell securities that have not yet 1041  
been acquired by the treasurer or governing board, for the 1042  
purpose of purchasing such securities on the speculation that 1043  
bond prices will decline, is prohibited. 1044

(I) Whenever, during a period of designation, the 1045  
treasurer classifies public moneys as interim moneys, the 1046  
treasurer shall notify the governing board of such action. The 1047  
notification shall be given within thirty days after such 1048  
classification and in the event the governing board does not 1049  
concur in such classification or in the investments or deposits 1050  
made under this section, the governing board may order the 1051  
treasurer to sell or liquidate any of such investments or 1052  
deposits, and any such order shall specifically describe the 1053  
investments or deposits and fix the date upon which they are to 1054  
be sold or liquidated. Investments or deposits so ordered to be 1055  
sold or liquidated shall be sold or liquidated for cash by the 1056  
treasurer on the date fixed in such order at the then current 1057  
market price. Neither the treasurer nor the members of the board 1058  
shall be held accountable for any loss occasioned by sales or 1059  
liquidations of investments or deposits at prices lower than 1060  
their cost. Any loss or expense incurred in making such sales or 1061  
liquidations is payable as other expenses of the treasurer's 1062  
office. 1063

(J) If any investments or deposits purchased under the 1064  
authority of this section are issuable to a designated payee or 1065  
to the order of a designated payee, the name of the treasurer 1066  
and the title of the treasurer's office shall be so designated. 1067  
If any such securities are registrable either as to principal or 1068

interest, or both, then such securities shall be registered in 1069  
the name of the treasurer as such. 1070

(K) The treasurer is responsible for the safekeeping of 1071  
all documents evidencing a deposit or investment acquired by the 1072  
treasurer under this section. Any securities may be deposited 1073  
for safekeeping with a qualified trustee as provided in section 1074  
135.18 of the Revised Code, except the delivery of securities 1075  
acquired under any repurchase agreement under this section shall 1076  
be made to a qualified trustee, provided, however, that the 1077  
qualified trustee shall be required to report to the treasurer, 1078  
governing board, auditor of state, or an authorized outside 1079  
auditor at any time upon request as to the identity, market 1080  
value, and location of the document evidencing each security, 1081  
and that if the participating institution is a designated 1082  
depository of the subdivision for the current period of 1083  
designation, the securities that are the subject of the 1084  
repurchase agreement may be delivered to the treasurer or held 1085  
in trust by the participating institution on behalf of the 1086  
subdivision. Interest earned on any investments or deposits 1087  
authorized by this section shall be collected by the treasurer 1088  
and credited by the treasurer to the proper fund of the 1089  
subdivision. 1090

Upon the expiration of the term of office of a treasurer 1091  
or in the event of a vacancy in the office of treasurer by 1092  
reason of death, resignation, removal from office, or otherwise, 1093  
the treasurer or the treasurer's legal representative shall 1094  
transfer and deliver to the treasurer's successor all documents 1095  
evidencing a deposit or investment held by the treasurer. For 1096  
the investments and deposits so transferred and delivered, such 1097  
treasurer shall be credited with and the treasurer's successor 1098  
shall be charged with the amount of money held in such 1099

investments and deposits. 1100

(L) Whenever investments or deposits acquired under this 1101  
section mature and become due and payable, the treasurer shall 1102  
present them for payment according to their tenor, and shall 1103  
collect the moneys payable thereon. The moneys so collected 1104  
shall be treated as public moneys subject to sections 135.01 to 1105  
135.21 of the Revised Code. 1106

(M) (1) All investments, except for investments in 1107  
securities described in divisions (B) (5) and (6) of this section 1108  
and for investments by a municipal corporation in the issues of 1109  
such municipal corporation, shall be made only through a member 1110  
of the financial industry regulatory authority (FINRA), through 1111  
a bank, savings bank, or savings and loan association regulated 1112  
by the superintendent of financial institutions, or through an 1113  
institution regulated by the comptroller of the currency, 1114  
federal deposit insurance corporation, or board of governors of 1115  
the federal reserve system. 1116

(2) Payment for investments shall be made only upon the 1117  
delivery of securities representing such investments to the 1118  
treasurer, governing board, or qualified trustee. If the 1119  
securities transferred are not represented by a certificate, 1120  
payment shall be made only upon receipt of confirmation of 1121  
transfer from the custodian by the treasurer, governing board, 1122  
or qualified trustee. 1123

(N) In making investments authorized by this section, a 1124  
treasurer or governing board may retain the services of an 1125  
investment advisor, provided the advisor is licensed by the 1126  
division of securities under section 1707.141 of the Revised 1127  
Code or is registered with the securities and exchange 1128  
commission, and possesses experience in public funds investment 1129

management, specifically in the area of state and local 1130  
government investment portfolios, or the advisor is an eligible 1131  
institution mentioned in section 135.03 of the Revised Code. 1132

(O) (1) Except as otherwise provided in divisions (O) (2) 1133  
and (3) of this section, no treasurer or governing board shall 1134  
make an investment or deposit under this section, unless there 1135  
is on file with the auditor of state a written investment policy 1136  
approved by the treasurer or governing board. The policy shall 1137  
require that all entities conducting investment business with 1138  
the treasurer or governing board shall sign the investment 1139  
policy of that subdivision. All brokers, dealers, and financial 1140  
institutions, described in division (M) (1) of this section, 1141  
initiating transactions with the treasurer or governing board by 1142  
giving advice or making investment recommendations shall sign 1143  
the treasurer's or governing board's investment policy thereby 1144  
acknowledging their agreement to abide by the policy's contents. 1145  
All brokers, dealers, and financial institutions, described in 1146  
division (M) (1) of this section, executing transactions 1147  
initiated by the treasurer or governing board, having read the 1148  
policy's contents, shall sign the investment policy thereby 1149  
acknowledging their comprehension and receipt. 1150

(2) If a written investment policy described in division 1151  
(O) (1) of this section is not filed on behalf of the subdivision 1152  
with the auditor of state, the treasurer or governing board of 1153  
that subdivision shall invest the subdivision's interim moneys 1154  
only in interim deposits pursuant to division (B) (3) of this 1155  
section or interim deposits pursuant to section 135.145 of the 1156  
Revised Code and approved by the treasurer of state, no-load 1157  
money market mutual funds pursuant to division (B) (5) of this 1158  
section, or the Ohio subdivision's fund pursuant to division (B) 1159  
(6) of this section. 1160



(3) Divisions (O) (1) and (2) of this section do not apply 1161  
to a treasurer or governing board of a subdivision whose average 1162  
annual portfolio of investments held pursuant to this section is 1163  
one hundred thousand dollars or less, provided that the 1164  
treasurer or governing board certifies, on a form prescribed by 1165  
the auditor of state, that the treasurer or governing board will 1166  
comply and is in compliance with the provisions of sections 1167  
135.01 to 135.21 of the Revised Code. 1168

(P) A treasurer or governing board may enter into a 1169  
written investment or deposit agreement that includes a 1170  
provision under which the parties agree to submit to nonbinding 1171  
arbitration to settle any controversy that may arise out of the 1172  
agreement, including any controversy pertaining to losses of 1173  
public moneys resulting from investment or deposit. The 1174  
arbitration provision shall be set forth entirely in the 1175  
agreement, and the agreement shall include a conspicuous notice 1176  
to the parties that any party to the arbitration may apply to 1177  
the court of common pleas of the county in which the arbitration 1178  
was held for an order to vacate, modify, or correct the award. 1179  
Any such party may also apply to the court for an order to 1180  
change venue to a court of common pleas located more than one 1181  
hundred miles from the county in which the treasurer or 1182  
governing board is located. 1183

For purposes of this division, "investment or deposit 1184  
agreement" means any agreement between a treasurer or governing 1185  
board and a person, under which agreement the person agrees to 1186  
invest, deposit, or otherwise manage a subdivision's interim 1187  
moneys on behalf of the treasurer or governing board, or agrees 1188  
to provide investment advice to the treasurer or governing 1189  
board. 1190

(Q) An investment made by the treasurer or governing board 1191  
pursuant to this section prior to September 27, 1996, that was a 1192  
legal investment under the law as it existed before September 1193  
27, 1996, may be held until maturity. 1194

**Sec. 135.142.** (A) In addition to the investments 1195  
authorized by section 135.14 of the Revised Code, any board of 1196  
education, by a two-thirds vote of its members, may authorize 1197  
the treasurer of the board of education to invest up to forty 1198  
per cent of the interim moneys of the board, available for 1199  
investment at any one time, in either of the following: 1200

(1) Commercial paper notes issued by any entity that is 1201  
defined in division (D) of section 1705.01 or division (E) of 1202  
section 1706.01 of the Revised Code and has assets exceeding 1203  
five hundred million dollars, and to which notes all of the 1204  
following apply: 1205

(a) The notes are rated at the time of purchase in the 1206  
highest classification established by at least two nationally 1207  
recognized standard rating services. 1208

(b) The aggregate value of the notes does not exceed ten 1209  
per cent of the aggregate value of the outstanding commercial 1210  
paper of the issuing corporation. 1211

(c) The notes mature no later than two hundred seventy 1212  
days after purchase. 1213

(d) The investment in commercial paper notes of a single 1214  
issuer shall not exceed in the aggregate five per cent of 1215  
interim moneys of the board available for investment at the time 1216  
of purchase. 1217

(2) Bankers' acceptances of banks that are insured by the 1218  
federal deposit insurance corporation and that mature no later 1219

than one hundred eighty days after purchase. 1220

(B) No investment authorized pursuant to division (A) of 1221  
this section shall be made, whether or not authorized by a board 1222  
of education, unless the treasurer of the board of education has 1223  
completed additional training for making the types of 1224  
investments authorized pursuant to division (A) of this section. 1225  
The type and amount of such training shall be approved and may 1226  
be conducted by or provided under the supervision of the 1227  
treasurer of state. 1228

(C) The treasurer of the board of education shall prepare 1229  
annually and submit to the board of education, the 1230  
superintendent of public instruction, and the auditor of state, 1231  
on or before the thirty-first day of August, a report listing 1232  
each investment made pursuant to division (A) of this section 1233  
during the preceding fiscal year, income earned from such 1234  
investments, fees and commissions paid pursuant to division (D) 1235  
of this section, and any other information required by the 1236  
board, the superintendent, and the auditor of state. 1237

(D) A board of education may make appropriations and 1238  
expenditures for fees and commissions in connection with 1239  
investments made pursuant to division (A) of this section. 1240

(E) (1) In addition to the investments authorized by 1241  
section 135.14 of the Revised Code and division (A) of this 1242  
section, any board of education that is a party to an agreement 1243  
with the treasurer of state pursuant to division (G) of section 1244  
135.143 of the Revised Code and that has outstanding obligations 1245  
issued under authority of section 133.10 or 133.301 of the 1246  
Revised Code may authorize the treasurer of the board of 1247  
education to invest interim moneys of the board in debt 1248  
interests rated in either of the two highest rating 1249

classifications by at least two nationally recognized standard 1250  
rating services and issued by entities that are defined in 1251  
division (D) of section 1705.01 or division (E) of section 1252  
1706.01 of the Revised Code. The debt interests purchased under 1253  
authority of division (E) of this section shall mature not later 1254  
than the latest maturity date of the outstanding obligations 1255  
issued under authority of section 133.10 or 133.301 of the 1256  
Revised Code. 1257

(2) If any of the debt interests acquired under division 1258  
(E) (1) of this section ceases to be rated as there required, its 1259  
issuer shall notify the treasurer of state of this fact within 1260  
twenty-four hours. At any time thereafter the treasurer of state 1261  
may require collateralization at the rate of one hundred two per 1262  
cent of any remaining obligation of the entity, with securities 1263  
authorized for investment under section 135.143 of the Revised 1264  
Code. The collateral shall be delivered to and held by a 1265  
custodian acceptable to the treasurer of state, marked to market 1266  
daily, and any default to be cured within twelve hours. 1267  
Unlimited substitution shall be allowed of comparable 1268  
securities. 1269

**Sec. 135.35.** (A) The investing authority shall deposit or 1270  
invest any part or all of the county's inactive moneys and shall 1271  
invest all of the money in the county public library fund when 1272  
required by section 135.352 of the Revised Code. The following 1273  
classifications of securities and obligations are eligible for 1274  
such deposit or investment: 1275

(1) United States treasury bills, notes, bonds, or any 1276  
other obligation or security issued by the United States 1277  
treasury, any other obligation guaranteed as to principal or 1278  
interest by the United States, or any book entry, zero-coupon 1279

United States treasury security that is a direct obligation of 1280  
the United States. 1281

Nothing in the classification of eligible securities and 1282  
obligations set forth in divisions (A) (2) to (10) of this 1283  
section shall be construed to authorize any investment in 1284  
stripped principal or interest obligations of such eligible 1285  
securities and obligations. 1286

(2) Bonds, notes, debentures, or any other obligations or 1287  
securities issued by any federal government agency or 1288  
instrumentality, including, but not limited to, the federal 1289  
national mortgage association, federal home loan bank, federal 1290  
farm credit bank, federal home loan mortgage corporation, and 1291  
government national mortgage association. All federal agency 1292  
securities shall be direct issuances of federal government 1293  
agencies or instrumentalities. 1294

(3) Time certificates of deposit or savings or deposit 1295  
accounts, including, but not limited to, passbook accounts, in 1296  
any eligible institution mentioned in section 135.32 of the 1297  
Revised Code; 1298

(4) Bonds and other obligations of this state or the 1299  
political subdivisions of this state, provided the bonds or 1300  
other obligations of political subdivisions mature within ten 1301  
years from the date of settlement; 1302

(5) No-load money market mutual funds rated in the highest 1303  
category at the time of purchase by at least one nationally 1304  
recognized standard rating service or consisting exclusively of 1305  
obligations described in division (A) (1), (2), or (6) of section 1306  
135.143 of the Revised Code and repurchase agreements secured by 1307  
such obligations, provided that investments in securities 1308

described in this division are made only through eligible 1309  
institutions mentioned in section 135.32 of the Revised Code; 1310

(6) The Ohio subdivision's fund as provided in section 1311  
135.45 of the Revised Code; 1312

(7) Securities lending agreements with any eligible 1313  
institution mentioned in section 135.32 of the Revised Code that 1314  
is a member of the federal reserve system or federal home loan 1315  
bank or with any recognized United States government securities 1316  
dealer meeting the description in division (J)(1) of this 1317  
section, under the terms of which agreements the investing 1318  
authority lends securities and the eligible institution or 1319  
dealer agrees to simultaneously exchange similar securities or 1320  
cash, equal value for equal value. 1321

Securities and cash received as collateral for a 1322  
securities lending agreement are not inactive moneys of the 1323  
county or moneys of a county public library fund. The investment 1324  
of cash collateral received pursuant to a securities lending 1325  
agreement may be invested only in instruments specified by the 1326  
investing authority in the written investment policy described 1327  
in division (K) of this section. 1328

(8) Up to forty per cent of the county's total average 1329  
portfolio in either of the following investments: 1330

(a) Commercial paper notes issued by an entity that is 1331  
defined in division (D) of section 1705.01 or division (E) of 1332  
section 1706.01 of the Revised Code and that has assets 1333  
exceeding five hundred million dollars, to which notes all of 1334  
the following apply: 1335

(i) The notes are rated at the time of purchase in the 1336  
highest classification established by at least two nationally 1337

recognized standard rating services. 1338

(ii) The aggregate value of the notes does not exceed ten 1339  
per cent of the aggregate value of the outstanding commercial 1340  
paper of the issuing corporation. 1341

(iii) The notes mature not later than two hundred seventy 1342  
days after purchase. 1343

(iv) The investment in commercial paper notes of a single 1344  
issuer shall not exceed in the aggregate five per cent of 1345  
interim moneys available for investment at the time of purchase. 1346

(b) Bankers acceptances of banks that are insured by the 1347  
federal deposit insurance corporation and that mature not later 1348  
than one hundred eighty days after purchase. 1349

No investment shall be made pursuant to division (A) (8) of 1350  
this section unless the investing authority has completed 1351  
additional training for making the investments authorized by 1352  
division (A) (8) of this section. The type and amount of 1353  
additional training shall be approved by the treasurer of state 1354  
and may be conducted by or provided under the supervision of the 1355  
treasurer of state. 1356

(9) Up to fifteen per cent of the county's total average 1357  
portfolio in notes issued by corporations that are incorporated 1358  
under the laws of the United States and that are operating 1359  
within the United States, or by depository institutions that are 1360  
doing business under authority granted by the United States or 1361  
any state and that are operating within the United States, 1362  
provided both of the following apply: 1363

(a) The notes are rated in the three highest categories by 1364  
at least two nationally recognized standard rating services at 1365  
the time of purchase. 1366

(b) The notes mature not later than three years after 1367  
purchase. 1368

(10) Debt interests rated at the time of purchase in the 1369  
three highest categories by two nationally recognized standard 1370  
rating services and issued by foreign nations diplomatically 1371  
recognized by the United States government. All interest and 1372  
principal shall be denominated and payable in United States 1373  
funds. The investments made under division (A) (10) of this 1374  
section shall not exceed in the aggregate two per cent of a 1375  
county's total average portfolio. 1376

The investing authority shall invest under division (A) 1377  
(10) of this section in a debt interest issued by a foreign 1378  
nation only if the debt interest is backed by the full faith and 1379  
credit of that foreign nation, there is no prior history of 1380  
default, and the debt interest matures not later than five years 1381  
after purchase. For purposes of division (A) (10) of this 1382  
section, a debt interest is rated in the three highest 1383  
categories by two nationally recognized standard rating services 1384  
if either the debt interest itself or the issuer of the debt 1385  
interest is rated, or is implicitly rated, at the time of 1386  
purchase in the three highest categories by two nationally 1387  
recognized standard rating services. 1388

(11) A current unpaid or delinquent tax line of credit 1389  
authorized under division (G) of section 135.341 of the Revised 1390  
Code, provided that all of the conditions for entering into such 1391  
a line of credit under that division are satisfied, or bonds and 1392  
other obligations of a county land reutilization corporation 1393  
organized under Chapter 1724. of the Revised Code, if the county 1394  
land reutilization corporation is located wholly or partly 1395  
within the same county as the investing authority. 1396



(B) Nothing in the classifications of eligible obligations 1397  
and securities set forth in divisions (A) (1) to (10) of this 1398  
section shall be construed to authorize investment in a 1399  
derivative, and no investing authority shall invest any county 1400  
inactive moneys or any moneys in a county public library fund in 1401  
a derivative. For purposes of this division, "derivative" means 1402  
a financial instrument or contract or obligation whose value or 1403  
return is based upon or linked to another asset or index, or 1404  
both, separate from the financial instrument, contract, or 1405  
obligation itself. Any security, obligation, trust account, or 1406  
other instrument that is created from an issue of the United 1407  
States treasury or is created from an obligation of a federal 1408  
agency or instrumentality or is created from both is considered 1409  
a derivative instrument. An eligible investment described in 1410  
this section with a variable interest rate payment, based upon a 1411  
single interest payment or single index comprised of other 1412  
eligible investments provided for in division (A) (1) or (2) of 1413  
this section, is not a derivative, provided that such variable 1414  
rate investment has a maximum maturity of two years. A treasury 1415  
inflation-protected security shall not be considered a 1416  
derivative, provided the security matures not later than five 1417  
years after purchase. 1418

(C) Except as provided in division (A) (4) or (D) of this 1419  
section, any investment made pursuant to this section must 1420  
mature within five years from the date of settlement, unless the 1421  
investment is matched to a specific obligation or debt of the 1422  
county or to a specific obligation or debt of a political 1423  
subdivision of this state, and the investment is specifically 1424  
approved by the investment advisory committee. 1425

(D) The investing authority may also enter into a written 1426  
repurchase agreement with any eligible institution mentioned in 1427

section 135.32 of the Revised Code or any eligible securities 1428  
dealer pursuant to division (J) of this section, under the terms 1429  
of which agreement the investing authority purchases and the 1430  
eligible institution or dealer agrees unconditionally to 1431  
repurchase any of the securities listed in divisions (D) (1) to 1432  
(5), except letters of credit described in division (D) (2), of 1433  
section 135.18 of the Revised Code. The market value of 1434  
securities subject to an overnight written repurchase agreement 1435  
must exceed the principal value of the overnight written 1436  
repurchase agreement by at least two per cent. A written 1437  
repurchase agreement must exceed the principal value of the 1438  
overnight written repurchase agreement, by at least two per 1439  
cent. A written repurchase agreement shall not exceed thirty 1440  
days, and the market value of securities subject to a written 1441  
repurchase agreement must exceed the principal value of the 1442  
written repurchase agreement by at least two per cent and be 1443  
marked to market daily. All securities purchased pursuant to 1444  
this division shall be delivered into the custody of the 1445  
investing authority or the qualified custodian of the investing 1446  
authority or an agent designated by the investing authority. A 1447  
written repurchase agreement with an eligible securities dealer 1448  
shall be transacted on a delivery versus payment basis. The 1449  
agreement shall contain the requirement that for each 1450  
transaction pursuant to the agreement the participating 1451  
institution shall provide all of the following information: 1452

- (1) The par value of the securities; 1453
- (2) The type, rate, and maturity date of the securities; 1454
- (3) A numerical identifier generally accepted in the 1455  
securities industry that designates the securities. 1456

No investing authority shall enter into a written 1457

repurchase agreement under the terms of which the investing 1458  
authority agrees to sell securities owned by the county to a 1459  
purchaser and agrees with that purchaser to unconditionally 1460  
repurchase those securities. 1461

(E) No investing authority shall make an investment under 1462  
this section, unless the investing authority, at the time of 1463  
making the investment, reasonably expects that the investment 1464  
can be held until its maturity. The investing authority's 1465  
written investment policy shall specify the conditions under 1466  
which an investment may be redeemed or sold prior to maturity. 1467

(F) No investing authority shall pay a county's inactive 1468  
moneys or moneys of a county public library fund into a fund 1469  
established by another subdivision, treasurer, governing board, 1470  
or investing authority, if that fund was established by the 1471  
subdivision, treasurer, governing board, or investing authority 1472  
for the purpose of investing or depositing the public moneys of 1473  
other subdivisions. This division does not apply to the payment 1474  
of public moneys into either of the following: 1475

(1) The Ohio subdivision's fund pursuant to division (A) 1476  
(6) of this section; 1477

(2) A fund created solely for the purpose of acquiring, 1478  
constructing, owning, leasing, or operating municipal utilities 1479  
pursuant to the authority provided under section 715.02 of the 1480  
Revised Code or Section 4 of Article XVIII, Ohio Constitution. 1481

For purposes of division (F) of this section, 1482  
"subdivision" includes a county. 1483

(G) The use of leverage, in which the county uses its 1484  
current investment assets as collateral for the purpose of 1485  
purchasing other assets, is prohibited. The issuance of taxable 1486

notes for the purpose of arbitrage is prohibited. Contracting to 1487  
sell securities not owned by the county, for the purpose of 1488  
purchasing such securities on the speculation that bond prices 1489  
will decline, is prohibited. 1490

(H) Any securities, certificates of deposit, deposit 1491  
accounts, or any other documents evidencing deposits or 1492  
investments made under authority of this section shall be issued 1493  
in the name of the county with the county treasurer or investing 1494  
authority as the designated payee. If any such deposits or 1495  
investments are registrable either as to principal or interest, 1496  
or both, they shall be registered in the name of the treasurer. 1497

(I) The investing authority shall be responsible for the 1498  
safekeeping of all documents evidencing a deposit or investment 1499  
acquired under this section, including, but not limited to, 1500  
safekeeping receipts evidencing securities deposited with a 1501  
qualified trustee, as provided in section 135.37 of the Revised 1502  
Code, and documents confirming the purchase of securities under 1503  
any repurchase agreement under this section shall be deposited 1504  
with a qualified trustee, provided, however, that the qualified 1505  
trustee shall be required to report to the investing authority, 1506  
auditor of state, or an authorized outside auditor at any time 1507  
upon request as to the identity, market value, and location of 1508  
the document evidencing each security, and that if the 1509  
participating institution is a designated depository of the 1510  
county for the current period of designation, the securities 1511  
that are the subject of the repurchase agreement may be 1512  
delivered to the treasurer or held in trust by the participating 1513  
institution on behalf of the investing authority. 1514

Upon the expiration of the term of office of an investing 1515  
authority or in the event of a vacancy in the office for any 1516

reason, the officer or the officer's legal representative shall 1517  
transfer and deliver to the officer's successor all documents 1518  
mentioned in this division for which the officer has been 1519  
responsible for safekeeping. For all such documents transferred 1520  
and delivered, the officer shall be credited with, and the 1521  
officer's successor shall be charged with, the amount of moneys 1522  
evidenced by such documents. 1523

(J) (1) All investments, except for investments in 1524  
securities described in divisions (A) (5), (6), and (11) of this 1525  
section, shall be made only through a member of the financial 1526  
industry regulatory authority (FINRA), through a bank, savings 1527  
bank, or savings and loan association regulated by the 1528  
superintendent of financial institutions, or through an 1529  
institution regulated by the comptroller of the currency, 1530  
federal deposit insurance corporation, or board of governors of 1531  
the federal reserve system. 1532

(2) Payment for investments shall be made only upon the 1533  
delivery of securities representing such investments to the 1534  
treasurer, investing authority, or qualified trustee. If the 1535  
securities transferred are not represented by a certificate, 1536  
payment shall be made only upon receipt of confirmation of 1537  
transfer from the custodian by the treasurer, governing board, 1538  
or qualified trustee. 1539

(K) (1) Except as otherwise provided in division (K) (2) of 1540  
this section, no investing authority shall make an investment or 1541  
deposit under this section, unless there is on file with the 1542  
auditor of state a written investment policy approved by the 1543  
investing authority. The policy shall require that all entities 1544  
conducting investment business with the investing authority 1545  
shall sign the investment policy of that investing authority. 1546

All brokers, dealers, and financial institutions, described in 1547  
division (J) (1) of this section, initiating transactions with 1548  
the investing authority by giving advice or making investment 1549  
recommendations shall sign the investing authority's investment 1550  
policy thereby acknowledging their agreement to abide by the 1551  
policy's contents. All brokers, dealers, and financial 1552  
institutions, described in division (J) (1) of this section, 1553  
executing transactions initiated by the investing authority, 1554  
having read the policy's contents, shall sign the investment 1555  
policy thereby acknowledging their comprehension and receipt. 1556

(2) If a written investment policy described in division 1557  
(K) (1) of this section is not filed on behalf of the county with 1558  
the auditor of state, the investing authority of that county 1559  
shall invest the county's inactive moneys and moneys of the 1560  
county public library fund only in time certificates of deposits 1561  
or savings or deposit accounts pursuant to division (A) (3) of 1562  
this section, no-load money market mutual funds pursuant to 1563  
division (A) (5) of this section, or the Ohio subdivision's fund 1564  
pursuant to division (A) (6) of this section. 1565

(L) (1) The investing authority shall establish and 1566  
maintain an inventory of all obligations and securities acquired 1567  
by the investing authority pursuant to this section. The 1568  
inventory shall include a description of each obligation or 1569  
security, including type, cost, par value, maturity date, 1570  
settlement date, and any coupon rate. 1571

(2) The investing authority shall also keep a complete 1572  
record of all purchases and sales of the obligations and 1573  
securities made pursuant to this section. 1574

(3) The investing authority shall maintain a monthly 1575  
portfolio report and issue a copy of the monthly portfolio 1576

report describing such investments to the county investment 1577  
advisory committee, detailing the current inventory of all 1578  
obligations and securities, all transactions during the month 1579  
that affected the inventory, any income received from the 1580  
obligations and securities, and any investment expenses paid, 1581  
and stating the names of any persons effecting transactions on 1582  
behalf of the investing authority. 1583

(4) The monthly portfolio report shall be a public record 1584  
and available for inspection under section 149.43 of the Revised 1585  
Code. 1586

(5) The inventory and the monthly portfolio report shall 1587  
be filed with the board of county commissioners. The monthly 1588  
portfolio report also shall be filed with the treasurer of 1589  
state. 1590

(M) An investing authority may enter into a written 1591  
investment or deposit agreement that includes a provision under 1592  
which the parties agree to submit to nonbinding arbitration to 1593  
settle any controversy that may arise out of the agreement, 1594  
including any controversy pertaining to losses of public moneys 1595  
resulting from investment or deposit. The arbitration provision 1596  
shall be set forth entirely in the agreement, and the agreement 1597  
shall include a conspicuous notice to the parties that any party 1598  
to the arbitration may apply to the court of common pleas of the 1599  
county in which the arbitration was held for an order to vacate, 1600  
modify, or correct the award. Any such party may also apply to 1601  
the court for an order to change venue to a court of common 1602  
pleas located more than one hundred miles from the county in 1603  
which the investing authority is located. 1604

For purposes of this division, "investment or deposit 1605  
agreement" means any agreement between an investing authority 1606

and a person, under which agreement the person agrees to invest, 1607  
deposit, or otherwise manage, on behalf of the investing 1608  
authority, a county's inactive moneys or moneys in a county 1609  
public library fund, or agrees to provide investment advice to 1610  
the investing authority. 1611

(N) (1) An investment held in the county portfolio on 1612  
September 27, 1996, that was a legal investment under the law as 1613  
it existed before September 27, 1996, may be held until 1614  
maturity. 1615

(2) An investment held in the county portfolio on 1616  
September 10, 2012, that was a legal investment under the law as 1617  
it existed before September 10, 2012, may be held until 1618  
maturity. 1619

**Sec. 150.05.** (A) The authority shall select, as program 1620  
administrators, not more than two private, for-profit investment 1621  
funds to acquire loans for the program fund and to invest money 1622  
in the program fund as prescribed in the investment policy 1623  
established or modified by the authority in accordance with 1624  
sections 150.03 and 150.04 of the Revised Code. The authority 1625  
shall give equal consideration, in selecting these program 1626  
administrators, to minority owned and controlled investment 1627  
funds, to funds owned and controlled by women, to ventures 1628  
involving minority owned and controlled funds, and to ventures 1629  
involving funds owned and controlled by women that otherwise 1630  
meet the policies and criteria established by the authority. To 1631  
be eligible for selection, an investment fund must be 1632  
incorporated or organized under Chapter 1701., 1705., 1706., 1633  
1775., 1776., 1782., or 1783. of the Revised Code, must have an 1634  
established business presence in this state, and must be 1635  
capitalized in accordance with any state and federal laws 1636



applicable to the issuance or sale of securities. 1637

The authority shall select program administrators only 1638  
after soliciting and evaluating requests for proposals as 1639  
prescribed in this section. The authority shall publish a notice 1640  
of a request for proposals in newspapers of general circulation 1641  
in this state once each week for two consecutive weeks before a 1642  
date specified by the authority as the date on which it will 1643  
begin accepting proposals. The notices shall contain a general 1644  
description of the subject of the proposed agreement and the 1645  
location where the request for proposals may be obtained. The 1646  
request for proposals shall include all the following: 1647

(1) Instructions and information to respondents concerning 1648  
the submission of proposals, including the name and address of 1649  
the office where proposals are to be submitted; 1650

(2) Instructions regarding the manner in which respondents 1651  
may communicate with the authority, including the names, titles, 1652  
and telephone numbers of the individuals to whom such 1653  
communications shall be directed; 1654

(3) Description of the performance criteria that will be 1655  
used to evaluate whether a respondent selected by the authority 1656  
is satisfying the authority's investment policy; 1657

(4) Description of the factors and criteria to be 1658  
considered in evaluating respondents' proposals, the relative 1659  
importance of each factor or criterion, and description of the 1660  
authority's evaluation procedure; 1661

(5) Description of any documents that may be incorporated 1662  
by reference into the request for proposals, provided that the 1663  
request specifies where such documents may be obtained and such 1664  
documents are readily available to all interested parties. 1665

After the date specified for receiving proposals, the authority shall evaluate submitted proposals. The authority may discuss a respondent's proposal with that respondent to clarify or revise a proposal or the terms of the agreement.

The authority shall choose for review proposals from at least three respondents the authority considers qualified to operate the program in the best interests of the investment policy adopted by the authority. If three or fewer proposals are submitted, the authority shall review each proposal. The authority may cancel a request for proposals at any time before entering into an agreement with a respondent. The authority shall provide respondents fair and equal opportunity for such discussions. The authority may terminate discussions with any respondent upon written notice to the respondent.

(B) After reviewing the chosen proposals, the authority may select not more than two such respondents and enter into a written agreement with each of the selected respondents, provided that at no time shall there be agreements with more than two persons.

The agreement shall do all of the following:

(1) Specify that borrowing and investing by the program administrator will be budgeted to guarantee that no tax credits will be granted during the first four years of the Ohio venture capital program, and will be structured to ensure that payments of principal, interest, or interest equivalent due in any fiscal year, when added to such payments due from any other program administrator, does not exceed twenty million dollars;

(2) Require investment by the program administrator or the fund manager employed by the program administrator to be in

compliance with the investment policy established or modified in 1695  
accordance with sections 150.03 and 150.04 of the Revised Code 1696  
that is in effect at the time the investment is made, and 1697  
prohibit the program administrator or fund manager from engaging 1698  
in any investment activities other than activities to carry out 1699  
that policy; 1700

(3) Require periodic financial reporting by the program 1701  
administrator to the authority, which reporting shall include an 1702  
annual audit by an independent auditor and such other financial 1703  
reporting as is specified in the agreement or otherwise required 1704  
by the authority for the purpose of ensuring that the program 1705  
administrator is carrying out the investment policy; 1706

(4) Specify any like standards or general limitations in 1707  
addition to or in furtherance of investment standards or 1708  
limitations that apply pursuant to division (H) of section 1709  
150.03 of the Revised Code; 1710

(5) Require the program administrator to apply program 1711  
fund revenue first to the payment of principal borrowed by the 1712  
program administrator for investment under the program, then to 1713  
interest related to that principal, and then to amounts 1714  
necessary to cover the program administrator's pro rata share 1715  
required under division (B) (9) of this section; and require the 1716  
program administrator to pay the authority not less than ninety 1717  
per cent of the amount by which program fund revenue 1718  
attributable to investments under the program administrator's 1719  
investment authority exceeds amounts so applied; 1720

(6) Specify the procedures by which the program 1721  
administrator shall certify immediately to the authority the 1722  
necessity for the authority to issue tax credit certificates 1723  
pursuant to contracts entered into under section 150.07 of the 1724

Revised Code;	1725
(7) Specify any general limitations regarding the employment of a fund manager by the program administrator, in addition to an express limitation that the fund manager be a person with demonstrated, substantial, successful experience in the design and management of seed and venture capital investment programs and in capital formation. The fund manager may be, but need not be, an equity owner or affiliate of the program administrator.	1726 1727 1728 1729 1730 1731 1732 1733
(8) Specify the terms and conditions under which the authority or the program administrator may terminate the agreement, including in the circumstance that the program administrator or fund manager violates the investment policy;	1734 1735 1736 1737
(9) Require the program administrator or fund manager employed by the program administrator to provide capital in the form of a loan equal to one per cent of the amount of outstanding loans by lenders to the program fund. The loan from the program administrator or fund manager shall be on the same terms and conditions as loans from other lenders, except that the loan from the program administrator or fund manager shall not be secured by the Ohio venture capital fund or tax credits available to other lenders under division (B) of section 150.04 of the Revised Code. Such capital shall be placed at the same risk as the proceeds from such loans. The program administrator shall receive a pro rata share of the net income, including net loss, from the investment of money from the program fund, but is not entitled to the security against losses provided under section 150.04 of the Revised Code.	1738 1739 1740 1741 1742 1743 1744 1745 1746 1747 1748 1749 1750 1751 1752
<b>Sec. 718.01.</b> Any term used in this chapter that is not otherwise defined in this chapter has the same meaning as when	1753 1754

used in a comparable context in laws of the United States 1755  
relating to federal income taxation or in Title LVII of the 1756  
Revised Code, unless a different meaning is clearly required. 1757  
Except as provided in section 718.81 of the Revised Code, if a 1758  
term used in this chapter that is not otherwise defined in this 1759  
chapter is used in a comparable context in both the laws of the 1760  
United States relating to federal income tax and in Title LVII 1761  
of the Revised Code and the use is not consistent, then the use 1762  
of the term in the laws of the United States relating to federal 1763  
income tax shall control over the use of the term in Title LVII 1764  
of the Revised Code. 1765

Except as otherwise provided in section 718.81 of the 1766  
Revised Code, as used in this chapter: 1767

(A) (1) "Municipal taxable income" means the following: 1768

(a) For a person other than an individual, income 1769  
apportioned or situated to the municipal corporation under 1770  
section 718.02 of the Revised Code, as applicable, reduced by 1771  
any pre-2017 net operating loss carryforward available to the 1772  
person for the municipal corporation. 1773

(b) (i) For an individual who is a resident of a municipal 1774  
corporation other than a qualified municipal corporation, income 1775  
reduced by exempt income to the extent otherwise included in 1776  
income, then reduced as provided in division (A) (2) of this 1777  
section, and further reduced by any pre-2017 net operating loss 1778  
carryforward available to the individual for the municipal 1779  
corporation. 1780

(ii) For an individual who is a resident of a qualified 1781  
municipal corporation, Ohio adjusted gross income reduced by 1782  
income exempted, and increased by deductions excluded, by the 1783

qualified municipal corporation from the qualified municipal 1784  
corporation's tax. If a qualified municipal corporation, on or 1785  
before December 31, 2013, exempts income earned by individuals 1786  
who are not residents of the qualified municipal corporation and 1787  
net profit of persons that are not wholly located within the 1788  
qualified municipal corporation, such individual or person shall 1789  
have no municipal taxable income for the purposes of the tax 1790  
levied by the qualified municipal corporation and may be 1791  
exempted by the qualified municipal corporation from the 1792  
requirements of section 718.03 of the Revised Code. 1793

(c) For an individual who is a nonresident of a municipal 1794  
corporation, income reduced by exempt income to the extent 1795  
otherwise included in income and then, as applicable, 1796  
apportioned or situated to the municipal corporation under 1797  
section 718.02 of the Revised Code, then reduced as provided in 1798  
division (A)(2) of this section, and further reduced by any pre- 1799  
2017 net operating loss carryforward available to the individual 1800  
for the municipal corporation. 1801

(2) In computing the municipal taxable income of a 1802  
taxpayer who is an individual, the taxpayer may subtract, as 1803  
provided in division (A)(1)(b)(i) or (c) of this section, the 1804  
amount of the individual's employee business expenses reported 1805  
on the individual's form 2106 that the individual deducted for 1806  
federal income tax purposes for the taxable year, subject to the 1807  
limitation imposed by section 67 of the Internal Revenue Code. 1808  
For the municipal corporation in which the taxpayer is a 1809  
resident, the taxpayer may deduct all such expenses allowed for 1810  
federal income tax purposes. For a municipal corporation in 1811  
which the taxpayer is not a resident, the taxpayer may deduct 1812  
such expenses only to the extent the expenses are related to the 1813  
taxpayer's performance of personal services in that nonresident 1814

municipal corporation. 1815

(B) "Income" means the following: 1816

(1) (a) For residents, all income, salaries, qualifying 1817  
wages, commissions, and other compensation from whatever source 1818  
earned or received by the resident, including the resident's 1819  
distributive share of the net profit of pass-through entities 1820  
owned directly or indirectly by the resident and any net profit 1821  
of the resident, except as provided in division (D) (5) of this 1822  
section. 1823

(b) For the purposes of division (B) (1) (a) of this 1824  
section: 1825

(i) Any net operating loss of the resident incurred in the 1826  
taxable year and the resident's distributive share of any net 1827  
operating loss generated in the same taxable year and 1828  
attributable to the resident's ownership interest in a pass- 1829  
through entity shall be allowed as a deduction, for that taxable 1830  
year and the following five taxable years, against any other net 1831  
profit of the resident or the resident's distributive share of 1832  
any net profit attributable to the resident's ownership interest 1833  
in a pass-through entity until fully utilized, subject to 1834  
division (B) (1) (d) of this section; 1835

(ii) The resident's distributive share of the net profit 1836  
of each pass-through entity owned directly or indirectly by the 1837  
resident shall be calculated without regard to any net operating 1838  
loss that is carried forward by that entity from a prior taxable 1839  
year and applied to reduce the entity's net profit for the 1840  
current taxable year. 1841

(c) Division (B) (1) (b) of this section does not apply with 1842  
respect to any net profit or net operating loss attributable to 1843

an ownership interest in an S corporation unless shareholders' 1844  
distributive shares of net profits from S corporations are 1845  
subject to tax in the municipal corporation as provided in 1846  
division (C) (14) (b) or (c) of this section. 1847

(d) Any amount of a net operating loss used to reduce a 1848  
taxpayer's net profit for a taxable year shall reduce the amount 1849  
of net operating loss that may be carried forward to any 1850  
subsequent year for use by that taxpayer. In no event shall the 1851  
cumulative deductions for all taxable years with respect to a 1852  
taxpayer's net operating loss exceed the original amount of that 1853  
net operating loss available to that taxpayer. 1854

(2) In the case of nonresidents, all income, salaries, 1855  
qualifying wages, commissions, and other compensation from 1856  
whatever source earned or received by the nonresident for work 1857  
done, services performed or rendered, or activities conducted in 1858  
the municipal corporation, including any net profit of the 1859  
nonresident, but excluding the nonresident's distributive share 1860  
of the net profit or loss of only pass-through entities owned 1861  
directly or indirectly by the nonresident. 1862

(3) For taxpayers that are not individuals, net profit of 1863  
the taxpayer; 1864

(4) Lottery, sweepstakes, gambling and sports winnings, 1865  
winnings from games of chance, and prizes and awards. If the 1866  
taxpayer is a professional gambler for federal income tax 1867  
purposes, the taxpayer may deduct related wagering losses and 1868  
expenses to the extent authorized under the Internal Revenue 1869  
Code and claimed against such winnings. 1870

(C) "Exempt income" means all of the following: 1871

(1) The military pay or allowances of members of the armed 1872



forces of the United States or members of their reserve 1873  
components, including the national guard of any state; 1874

(2) (a) Except as provided in division (C) (2) (b) of this 1875  
section, intangible income; 1876

(b) A municipal corporation that taxed any type of 1877  
intangible income on March 29, 1988, pursuant to Section 3 of 1878  
S.B. 238 of the 116th general assembly, may continue to tax that 1879  
type of income if a majority of the electors of the municipal 1880  
corporation voting on the question of whether to permit the 1881  
taxation of that type of intangible income after 1988 voted in 1882  
favor thereof at an election held on November 8, 1988. 1883

(3) Social security benefits, railroad retirement 1884  
benefits, unemployment compensation, pensions, retirement 1885  
benefit payments, payments from annuities, and similar payments 1886  
made to an employee or to the beneficiary of an employee under a 1887  
retirement program or plan, disability payments received from 1888  
private industry or local, state, or federal governments or from 1889  
charitable, religious or educational organizations, and the 1890  
proceeds of sickness, accident, or liability insurance policies. 1891  
As used in division (C) (3) of this section, "unemployment 1892  
compensation" does not include supplemental unemployment 1893  
compensation described in section 3402(o) (2) of the Internal 1894  
Revenue Code. 1895

(4) The income of religious, fraternal, charitable, 1896  
scientific, literary, or educational institutions to the extent 1897  
such income is derived from tax-exempt real estate, tax-exempt 1898  
tangible or intangible property, or tax-exempt activities. 1899

(5) Compensation paid under section 3501.28 or 3501.36 of 1900  
the Revised Code to a person serving as a precinct election 1901

official to the extent that such compensation does not exceed 1902  
one thousand dollars for the taxable year. Such compensation in 1903  
excess of one thousand dollars for the taxable year may be 1904  
subject to taxation by a municipal corporation. A municipal 1905  
corporation shall not require the payer of such compensation to 1906  
withhold any tax from that compensation. 1907

(6) Dues, contributions, and similar payments received by 1908  
charitable, religious, educational, or literary organizations or 1909  
labor unions, lodges, and similar organizations; 1910

(7) Alimony and child support received; 1911

(8) Compensation for personal injuries or for damages to 1912  
property from insurance proceeds or otherwise, excluding 1913  
compensation paid for lost salaries or wages or compensation 1914  
from punitive damages; 1915

(9) Income of a public utility when that public utility is 1916  
subject to the tax levied under section 5727.24 or 5727.30 of 1917  
the Revised Code. Division (C) (9) of this section does not apply 1918  
for purposes of Chapter 5745. of the Revised Code. 1919

(10) Gains from involuntary conversions, interest on 1920  
federal obligations, items of income subject to a tax levied by 1921  
the state and that a municipal corporation is specifically 1922  
prohibited by law from taxing, and income of a decedent's estate 1923  
during the period of administration except such income from the 1924  
operation of a trade or business; 1925

(11) Compensation or allowances excluded from federal 1926  
gross income under section 107 of the Internal Revenue Code; 1927

(12) Employee compensation that is not qualifying wages as 1928  
defined in division (R) of this section; 1929

(13) Compensation paid to a person employed within the 1930  
boundaries of a United States air force base under the 1931  
jurisdiction of the United States air force that is used for the 1932  
housing of members of the United States air force and is a 1933  
center for air force operations, unless the person is subject to 1934  
taxation because of residence or domicile. If the compensation 1935  
is subject to taxation because of residence or domicile, tax on 1936  
such income shall be payable only to the municipal corporation 1937  
of residence or domicile. 1938

(14) (a) Except as provided in division (C) (14) (b) or (c) 1939  
of this section, an S corporation shareholder's distributive 1940  
share of net profits of the S corporation, other than any part 1941  
of the distributive share of net profits that represents wages 1942  
as defined in section 3121(a) of the Internal Revenue Code or 1943  
net earnings from self-employment as defined in section 1402(a) 1944  
of the Internal Revenue Code. 1945

(b) If, pursuant to division (H) of former section 718.01 1946  
of the Revised Code as it existed before March 11, 2004, a 1947  
majority of the electors of a municipal corporation voted in 1948  
favor of the question at an election held on November 4, 2003, 1949  
the municipal corporation may continue after 2002 to tax an S 1950  
corporation shareholder's distributive share of net profits of 1951  
an S corporation. 1952

(c) If, on December 6, 2002, a municipal corporation was 1953  
imposing, assessing, and collecting a tax on an S corporation 1954  
shareholder's distributive share of net profits of the S 1955  
corporation to the extent the distributive share would be 1956  
allocated or apportioned to this state under divisions (B) (1) 1957  
and (2) of section 5733.05 of the Revised Code if the S 1958  
corporation were a corporation subject to taxes imposed under 1959

Chapter 5733. of the Revised Code, the municipal corporation may 1960  
continue to impose the tax on such distributive shares to the 1961  
extent such shares would be so allocated or apportioned to this 1962  
state only until December 31, 2004, unless a majority of the 1963  
electors of the municipal corporation voting on the question of 1964  
continuing to tax such shares after that date voted in favor of 1965  
that question at an election held November 2, 2004. If a 1966  
majority of those electors voted in favor of the question, the 1967  
municipal corporation may continue after December 31, 2004, to 1968  
impose the tax on such distributive shares only to the extent 1969  
such shares would be so allocated or apportioned to this state. 1970

(d) A municipal corporation shall be deemed to have 1971  
elected to tax S corporation shareholders' distributive shares 1972  
of net profits of the S corporation in the hands of the 1973  
shareholders if a majority of the electors of a municipal 1974  
corporation voted in favor of a question at an election held 1975  
under division (C) (14) (b) or (c) of this section. The municipal 1976  
corporation shall specify by resolution or ordinance that the 1977  
tax applies to the distributive share of a shareholder of an S 1978  
corporation in the hands of the shareholder of the S 1979  
corporation. 1980

(15) To the extent authorized under a resolution or 1981  
ordinance adopted by a municipal corporation before January 1, 1982  
2016, all or a portion of the income of individuals or a class 1983  
of individuals under eighteen years of age. 1984

(16) (a) Except as provided in divisions (C) (16) (b), (c), 1985  
and (d) of this section, qualifying wages described in division 1986  
(B) (1) or (E) of section 718.011 of the Revised Code to the 1987  
extent the qualifying wages are not subject to withholding for 1988  
the municipal corporation under either of those divisions. 1989

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

1990  
1991  
1992  
1993

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

1994  
1995  
1996  
1997

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

1998  
1999  
2000

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

2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
2009

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

2010  
2011  
2012

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

2013  
2014  
2015  
2016  
2017

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

2018

section does not apply under either of the following 2019  
circumstances: 2020

(i) The individual's base of operation is located in the 2021  
municipal corporation. 2022

(ii) The individual is a professional athlete, 2023  
professional entertainer, or public figure, and the compensation 2024  
is paid for the performance of services in the individual's 2025  
capacity as a professional athlete, professional entertainer, or 2026  
public figure. For purposes of division (C) (17) (b) (ii) of this 2027  
section, "professional athlete," "professional entertainer," and 2028  
"public figure" have the same meanings as in section 718.011 of 2029  
the Revised Code. 2030

(c) Compensation to which division (C) (17) of this section 2031  
applies shall be treated as earned or received at the 2032  
individual's base of operation. If the individual does not have 2033  
a base of operation, the compensation shall be treated as earned 2034  
or received where the individual is domiciled. 2035

(d) For purposes of division (C) (17) of this section, 2036  
"base of operation" means the location where an individual owns 2037  
or rents an office, storefront, or similar facility to which the 2038  
individual regularly reports and at which the individual 2039  
regularly performs personal services for compensation. 2040

(18) Compensation paid to a person for personal services 2041  
performed for a political subdivision on property owned by the 2042  
political subdivision, regardless of whether the compensation is 2043  
received by an employee of the subdivision or another person 2044  
performing services for the subdivision under a contract with 2045  
the subdivision, if the property on which services are performed 2046  
is annexed to a municipal corporation pursuant to section 2047

709.023 of the Revised Code on or after March 27, 2013, unless 2048  
the person is subject to such taxation because of residence. If 2049  
the compensation is subject to taxation because of residence, 2050  
municipal income tax shall be payable only to the municipal 2051  
corporation of residence. 2052

(19) In the case of a tax administered, collected, and 2053  
enforced by a municipal corporation pursuant to an agreement 2054  
with the board of directors of a joint economic development 2055  
district under section 715.72 of the Revised Code, the net 2056  
profits of a business, and the income of the employees of that 2057  
business, exempted from the tax under division (Q) of that 2058  
section. 2059

(20) All of the following: 2060

(a) Income derived from disaster work conducted in this 2061  
state by an out-of-state disaster business during a disaster 2062  
response period pursuant to a qualifying solicitation received 2063  
by the business; 2064

(b) Income of a qualifying employee described in division 2065  
(A) (14) (a) of section 5703.94 of the Revised Code, to the extent 2066  
such income is derived from disaster work conducted in this 2067  
state by the employee during a disaster response period pursuant 2068  
to a qualifying solicitation received by the employee's 2069  
employer; 2070

(c) Income of a qualifying employee described in division 2071  
(A) (14) (b) of section 5703.94 of the Revised Code, to the extent 2072  
such income is derived from disaster work conducted in this 2073  
state by the employee during a disaster response period on 2074  
critical infrastructure owned or used by the employee's 2075  
employer. 2076

(21) Income the taxation of which is prohibited by the constitution or laws of the United States. 2077  
2078

Any item of income that is exempt income of a pass-through entity under division (C) of this section is exempt income of each owner of the pass-through entity to the extent of that owner's distributive or proportionate share of that item of the entity's income. 2079  
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(D) (1) "Net profit" for a person who is an individual means the individual's net profit required to be reported on schedule C, schedule E, or schedule F reduced by any net operating loss carried forward. For the purposes of division (D) (1) of this section, the net operating loss carried forward shall be calculated and deducted in the same manner as provided in division (D) (3) of this section. 2084  
2085  
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(2) "Net profit" for a person other than an individual means adjusted federal taxable income reduced by any net operating loss incurred by the person in a taxable year beginning on or after January 1, 2017, subject to the limitations of division (D) (3) of this section. 2091  
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(3) (a) The amount of such net operating loss shall be deducted from net profit to the extent necessary to reduce municipal taxable income to zero, with any remaining unused portion of the net operating loss carried forward to not more than five consecutive taxable years following the taxable year in which the loss was incurred, but in no case for more years than necessary for the deduction to be fully utilized. 2096  
2097  
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2101  
2102

(b) No person shall use the deduction allowed by division (D) (3) of this section to offset qualifying wages. 2103  
2104

(c) (i) For taxable years beginning in 2018, 2019, 2020, 2105



2021, or 2022, a person may not deduct, for purposes of an 2106  
income tax levied by a municipal corporation that levies an 2107  
income tax before January 1, 2016, more than fifty per cent of 2108  
the amount of the deduction otherwise allowed by division (D) (3) 2109  
of this section. 2110

(ii) For taxable years beginning in 2023 or thereafter, a 2111  
person may deduct, for purposes of an income tax levied by a 2112  
municipal corporation that levies an income tax before January 2113  
1, 2016, the full amount allowed by division (D) (3) of this 2114  
section without regard to the limitation of division (D) (3) (b) 2115  
(i) of this section. 2116

(d) Any pre-2017 net operating loss carryforward deduction 2117  
that is available may be utilized before a taxpayer may deduct 2118  
any amount pursuant to division (D) (3) of this section. 2119

(e) Nothing in division (D) (3) (c) (i) of this section 2120  
precludes a person from carrying forward, for use with respect 2121  
to any return filed for a taxable year beginning after 2018, any 2122  
amount of net operating loss that was not fully utilized by 2123  
operation of division (D) (3) (c) (i) of this section. To the 2124  
extent that an amount of net operating loss that was not fully 2125  
utilized in one or more taxable years by operation of division 2126  
(D) (3) (c) (i) of this section is carried forward for use with 2127  
respect to a return filed for a taxable year beginning in 2019, 2128  
2020, 2021, or 2022, the limitation described in division (D) (3) 2129  
(c) (i) of this section shall apply to the amount carried 2130  
forward. 2131

(4) For the purposes of this chapter, and notwithstanding 2132  
division (D) (2) of this section, net profit of a disregarded 2133  
entity shall not be taxable as against that disregarded entity, 2134  
but shall instead be included in the net profit of the owner of 2135

the disregarded entity. 2136

(5) For the purposes of this chapter, and notwithstanding 2137  
any other provision of this chapter, the net profit of a 2138  
publicly traded partnership that makes the election described in 2139  
division (D) (5) of this section shall be taxed as if the 2140  
partnership were a C corporation, and shall not be treated as 2141  
the net profit or income of any owner of the partnership. 2142

A publicly traded partnership that is treated as a 2143  
partnership for federal income tax purposes and that is subject 2144  
to tax on its net profits in one or more municipal corporations 2145  
in this state may elect to be treated as a C corporation for 2146  
municipal income tax purposes. The publicly traded partnership 2147  
shall make the election in every municipal corporation in which 2148  
the partnership is subject to taxation on its net profits. The 2149  
election shall be made on the annual tax return filed in each 2150  
such municipal corporation. The publicly traded partnership 2151  
shall not be required to file the election with any municipal 2152  
corporation in which the partnership is not subject to taxation 2153  
on its net profits, but division (D) (5) of this section applies 2154  
to all municipal corporations in which an individual owner of 2155  
the partnership resides. 2156

(E) "Adjusted federal taxable income," for a person 2157  
required to file as a C corporation, or for a person that has 2158  
elected to be taxed as a C corporation under division (D) (5) of 2159  
this section, means a C corporation's federal taxable income 2160  
before net operating losses and special deductions as determined 2161  
under the Internal Revenue Code, adjusted as follows: 2162

(1) Deduct intangible income to the extent included in 2163  
federal taxable income. The deduction shall be allowed 2164  
regardless of whether the intangible income relates to assets 2165

used in a trade or business or assets held for the production of income.	2166 2167
(2) Add an amount equal to five per cent of intangible income deducted under division (E) (1) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code;	2168 2169 2170 2171 2172
(3) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;	2173 2174 2175 2176
(4) (a) Except as provided in division (E) (4) (b) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;	2177 2178 2179 2180 2181
(b) Division (E) (4) (a) of this section does not apply to the extent the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code.	2182 2183 2184
(5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;	2185 2186
(6) In the case of a real estate investment trust or regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;	2187 2188 2189 2190 2191
(7) Deduct, to the extent not otherwise deducted or excluded in computing federal taxable income, any income derived from a transfer agreement or from the enterprise transferred	2192 2193 2194

under that agreement under section 4313.02 of the Revised Code;	2195
(8) Deduct exempt income to the extent not otherwise	2196
deducted or excluded in computing adjusted federal taxable	2197
income.	2198
(9) Deduct any net profit of a pass-through entity owned	2199
directly or indirectly by the taxpayer and included in the	2200
taxpayer's federal taxable income unless an affiliated group of	2201
corporations includes that net profit in the group's federal	2202
taxable income in accordance with division (E) (3) (b) of section	2203
718.06 of the Revised Code.	2204
(10) Add any loss incurred by a pass-through entity owned	2205
directly or indirectly by the taxpayer and included in the	2206
taxpayer's federal taxable income unless an affiliated group of	2207
corporations includes that loss in the group's federal taxable	2208
income in accordance with division (E) (3) (b) of section 718.06	2209
of the Revised Code.	2210
If the taxpayer is not a C corporation, is not a	2211
disregarded entity that has made the election described in	2212
division (L) (2) of this section, is not a publicly traded	2213
partnership that has made the election described in division (D)	2214
(5) of this section, and is not an individual, the taxpayer	2215
shall compute adjusted federal taxable income under this section	2216
as if the taxpayer were a C corporation, except guaranteed	2217
payments and other similar amounts paid or accrued to a partner,	2218
former partner, shareholder, former shareholder, member, or	2219
former member shall not be allowed as a deductible expense	2220
unless such payments are in consideration for the use of capital	2221
and treated as payment of interest under section 469 of the	2222
Internal Revenue Code or United States treasury regulations.	2223
Amounts paid or accrued to a qualified self-employed retirement	2224

plan with respect to a partner, former partner, shareholder, 2225  
former shareholder, member, or former member of the taxpayer, 2226  
amounts paid or accrued to or for health insurance for a 2227  
partner, former partner, shareholder, former shareholder, 2228  
member, or former member, and amounts paid or accrued to or for 2229  
life insurance for a partner, former partner, shareholder, 2230  
former shareholder, member, or former member shall not be 2231  
allowed as a deduction. 2232

Nothing in division (E) of this section shall be construed 2233  
as allowing the taxpayer to add or deduct any amount more than 2234  
once or shall be construed as allowing any taxpayer to deduct 2235  
any amount paid to or accrued for purposes of federal self- 2236  
employment tax. 2237

(F) "Schedule C" means internal revenue service schedule C 2238  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2239  
Code. 2240

(G) "Schedule E" means internal revenue service schedule E 2241  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2242  
Code. 2243

(H) "Schedule F" means internal revenue service schedule F 2244  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2245  
Code. 2246

(I) "Internal Revenue Code" has the same meaning as in 2247  
section 5747.01 of the Revised Code. 2248

(J) "Resident" means an individual who is domiciled in the 2249  
municipal corporation as determined under section 718.012 of the 2250  
Revised Code. 2251

(K) "Nonresident" means an individual that is not a 2252  
resident. 2253

(L) (1) "Taxpayer" means a person subject to a tax levied 2254  
on income by a municipal corporation in accordance with this 2255  
chapter. "Taxpayer" does not include a grantor trust or, except 2256  
as provided in division (L) (2) (a) of this section, a disregarded 2257  
entity. 2258

(2) (a) A single member limited liability company that is a 2259  
disregarded entity for federal tax purposes may be a separate 2260  
taxpayer from its single member in all Ohio municipal 2261  
corporations in which it either filed as a separate taxpayer or 2262  
did not file for its taxable year ending in 2003, if all of the 2263  
following conditions are met: 2264

(i) The limited liability company's single member is also 2265  
a limited liability company. 2266

(ii) The limited liability company and its single member 2267  
were formed and doing business in one or more Ohio municipal 2268  
corporations for at least five years before January 1, 2004. 2269

(iii) Not later than December 31, 2004, the limited 2270  
liability company and its single member each made an election to 2271  
be treated as a separate taxpayer under division (L) of this 2272  
section as this section existed on December 31, 2004. 2273

(iv) The limited liability company was not formed for the 2274  
purpose of evading or reducing Ohio municipal corporation income 2275  
tax liability of the limited liability company or its single 2276  
member. 2277

(v) The Ohio municipal corporation that was the primary 2278  
place of business of the sole member of the limited liability 2279  
company consented to the election. 2280

(b) For purposes of division (L) (2) (a) (v) of this section, 2281  
a municipal corporation was the primary place of business of a 2282

limited liability company if, for the limited liability 2283  
company's taxable year ending in 2003, its income tax liability 2284  
was greater in that municipal corporation than in any other 2285  
municipal corporation in Ohio, and that tax liability to that 2286  
municipal corporation for its taxable year ending in 2003 was at 2287  
least four hundred thousand dollars. 2288

(M) "Person" includes individuals, firms, companies, joint 2289  
stock companies, business trusts, estates, trusts, partnerships, 2290  
limited liability partnerships, limited liability companies, 2291  
associations, C corporations, S corporations, governmental 2292  
entities, and any other entity. 2293

(N) "Pass-through entity" means a partnership not treated 2294  
as an association taxable as a C corporation for federal income 2295  
tax purposes, a limited liability company not treated as an 2296  
association taxable as a C corporation for federal income tax 2297  
purposes, an S corporation, or any other class of entity from 2298  
which the income or profits of the entity are given pass-through 2299  
treatment for federal income tax purposes. "Pass-through entity" 2300  
does not include a trust, estate, grantor of a grantor trust, or 2301  
disregarded entity. 2302

(O) "S corporation" means a person that has made an 2303  
election under subchapter S of Chapter 1 of Subtitle A of the 2304  
Internal Revenue Code for its taxable year. 2305

(P) "Single member limited liability company" means a 2306  
limited liability company that has one direct member. 2307

(Q) "Limited liability company" means a limited liability 2308  
company formed under Chapter 1705. or 1706. of the Revised Code 2309  
or under the laws of another state. 2310

(R) "Qualifying wages" means wages, as defined in section 2311

3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:	2312 2313
(1) Deduct the following amounts:	2314
(a) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code.	2315 2316 2317
(b) Any amount included in wages if the amount constitutes payment on account of a disability related to sickness or an accident paid by a party unrelated to the employer, agent of an employer, or other payer.	2318 2319 2320 2321
(c) Any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of the Internal Revenue Code if the compensation is included in wages and the municipal corporation has, by resolution or ordinance adopted before January 1, 2016, exempted the amount from withholding and tax.	2322 2323 2324 2325 2326 2327
(d) Any amount included in wages if the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has, by resolution or ordinance adopted before January 1, 2016, exempted the amount from withholding and tax.	2328 2329 2330 2331 2332 2333 2334
(e) Any amount included in wages that is exempt income.	2335
(2) Add the following amounts:	2336
(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.	2337 2338
(b) Any amount not included in wages because the amount	2339



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

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

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

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

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

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

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

(iii) For no succeeding taxable year will the amount	2369
constitute wages; and	2370
(iv) For any taxable year the amount has not otherwise	2371
been added to wages pursuant to either division (R) (2) of this	2372
section or section 718.03 of the Revised Code, as that section	2373
existed before the effective date of H.B. 5 of the 130th general	2374
assembly, March 23, 2015.	2375
(S) "Intangible income" means income of any of the	2376
following types: income yield, interest, capital gains,	2377
dividends, or other income arising from the ownership, sale,	2378
exchange, or other disposition of intangible property including,	2379
but not limited to, investments, deposits, money, or credits as	2380
those terms are defined in Chapter 5701. of the Revised Code,	2381
and patents, copyrights, trademarks, tradenames, investments in	2382
real estate investment trusts, investments in regulated	2383
investment companies, and appreciation on deferred compensation.	2384
"Intangible income" does not include prizes, awards, or other	2385
income associated with any lottery winnings, gambling winnings,	2386
or other similar games of chance.	2387
(T) "Taxable year" means the corresponding tax reporting	2388
period as prescribed for the taxpayer under the Internal Revenue	2389
Code.	2390
(U) "Tax administrator" means the individual charged with	2391
direct responsibility for administration of an income tax levied	2392
by a municipal corporation in accordance with this chapter, and	2393
also includes the following:	2394
(1) A municipal corporation acting as the agent of another	2395
municipal corporation;	2396
(2) A person retained by a municipal corporation to	2397

administer a tax levied by the municipal corporation, but only 2398  
if the municipal corporation does not compensate the person in 2399  
whole or in part on a contingency basis; 2400

(3) The central collection agency or the regional income 2401  
tax agency or their successors in interest, or another entity 2402  
organized to perform functions similar to those performed by the 2403  
central collection agency and the regional income tax agency. 2404

"Tax administrator" does not include the tax commissioner. 2405

(V) "Employer" means a person that is an employer for 2406  
federal income tax purposes. 2407

(W) "Employee" means an individual who is an employee for 2408  
federal income tax purposes. 2409

(X) "Other payer" means any person, other than an 2410  
individual's employer or the employer's agent, that pays an 2411  
individual any amount included in the federal gross income of 2412  
the individual. "Other payer" includes casino operators and 2413  
video lottery terminal sales agents. 2414

(Y) "Calendar quarter" means the three-month period ending 2415  
on the last day of March, June, September, or December. 2416

(Z) "Form 2106" means internal revenue service form 2106 2417  
filed by a taxpayer pursuant to the Internal Revenue Code. 2418

(AA) "Municipal corporation" includes a joint economic 2419  
development district or joint economic development zone that 2420  
levies an income tax under section 715.691, 715.70, 715.71, or 2421  
715.72 of the Revised Code. 2422

(BB) "Disregarded entity" means a single member limited 2423  
liability company, a qualifying subchapter S subsidiary, or 2424  
another entity if the company, subsidiary, or entity is a 2425

disregarded entity for federal income tax purposes.	2426
(CC) "Generic form" means an electronic or paper form that	2427
is not prescribed by a particular municipal corporation and that	2428
is designed for reporting taxes withheld by an employer, agent	2429
of an employer, or other payer, estimated municipal income	2430
taxes, or annual municipal income tax liability or for filing a	2431
refund claim.	2432
(DD) "Tax return preparer" means any individual described	2433
in section 7701(a)(36) of the Internal Revenue Code and 26	2434
C.F.R. 301.7701-15.	2435
(EE) "Ohio business gateway" means the online computer	2436
network system, created under section 125.30 of the Revised	2437
Code, that allows persons to electronically file business reply	2438
forms with state agencies and includes any successor electronic	2439
filing and payment system.	2440
(FF) "Local board of tax review" and "board of tax review"	2441
mean the entity created under section 718.11 of the Revised	2442
Code.	2443
(GG) "Net operating loss" means a loss incurred by a	2444
person in the operation of a trade or business. "Net operating	2445
loss" does not include unutilized losses resulting from basis	2446
limitations, at-risk limitations, or passive activity loss	2447
limitations.	2448
(HH) "Casino operator" and "casino facility" have the same	2449
meanings as in section 3772.01 of the Revised Code.	2450
(II) "Video lottery terminal" has the same meaning as in	2451
section 3770.21 of the Revised Code.	2452
(JJ) "Video lottery terminal sales agent" means a lottery	2453

sales agent licensed under Chapter 3770. of the Revised Code to 2454  
conduct video lottery terminals on behalf of the state pursuant 2455  
to section 3770.21 of the Revised Code. 2456

(KK) "Postal service" means the United States postal 2457  
service. 2458

(LL) "Certified mail," "express mail," "United States 2459  
mail," "postal service," and similar terms include any delivery 2460  
service authorized pursuant to section 5703.056 of the Revised 2461  
Code. 2462

(MM) "Postmark date," "date of postmark," and similar 2463  
terms include the date recorded and marked in the manner 2464  
described in division (B) (3) of section 5703.056 of the Revised 2465  
Code. 2466

(NN) "Related member" means a person that, with respect to 2467  
the taxpayer during all or any portion of the taxable year, is 2468  
either a related entity, a component member as defined in 2469  
section 1563(b) of the Internal Revenue Code, or a person to or 2470  
from whom there is attribution of stock ownership in accordance 2471  
with section 1563(e) of the Internal Revenue Code except, for 2472  
purposes of determining whether a person is a related member 2473  
under this division, "twenty per cent" shall be substituted for 2474  
"5 percent" wherever "5 percent" appears in section 1563(e) of 2475  
the Internal Revenue Code. 2476

(OO) "Related entity" means any of the following: 2477

(1) An individual stockholder, or a member of the 2478  
stockholder's family enumerated in section 318 of the Internal 2479  
Revenue Code, if the stockholder and the members of the 2480  
stockholder's family own directly, indirectly, beneficially, or 2481  
constructively, in the aggregate, at least fifty per cent of the 2482

value of the taxpayer's outstanding stock;	2483
(2) A stockholder, or a stockholder's partnership, estate,	2484
trust, or corporation, if the stockholder and the stockholder's	2485
partnerships, estates, trusts, or corporations own directly,	2486
indirectly, beneficially, or constructively, in the aggregate,	2487
at least fifty per cent of the value of the taxpayer's	2488
outstanding stock;	2489
(3) A corporation, or a party related to the corporation	2490
in a manner that would require an attribution of stock from the	2491
corporation to the party or from the party to the corporation	2492
under division (00) (4) of this section, provided the taxpayer	2493
owns directly, indirectly, beneficially, or constructively, at	2494
least fifty per cent of the value of the corporation's	2495
outstanding stock;	2496
(4) The attribution rules described in section 318 of the	2497
Internal Revenue Code apply for the purpose of determining	2498
whether the ownership requirements in divisions (00) (1) to (3)	2499
of this section have been met.	2500
(PP) (1) "Assessment" means a written finding by the tax	2501
administrator that a person has underpaid municipal income tax,	2502
or owes penalty and interest, or any combination of tax,	2503
penalty, or interest, to the municipal corporation that	2504
commences the person's time limitation for making an appeal to	2505
the local board of tax review pursuant to section 718.11 of the	2506
Revised Code, and has "ASSESSMENT" written in all capital	2507
letters at the top of such finding.	2508
(2) "Assessment" does not include an informal notice	2509
denying a request for refund issued under division (B) (3) of	2510
section 718.19 of the Revised Code, a billing statement	2511

notifying a taxpayer of current or past-due balances owed to the 2512  
municipal corporation, a tax administrator's request for 2513  
additional information, a notification to the taxpayer of 2514  
mathematical errors, or a tax administrator's other written 2515  
correspondence to a person or taxpayer that does meet the 2516  
criteria prescribed by division (PP)(1) of this section. 2517

(QQ) "Taxpayers' rights and responsibilities" means the 2518  
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 2519  
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 2520  
Revised Code and the responsibilities of taxpayers to file, 2521  
report, withhold, remit, and pay municipal income tax and 2522  
otherwise comply with Chapter 718. of the Revised Code and 2523  
resolutions, ordinances, and rules adopted by a municipal 2524  
corporation for the imposition and administration of a municipal 2525  
income tax. 2526

(RR) "Qualified municipal corporation" means a municipal 2527  
corporation that, by resolution or ordinance adopted on or 2528  
before December 31, 2011, adopted Ohio adjusted gross income, as 2529  
defined by section 5747.01 of the Revised Code, as the income 2530  
subject to tax for the purposes of imposing a municipal income 2531  
tax. 2532

(SS) (1) "Pre-2017 net operating loss carryforward" means 2533  
any net operating loss incurred in a taxable year beginning 2534  
before January 1, 2017, to the extent such loss was permitted, 2535  
by a resolution or ordinance of the municipal corporation that 2536  
was adopted by the municipal corporation before January 1, 2016, 2537  
to be carried forward and utilized to offset income or net 2538  
profit generated in such municipal corporation in future taxable 2539  
years. 2540

(2) For the purpose of calculating municipal taxable 2541

income, any pre-2017 net operating loss carryforward may be 2542  
carried forward to any taxable year, including taxable years 2543  
beginning in 2017 or thereafter, for the number of taxable years 2544  
provided in the resolution or ordinance or until fully utilized, 2545  
whichever is earlier. 2546

(TT) "Small employer" means any employer that had total 2547  
revenue of less than five hundred thousand dollars during the 2548  
preceding taxable year. For purposes of this division, "total 2549  
revenue" means receipts of any type or kind, including, but not 2550  
limited to, sales receipts; payments; rents; profits; gains, 2551  
dividends, and other investment income; compensation; 2552  
commissions; premiums; money; property; grants; contributions; 2553  
donations; gifts; program service revenue; patient service 2554  
revenue; premiums; fees, including premium fees and service 2555  
fees; tuition payments; unrelated business revenue; 2556  
reimbursements; any type of payment from a governmental unit, 2557  
including grants and other allocations; and any other similar 2558  
receipts reported for federal income tax purposes or under 2559  
generally accepted accounting principles. "Small employer" does 2560  
not include the federal government; any state government, 2561  
including any state agency or instrumentality; any political 2562  
subdivision; or any entity treated as a government for financial 2563  
accounting and reporting purposes. 2564

(UU) "Audit" means the examination of a person or the 2565  
inspection of the books, records, memoranda, or accounts of a 2566  
person for the purpose of determining liability for a municipal 2567  
income tax. 2568

(VV) "Publicly traded partnership" means any partnership, 2569  
an interest in which is regularly traded on an established 2570  
securities market. A "publicly traded partnership" may have any 2571



number of partners.	2572
(WW) "Tax commissioner" means the tax commissioner appointed under section 121.03 of the Revised Code.	2573 2574
(XX) "Out-of-state disaster business," "qualifying solicitation," "qualifying employee," "disaster work," "critical infrastructure," and "disaster response period" have the same meanings as in section 5703.94 of the Revised Code.	2575 2576 2577 2578
(YY) "Pension" means a retirement benefit plan, regardless of whether the plan satisfies the qualifications described under section 401(a) of the Internal Revenue Code, including amounts that are taxable under the "Federal Insurance Contributions Act," Chapter 21 of the Internal Revenue Code, excluding employee contributions and elective deferrals, and regardless of whether such amounts are paid in the same taxable year in which the amounts are included in the employee's wages, as defined by section 3121(a) of the Internal Revenue Code.	2579 2580 2581 2582 2583 2584 2585 2586 2587
(ZZ) "Retirement benefit plan" means an arrangement whereby an entity provides benefits to individuals either on or after their termination of service because of retirement or disability. "Retirement benefit plan" does not include wage continuation payments, severance payments, or payments made for accrued personal or vacation time.	2588 2589 2590 2591 2592 2593
<b>Sec. 1329.01.</b> (A) As used in sections 1329.01 to 1329.10 of the Revised Code:	2594 2595
(1) "Trade name" means a name used in business or trade to designate the business of the user and to which the user asserts a right to exclusive use.	2596 2597 2598
(2) "Fictitious name" means a name used in business or trade that is fictitious and that the user has not registered or	2599 2600

is not entitled to register as a trade name. It does not include 2601  
the name of record of any domestic corporation that is formed 2602  
under Chapter 1701. or 1702. of the Revised Code, any foreign 2603  
corporation that is registered pursuant to Chapter 1703. of the 2604  
Revised Code, any domestic or foreign limited liability company 2605  
that is formed under or registered pursuant to Chapter 1705. or 2606  
1706. of the Revised Code, any domestic or foreign limited 2607  
partnership that is formed under or registered pursuant to 2608  
Chapter 1782. of the Revised Code, or any domestic or foreign 2609  
limited liability partnership that is formed under or registered 2610  
pursuant to Chapter 1775. or 1776. of the Revised Code. 2611

(3) "Person" includes any individual, general partnership, 2612  
limited partnership, limited liability partnership, corporation, 2613  
association, professional association, limited liability 2614  
company, society, foundation, federation, or organization formed 2615  
under the laws of this state or any other state. 2616

(B) Except as provided in section 1701.041 of the Revised 2617  
Code and subject to sections 1329.01 to 1329.10 of the Revised 2618  
Code, any person may register with the secretary of state, on a 2619  
form prescribed by the secretary of state, any trade name under 2620  
which the person is operating, setting forth all of the 2621  
following: 2622

(1) The name and business address of the applicant for 2623  
registration and any of the following that is applicable: 2624

(a) If the applicant is a general partnership, the name 2625  
and address of at least one partner or the identifying number 2626  
the secretary of state assigns to the partnership pursuant to 2627  
section 1776.05 of the Revised Code; 2628

(b) If the applicant is a limited partnership, a 2629

corporation, professional association, limited liability 2630  
company, or other entity, the form of the entity and the state 2631  
under the laws of which it was formed. 2632

(2) The trade name to be registered; 2633

(3) The general nature of the business conducted by the 2634  
applicant; 2635

(4) The length of time during which the trade name has 2636  
been used by the applicant in business operations in this state. 2637

(C) The trade name application shall be signed by the 2638  
applicant or by any authorized representative of the applicant. 2639

A single trade name may be registered upon each trade name 2640  
application submitted under sections 1329.01 to 1329.10 of the 2641  
Revised Code. 2642

The trade name application shall be accompanied by a 2643  
filing fee of thirty-nine dollars, payable to the secretary of 2644  
state. 2645

(D) Any person who does business under a fictitious name 2646  
and who has not registered and does not wish to register the 2647  
fictitious name as a trade name or who cannot do so because the 2648  
name is not available for registration shall report the use of 2649  
the fictitious name to the secretary of state, on a form 2650  
prescribed by the secretary of state, setting forth all of the 2651  
following: 2652

(1) The name and business address of the user and any of 2653  
the following that is applicable: 2654

(a) If the user is a general partnership, the name and 2655  
address of at least one partner or the identifying number the 2656  
secretary of state assigns to the partnership pursuant to 2657

section 1775.105 of the Revised Code; 2658

(b) If the user is a limited partnership, a corporation, 2659  
professional association, limited liability company, or other 2660  
entity, the form of the entity and the state under whose laws it 2661  
was formed. 2662

(2) The fictitious name being used; 2663

(3) The general nature of the business conducted by the 2664  
user. 2665

(E) The report of use of a fictitious name shall be signed 2666  
by the user or by any authorized representative of the user. 2667

A single fictitious name may be registered upon each 2668  
fictitious name report submitted under sections 1329.01 to 2669  
1329.10 of the Revised Code. 2670

The fictitious name report shall be accompanied by a 2671  
filing fee of thirty-nine dollars, payable to the secretary of 2672  
state. 2673

A report under this division shall be made within thirty 2674  
days after the date of the first use of the fictitious name. 2675

**Sec. 1329.02.** (A) The secretary of state shall not file an 2676  
application for the registration of any trade name if the 2677  
application indicates or implies that the trade name is 2678  
connected with a government agency of this state, another state, 2679  
or the United States and the trade name is not so connected or 2680  
if the application indicates or implies that the applicant is 2681  
incorporated and the application is not incorporated. 2682

Additionally, the secretary of state shall not file an 2683  
application for the registration of any trade name if it is not 2684  
distinguishable upon the records in the office of the secretary 2685

of state from any other trade name previously registered under 2686  
sections 1329.01 to 1329.03 of the Revised Code, any corporate 2687  
name, whether nonprofit or for profit and whether that of a 2688  
domestic corporation or of a foreign corporation authorized to 2689  
do business in this state, the name of any limited liability 2690  
company registered in the office of the secretary of state 2691  
pursuant to Chapter 1705. or 1706. of the Revised Code, whether 2692  
domestic or foreign, the name of any limited liability 2693  
partnership registered in the office of the secretary of state 2694  
pursuant to Chapter 1775. or 1776. of the Revised Code, whether 2695  
domestic or foreign, the name of any limited partnership 2696  
registered in the office of the secretary of state pursuant to 2697  
Chapter 1782. of the Revised Code, whether domestic or foreign, 2698  
or any trademark, or service mark previously filed and recorded 2699  
in the office of the secretary of state and not abandoned, 2700  
unless the written consent of the corporation, limited liability 2701  
company, limited liability partnership, or limited partnership, 2702  
or the person to whom is registered the exclusive right to use 2703  
the trade name is filed in accordance with division (C) of 2704  
section 1701.05 of the Revised Code with the application or the 2705  
written consent of the former registrant of the trademark or 2706  
service mark is filed with the application. The application for 2707  
the registration of a trade name and the consent form shall be 2708  
on a form prescribed by the secretary of state. 2709

(B) The secretary of state shall determine for purposes of 2710  
this section whether a name is distinguishable from another name 2711  
in a manner consistent with the provisions of division (B) of 2712  
section 1701.05 of the Revised Code. 2713

**Sec. 1701.03.** (A) A corporation may be formed under this 2714  
chapter for any purpose or combination of purposes for which 2715  
individuals lawfully may associate themselves, except that, if 2716

the Revised Code contains special provisions pertaining to the 2717  
formation of any designated type of corporation other than a 2718  
professional association, as defined in section 1785.01 of the 2719  
Revised Code, a corporation of that type shall be formed in 2720  
accordance with the special provisions. 2721

(B) On and after July 1, 1994, a corporation may be formed 2722  
under this chapter for the purpose of carrying on the practice 2723  
of any profession, including, but not limited to, a corporation 2724  
for the purpose of providing public accounting or certified 2725  
public accounting services, a corporation for the erection, 2726  
owning, and conducting of a sanitarium for receiving and caring 2727  
for patients, medical and hygienic treatment of patients, and 2728  
instruction of nurses in the treatment of disease and in 2729  
hygiene, a corporation for the purpose of providing 2730  
architectural, landscape architectural, professional 2731  
engineering, or surveying services or any combination of those 2732  
types of services, and a corporation for the purpose of 2733  
providing a combination of the professional services, as defined 2734  
in section 1785.01 of the Revised Code, of optometrists 2735  
authorized under Chapter 4725. of the Revised Code, 2736  
chiropractors authorized under Chapter 4734. of the Revised Code 2737  
to practice chiropractic or acupuncture, psychologists 2738  
authorized under Chapter 4732. of the Revised Code, registered 2739  
or licensed practical nurses authorized under Chapter 4723. of 2740  
the Revised Code, pharmacists authorized under Chapter 4729. of 2741  
the Revised Code, physical therapists authorized under sections 2742  
4755.40 to 4755.56 of the Revised Code, occupational therapists 2743  
authorized under sections 4755.04 to 4755.13 of the Revised 2744  
Code, mechanotherapists authorized under section 4731.151 of the 2745  
Revised Code, doctors of medicine and surgery, osteopathic 2746  
medicine and surgery, or podiatric medicine and surgery 2747

authorized under Chapter 4731. of the Revised Code, and licensed 2748  
professional clinical counselors, licensed professional 2749  
counselors, independent social workers, social workers, 2750  
independent marriage and family therapists, or marriage and 2751  
family therapists authorized under Chapter 4757. of the Revised 2752  
Code. 2753

This chapter does not restrict, limit, or otherwise affect 2754  
the authority or responsibilities of any agency, board, 2755  
commission, department, office, or other entity to license, 2756  
register, and otherwise regulate the professional conduct of 2757  
individuals or organizations of any kind rendering professional 2758  
services, as defined in section 1785.01 of the Revised Code, in 2759  
this state or to regulate the practice of any profession that is 2760  
within the jurisdiction of the agency, board, commission, 2761  
department, office, or other entity, notwithstanding that an 2762  
individual is a director, officer, employee, or other agent of a 2763  
corporation formed under this chapter and is rendering 2764  
professional services or engaging in the practice of a 2765  
profession through a corporation formed under this chapter or 2766  
that the organization is a corporation formed under this 2767  
chapter. 2768

(C) Nothing in division (A) or (B) of this section 2769  
precludes the organization of a professional association in 2770  
accordance with this chapter and Chapter 1785. of the Revised 2771  
Code or the formation of a limited liability company under 2772  
Chapter 1705. or 1706. of the Revised Code with respect to a 2773  
~~business, as defined in section 1705.01 of the Revised~~ 2774  
~~Code~~ trade, occupation, or profession. 2775

(D) No corporation formed for the purpose of providing a 2776  
combination of the professional services, as defined in section 2777

1785.01 of the Revised Code, of optometrists authorized under 2778  
Chapter 4725. of the Revised Code, chiropractors authorized 2779  
under Chapter 4734. of the Revised Code to practice chiropractic 2780  
or acupuncture, psychologists authorized under Chapter 4732. of 2781  
the Revised Code, registered or licensed practical nurses 2782  
authorized under Chapter 4723. of the Revised Code, pharmacists 2783  
authorized under Chapter 4729. of the Revised Code, physical 2784  
therapists authorized under sections 4755.40 to 4755.56 of the 2785  
Revised Code, occupational therapists authorized under sections 2786  
4755.04 to 4755.13 of the Revised Code, mechanotherapists 2787  
authorized under section 4731.151 of the Revised Code, doctors 2788  
of medicine and surgery, osteopathic medicine and surgery, or 2789  
podiatric medicine and surgery authorized under Chapter 4731. of 2790  
the Revised Code, and licensed professional clinical counselors, 2791  
licensed professional counselors, independent social workers, 2792  
social workers, independent marriage and family therapists, or 2793  
marriage and family therapists authorized under Chapter 4757. of 2794  
the Revised Code shall control the professional clinical 2795  
judgment exercised within accepted and prevailing standards of 2796  
practice of a licensed, certificated, or otherwise legally 2797  
authorized optometrist, chiropractor, chiropractor practicing 2798  
acupuncture through the state chiropractic board, psychologist, 2799  
nurse, pharmacist, physical therapist, occupational therapist, 2800  
mechanotherapist, doctor of medicine and surgery, osteopathic 2801  
medicine and surgery, or podiatric medicine and surgery, 2802  
licensed professional clinical counselor, licensed professional 2803  
counselor, independent social worker, social worker, independent 2804  
marriage and family therapist, or marriage and family therapist 2805  
in rendering care, treatment, or professional advice to an 2806  
individual patient. 2807

This division does not prevent a hospital, as defined in 2808



section 3727.01 of the Revised Code, insurer, as defined in 2809  
section 3999.36 of the Revised Code, or intermediary 2810  
organization, as defined in section 1751.01 of the Revised Code, 2811  
from entering into a contract with a corporation described in 2812  
this division that includes a provision requiring utilization 2813  
review, quality assurance, peer review, or other performance or 2814  
quality standards. Those activities shall not be construed as 2815  
controlling the professional clinical judgment of an individual 2816  
practitioner listed in this division. 2817

**Sec. 1701.05.** (A) Except as provided in this section, and 2818  
in sections 1701.75, 1701.78, and 1701.82 of the Revised Code, 2819  
which sections relate to the reorganization, merger, and 2820  
consolidation of corporations, the corporate name of a domestic 2821  
corporation shall comply with all of the following: 2822

(1) It shall end with or include the word or abbreviation 2823  
"company," "co.," "corporation," "corp.," "incorporated," or 2824  
"inc." 2825

(2) It shall be distinguishable upon the records in the 2826  
office of the secretary of state from all of the following: 2827

(a) The name of any other corporation, whether nonprofit 2828  
or for profit and whether that of a domestic or of a foreign 2829  
corporation authorized to do business in this state; 2830

(b) The name of any limited liability company registered 2831  
in the office of the secretary of state pursuant to Chapter 2832  
1705. or 1706. of the Revised Code, whether domestic or foreign; 2833

(c) The name of any limited liability partnership 2834  
registered in the office of the secretary of state pursuant to 2835  
Chapter 1775. or 1776. of the Revised Code, whether domestic or 2836  
foreign; 2837

(d) The name of any limited partnership registered in the office of the secretary of state pursuant to Chapter 1782. of the Revised Code, whether domestic or foreign;

(e) Any trade name the exclusive right to which is at the time in question registered in the office of the secretary of state pursuant to Chapter 1329. of the Revised Code.

(3) It shall not contain any language that indicates or implies that the corporation is connected with a government agency of this state, another state, or the United States.

(B) The secretary of state shall determine for purposes of this section whether a name is "distinguishable" from another name upon the secretary of state's records. Without excluding other names that may not constitute distinguishable names in this state, a name is not considered distinguishable from another name for purposes of this section solely because it differs from the other name in only one or more of the following manners:

(1) The use of the word "corporation," "company," "incorporated," "limited," or any abbreviation of any of those words;

(2) The use of any article, conjunction, contraction, abbreviation, or punctuation;

(3) The use of a different tense or number of the same word.

(C) A corporation may apply to the secretary of state for authorization to use a name that is not distinguishable upon the secretary of state's records from the name of any other corporation, limited liability company, limited liability partnership, or limited partnership, or from a registered trade

name, if there also is filed in the office of the secretary of 2867  
state, on a form prescribed by the secretary of state, the 2868  
consent of the other entity or, in the case of a registered 2869  
trade name, the person in whose name is registered the exclusive 2870  
right to use the name, which consent is evidenced in a writing 2871  
signed by any authorized officer or any authorized 2872  
representative of the other entity or person. 2873

(D) In case of judicial sale or judicial transfer, by sale 2874  
or transfer of good will or otherwise, of the right to use the 2875  
name of a corporation, whether nonprofit or for profit, and 2876  
whether that of a domestic corporation or of a foreign 2877  
corporation authorized to exercise its corporate privileges in 2878  
this state or to do business in this state, the secretary of 2879  
state, at the instance of the purchaser or transferee of such 2880  
right, shall accept for filing articles of a corporation with a 2881  
name the same as or similar to the name of such other 2882  
corporation, if there also is filed in the office of the 2883  
secretary of state a certified copy of the decree or order of 2884  
court confirming or otherwise evidencing the purchase or 2885  
transfer. 2886

(E) Any person who wishes to reserve a name for a proposed 2887  
new corporation, or any corporation intending to change its 2888  
name, may submit to the secretary of state a written 2889  
application, on a form prescribed by the secretary of state, for 2890  
the exclusive right to use a specified name as the name of a 2891  
corporation. If the secretary of state finds that, under this 2892  
section, the specified name is available for such use, the 2893  
secretary of state shall file the application and, from the date 2894  
of the filing, the applicant shall have the exclusive right for 2895  
one hundred eighty days to use the specified name as the name of 2896  
a corporation, counting the date of such filing as the first of 2897

one hundred eighty days. The right so obtained may be 2898  
transferred by the applicant or other holder thereof by the 2899  
filing in the office of the secretary of state of a written 2900  
transfer, on a form prescribed by the secretary of state, 2901  
stating the name and address of the transferee. 2902

**Sec. 1701.791.** (A) If the constituent entities in a merger 2903  
or consolidation include entities that are not corporations, the 2904  
constituent entities may be merged or consolidated into a 2905  
surviving or new entity that is not a domestic corporation, as 2906  
provided in this section. Pursuant to an agreement of merger or 2907  
consolidation between the constituent entities as provided in 2908  
this section, a domestic corporation and, if so provided, one or 2909  
more additional domestic or foreign entities, may be merged into 2910  
a surviving entity other than a domestic corporation, or a 2911  
domestic corporation together with one or more additional 2912  
domestic or foreign entities may be consolidated into a new 2913  
entity other than a domestic corporation, to be formed by such 2914  
consolidation. The merger or consolidation must be permitted by 2915  
the chapter of the Revised Code under which each domestic 2916  
constituent entity exists and by the laws under which each 2917  
foreign constituent entity exists. 2918

(B) The agreement of merger or consolidation shall set 2919  
forth all of the following: 2920

(1) The name and the form of entity of each constituent 2921  
entity and the state under the laws of which each constituent 2922  
entity exists; 2923

(2) In the case of a merger, that one or more specified 2924  
constituent entities will be merged into a specified surviving 2925  
foreign entity or surviving domestic entity other than a 2926  
domestic corporation or, in the case of a consolidation, that 2927

the constituent entities will be consolidated into a new foreign 2928  
entity or domestic entity other than a corporation. The name of 2929  
such a surviving or new entity may be the same as or similar to 2930  
that of any constituent corporation or constituent limited 2931  
liability company. 2932

(3) The terms of the merger or consolidation, the mode of 2933  
carrying them into effect, and the manner and basis of 2934  
converting the shares or interests of the constituent entities 2935  
into, or substituting the shares or interests of the constituent 2936  
entities for, shares, interests, evidences of indebtedness, 2937  
other securities, cash, rights, or any other property or any 2938  
combination of shares, interests, evidences of indebtedness, 2939  
securities, cash, rights, or any other property of the surviving 2940  
entity, of the new entity, or of any other entity, including the 2941  
parent of any constituent entity, or any other person. No 2942  
conversion or substitution shall be effected if there are 2943  
reasonable grounds to believe that the surviving or new entity 2944  
would be rendered insolvent by the conversion or substitution. 2945

(4) If the surviving or new entity is a foreign 2946  
corporation, all additional statements and matters, other than 2947  
the name and address of the statutory agent, that would be 2948  
required by section 1701.78 of the Revised Code if the surviving 2949  
or new corporation were a domestic corporation; 2950

(5) The name and the form of entity of the surviving or 2951  
new entity, the state under the laws of which the surviving 2952  
entity exists or the new entity is to exist, and the location of 2953  
the principal office of the surviving or new entity in that 2954  
state; 2955

(6) All statements and matters required to be set forth in 2956  
an agreement of merger or consolidation by the laws under which 2957

each constituent entity exists and, in the case of a 2958  
consolidation, the new entity is to exist; 2959

(7) The consent of the surviving or the new entity to be 2960  
sued and served with process in this state and the irrevocable 2961  
appointment of the secretary of state as its agent to accept 2962  
service of process in any proceeding in this state to enforce 2963  
against the surviving or new entity any obligation of any 2964  
domestic constituent corporation, or to enforce the rights of a 2965  
dissenting shareholder of any domestic constituent corporation; 2966

(8) If the surviving or new entity is a foreign 2967  
corporation that desires to transact business in this state as a 2968  
foreign corporation, a statement to that effect, together with a 2969  
statement regarding the appointment of a statutory agent and 2970  
service of any process, notice, or demand upon that statutory 2971  
agent or the secretary of state, as required when a foreign 2972  
corporation applies for a license to transact business in this 2973  
state; 2974

(9) If the surviving or new entity is a foreign limited 2975  
partnership that desires to transact business in this state as a 2976  
foreign limited partnership, a statement to that effect, 2977  
together with all of the information required under section 2978  
1782.49 of the Revised Code when a foreign limited partnership 2979  
registers to transact business in this state; 2980

(10) If the surviving or new entity is a foreign limited 2981  
liability company that desires to transact business in this 2982  
state as a foreign limited liability company, a statement to 2983  
that effect, together with all of the information required under 2984  
section 1705.54 or 1706.511 of the Revised Code when a foreign 2985  
limited liability company registers to transact business in this 2986  
state. 2987

(C) The agreement of merger or consolidation also may set 2988  
forth any additional provision permitted by the laws of any 2989  
state under the laws of which any constituent entity exists, 2990  
consistent with the laws under which the surviving entity exists 2991  
or the new entity is to exist. 2992

(D) To effect the merger or consolidation, the agreement 2993  
of merger or consolidation shall be approved by the directors of 2994  
each domestic constituent corporation, and adopted by the 2995  
shareholders of each domestic constituent corporation, in the 2996  
same manner and with the same notice to and vote of shareholders 2997  
or of holders of a particular class of shares as is required by 2998  
section 1701.78 of the Revised Code. The agreement also shall be 2999  
approved or otherwise authorized by or on behalf of each other 3000  
constituent entity in accordance with the laws under which it 3001  
exists. 3002

(E) At any time before the filing of the certificate of 3003  
merger or consolidation under section 1701.81 of the Revised 3004  
Code, the merger or consolidation may be abandoned by the 3005  
directors of any constituent corporation, the general partners 3006  
of any constituent partnership, or the comparable 3007  
representatives of any other constituent entity if the 3008  
directors, general partners, or comparable representatives are 3009  
authorized to do so by the agreement of merger or consolidation. 3010

The agreement of merger or consolidation may contain a 3011  
provision authorizing the directors of any constituent 3012  
corporation, the general partners of any constituent 3013  
partnership, or the comparable representatives of any other 3014  
constituent entity to amend the agreement of merger or 3015  
consolidation at any time before the filing of the certificate 3016  
of merger or consolidation, except that, after the adoption of 3017

the agreement by the shareholders of any domestic constituent 3018  
corporation, the directors shall not be authorized to amend the 3019  
agreement to do any of the following: 3020

(1) Alter or change the amount or kind of shares, 3021  
interests, evidences of indebtedness, other securities, cash, 3022  
rights, or any other property to be received by shareholders of 3023  
the domestic constituent corporation in conversion of, or in 3024  
substitution for, their shares; 3025

(2) If the surviving or new entity is a foreign 3026  
corporation, alter or change any term of the articles of the 3027  
surviving or new foreign corporation, except for alterations or 3028  
changes that could otherwise be adopted by the directors of the 3029  
surviving or new foreign corporation; 3030

(3) If the surviving or new entity is a partnership or 3031  
other entity other than a corporation, alter or change any term 3032  
of the partnership agreement or comparable instrument of the 3033  
surviving or new partnership or other entity, except for 3034  
alterations or changes that otherwise could be adopted by the 3035  
general partners or comparable representatives of the surviving 3036  
or new partnership or other entity; 3037

(4) Alter or change any other terms and conditions of the 3038  
agreement of merger or consolidation if any of the alterations 3039  
or changes, alone or in the aggregate, would materially 3040  
adversely affect the holders of any class or series of shares of 3041  
the domestic constituent corporation. 3042

**Sec. 1702.05.** (A) Except as provided in this section and 3043  
in sections 1702.41 and 1702.411 of the Revised Code, the 3044  
secretary of state shall not accept for filing in the secretary 3045  
of state's office any articles if the corporate name set forth 3046



in the articles is not distinguishable upon the secretary of 3047  
state's records from any of the following: 3048

(1) The name of any other corporation, whether a nonprofit 3049  
corporation or a business corporation and whether that of a 3050  
domestic or of a foreign corporation authorized to do business 3051  
in this state; 3052

(2) The name of any limited liability company registered 3053  
in the office of the secretary of state pursuant to Chapter 3054  
1705. or 1706. of the Revised Code, whether domestic or foreign; 3055

(3) The name of any limited liability partnership 3056  
registered in the office of the secretary of state pursuant to 3057  
Chapter 1775. or 1776. of the Revised Code, whether domestic or 3058  
foreign; 3059

(4) The name of any limited partnership registered in the 3060  
office of the secretary of state pursuant to Chapter 1782. of 3061  
the Revised Code, whether domestic or foreign; 3062

(5) Any trade name, the exclusive right to which is at the 3063  
time in question registered in the office of the secretary of 3064  
state pursuant to Chapter 1329. of the Revised Code. 3065

(B) The secretary of state shall determine for purposes of 3066  
this section whether a name is "distinguishable" from another 3067  
name upon the secretary of state's records. Without excluding 3068  
other names that may not constitute distinguishable names in 3069  
this state, a name is not considered distinguishable from 3070  
another name for purposes of this section solely because it 3071  
differs from the other name in only one or more of the following 3072  
manners: 3073

(1) The use of the word "corporation," "company," 3074  
"incorporated," "limited," or any abbreviation of any of those 3075

words; 3076

(2) The use of any article, conjunction, contraction, 3077  
abbreviation, or punctuation; 3078

(3) The use of a different tense or number of the same 3079  
word. 3080

(C) A corporation may apply to the secretary of state for 3081  
authorization to use a name that is not distinguishable upon the 3082  
secretary of state's records from the name of any other 3083  
corporation, any limited liability company, limited liability 3084  
partnership, or limited partnership, or from a registered trade 3085  
name, if there also is filed in the office of the secretary of 3086  
state, on a form prescribed by the secretary of state, the 3087  
consent of the other entity, or, in the case of a registered 3088  
trade name, the person in whose name is registered the exclusive 3089  
right to use the name, which consent is evidenced in a writing 3090  
signed by any authorized officer or authorized representative of 3091  
the other entity or person. 3092

(D) In case of judicial sale or judicial transfer, by sale 3093  
or transfer of good will or otherwise, of the right to use the 3094  
name of a nonprofit corporation or business corporation, whether 3095  
that of a domestic corporation or of a foreign corporation 3096  
authorized to exercise its corporate privileges in this state or 3097  
to do business in this state, the secretary of state, at the 3098  
instance of the purchaser or transferee of such right, shall 3099  
accept for filing articles of a corporation with a name the same 3100  
as or similar to the name of such other corporation, if there 3101  
also is filed in the office of the secretary of state a 3102  
certified copy of the decree or order of court confirming or 3103  
otherwise evidencing the purchase or transfer. 3104

(E) Any person who wishes to reserve a name for a proposed new corporation, or any corporation intending to change its name, may submit to the secretary of state a written application, on a form prescribed by the secretary of state, for the exclusive right to use a specified name as the name of a corporation. If the secretary of state finds that, under this section, the specified name is available for such use, the secretary of state shall file such application, and, from the date of such filing, such applicant shall have the exclusive right for one hundred eighty days to use the specified name as the name of a corporation, counting the date of such filing as the first of the one hundred eighty days. The right so obtained may be transferred by the applicant or other holder of the right by the filing in the office of the secretary of state of a written transfer, on a form prescribed by the secretary of state, stating the name and address of the transferee.

**Sec. 1702.411.** (A) (1) Pursuant to an agreement of merger between the constituent entities as provided in this section, a domestic corporation and, if so provided, one or more additional domestic or foreign entities, may be merged into a surviving entity other than a domestic corporation. Pursuant to an agreement of consolidation, a domestic corporation together with one or more additional domestic or foreign entities may be consolidated into a new entity other than a domestic corporation, to be formed by that consolidation. The merger or consolidation must be permitted by the chapter of the Revised Code under which each domestic constituent entity exists and by the laws under which each foreign constituent entity exists. The name of the surviving or new entity may be the same as or similar to that of any constituent entity.

(2) To effect a merger or consolidation under this

section, the directors of each constituent domestic corporation 3136  
shall approve an agreement of merger or consolidation to be 3137  
signed by the chairperson of the board of directors, the 3138  
president, or a vice-president and by the secretary or an 3139  
assistant secretary. The agreement of merger or consolidation 3140  
shall be approved or otherwise authorized by or on behalf of 3141  
each other constituent entity in accordance with the laws under 3142  
which it exists. 3143

(3) The agreement of merger or consolidation shall set 3144  
forth all of the following: 3145

(a) The name and the form of entity of each constituent 3146  
entity and the state under the laws of which each constituent 3147  
entity exists; 3148

(b) In the case of a merger, that one or more specified 3149  
constituent entities will be merged into a specified surviving 3150  
foreign entity or surviving domestic entity other than a 3151  
domestic corporation or, in the case of a consolidation, that 3152  
the constituent entities will be consolidated into a new foreign 3153  
entity or domestic entity other than a domestic corporation. 3154

(c) The terms of the merger or consolidation and the mode 3155  
of carrying those terms into effect; 3156

(d) If the surviving or new entity is a foreign 3157  
corporation, all additional statements and matters, other than 3158  
the name and address of the statutory agent, that would be 3159  
required by section 1702.41 of the Revised Code if the surviving 3160  
or new corporation were a domestic corporation; 3161

(e) The name and the form of entity of the surviving or 3162  
new entity, the state under the laws of which the surviving 3163  
entity exists or the new entity is to exist, and the location of 3164

the principal office of the surviving or new entity in that 3165  
state; 3166

(f) All statements and matters required to be set forth in 3167  
an agreement of merger or consolidation by the laws under which 3168  
each constituent entity exists and, in the case of a 3169  
consolidation, the new entity is to exist; 3170

(g) The consent of the surviving or the new entity to be 3171  
sued and served with process in this state and the irrevocable 3172  
appointment of the secretary of state as its agent to accept 3173  
service of process in any proceeding in this state to enforce 3174  
against the surviving or new entity any obligation of any 3175  
domestic constituent corporation; 3176

(h) If the surviving or new entity is a foreign 3177  
corporation that desires to transact business in this state as a 3178  
foreign corporation, a statement to that effect, together with a 3179  
statement regarding the appointment of a statutory agent and 3180  
service of any process, notice, or demand upon that statutory 3181  
agent or the secretary of state, as required when a foreign 3182  
corporation applies for a license to transact business in this 3183  
state; 3184

(i) If the surviving or new entity is a foreign limited 3185  
partnership that desires to transact business in this state as a 3186  
foreign limited partnership, a statement to that effect, 3187  
together with all of the information required under section 3188  
1782.49 of the Revised Code when a foreign limited partnership 3189  
registers to transact business in this state; 3190

(j) If the surviving or new entity is a foreign limited 3191  
liability company that desires to transact business in this 3192  
state as a foreign limited liability company, a statement to 3193

that effect, together with all of the information required under 3194  
section 1705.54 or 1706.511 of the Revised Code when a foreign 3195  
limited liability company registers to transact business in this 3196  
state; 3197

(k) If the surviving or new entity is a foreign 3198  
unincorporated association that desires to transact business in 3199  
this state as a foreign unincorporated association, a statement 3200  
to that effect, together with all of the information required 3201  
under section 1745.461 of the Revised Code when a foreign 3202  
unincorporated association registers to transact business in 3203  
this state. 3204

(4) The agreement of merger or consolidation also may set 3205  
forth any additional provision permitted by the laws of any 3206  
state under the laws of which any constituent entity exists, 3207  
consistent with the laws under which the surviving entity exists 3208  
or the new entity is to exist. 3209

(B) (1) A merger or consolidation in which a domestic 3210  
public benefit corporation is one of the constituent entities 3211  
shall be approved by the court of common pleas of the county in 3212  
this state in which the principal office of the domestic public 3213  
benefit corporation is located in a proceeding of which the 3214  
attorney general's charitable law section has been given written 3215  
notice by certified mail within three days of the initiation of 3216  
the proceeding and in which proceeding the attorney general may 3217  
intervene as of right. No approval by the court under division 3218  
(B) (1) of this section is required if either of the following 3219  
applies: 3220

(a) A public benefit entity is the surviving entity in the 3221  
case of a merger and continues to be a public benefit entity or 3222  
is the new entity in the case of a consolidation and continues 3223

to be a public benefit entity. 3224

(b) A public benefit entity is not the surviving entity in 3225  
the case of a merger or is not the new entity in the case of a 3226  
consolidation, and all of the following apply: 3227

(i) On or prior to the effective date of the merger or 3228  
consolidation, assets with a value equal to the greater of the 3229  
fair market value of the net tangible and intangible assets, 3230  
including goodwill, of the domestic public benefit corporation 3231  
or the fair market value of the domestic public benefit 3232  
corporation if it is to be operated as a business concern are 3233  
transferred or conveyed to one or more persons that would have 3234  
received its assets under section 1702.49 of the Revised Code 3235  
had it voluntarily dissolved. 3236

(ii) The domestic public benefit corporation returns, 3237  
transfers, or conveys any assets held by it upon a condition 3238  
requiring return, transfer, or conveyance, which condition 3239  
occurs by reason of the merger or consolidation, in accordance 3240  
with that condition. 3241

(iii) The merger or consolidation is approved by a 3242  
majority of directors of the domestic public benefit corporation 3243  
who will not receive any financial or other benefit, directly or 3244  
indirectly, as a result of the merger or consolidation or by 3245  
agreement, and who are not and will not as a result of the 3246  
merger or consolidation become members, partners, or other 3247  
owners, however denominated, of, shareholders in, directors, 3248  
officers, managers, employees, agents, or other representatives 3249  
of, or consultants to, the surviving or new entity. 3250

(2) At least twenty days before consummation of any merger 3251  
or consolidation of a domestic public benefit corporation 3252

pursuant to division (B) (1) (b) of this section, written notice, 3253  
including a copy of the proposed plan of merger or 3254  
consolidation, shall be delivered to the attorney general's 3255  
charitable law section. The attorney general's charitable law 3256  
section may review a proposed merger or consolidation of a 3257  
domestic public benefit corporation under division (B) (1) (b) of 3258  
this section. The attorney general may require pursuant to 3259  
section 109.24 of the Revised Code the production of the 3260  
documents necessary for review of a proposed merger or 3261  
consolidation under division (B) (1) (b) of this section. The 3262  
attorney general may retain at the expense of the domestic 3263  
public benefit corporation one or more experts, including an 3264  
investment banker, actuary, appraiser, certified public 3265  
accountant, or other expert, that the attorney general considers 3266  
reasonably necessary to provide assistance in reviewing a 3267  
proposed merger or consolidation under division (B) (1) (b) of 3268  
this section. The attorney general may extend the date of any 3269  
merger or consolidation of a domestic public benefit corporation 3270  
under division (B) (1) (b) of this section for a period not to 3271  
exceed sixty days and shall provide notice of that extension to 3272  
the domestic public benefit corporation. The notice shall set 3273  
forth the reasons necessitating the extension. 3274

(3) No member, other than a member that is a public 3275  
benefit entity, or director of a domestic public benefit 3276  
corporation in that person's capacity as a member or director 3277  
may receive or keep anything as a result of a merger or 3278  
consolidation other than membership or directorship in the 3279  
surviving or new public benefit entity without the prior written 3280  
consent of the attorney general or of the court of common pleas 3281  
of the county in this state in which the principal office of the 3282  
domestic public benefit corporation is located that is obtained 3283



in a proceeding in which the attorney general's charitable law 3284  
section has been given written notice by certified mail within 3285  
three days of the initiation of the proceeding and in which 3286  
proceeding the attorney general may intervene as of right. The 3287  
court shall approve the transaction if it is in the public 3288  
interest. 3289

(4) The attorney general may institute a civil action to 3290  
enforce the requirements of divisions (B) (1), (2), and (3) of 3291  
this section in the court of common pleas of the county in this 3292  
state in which the principal office of the domestic public 3293  
benefit corporation is located or in the Franklin county court 3294  
of common pleas. In addition to any civil remedies that may 3295  
exist under common law or the Revised Code, a court may rescind 3296  
the transaction or grant injunctive relief or impose any 3297  
combination of these remedies. 3298

**Sec. 1703.04.** (A) To procure a license to transact 3299  
business in this state, a foreign corporation for profit shall 3300  
file with the secretary of state a certificate of good standing 3301  
or subsistence, dated not earlier than ninety days prior to the 3302  
filing of the application, under the seal of the secretary of 3303  
state, or other proper official, of the state under the laws of 3304  
which said corporation was incorporated, setting forth the exact 3305  
corporate title and the fact that the corporation is in good 3306  
standing or is a subsisting corporation. 3307

(B) To procure such a license, such corporation also shall 3308  
file with the secretary of state an application in such form as 3309  
the secretary of state prescribes, verified by the oath of any 3310  
authorized officer of such corporation, setting forth, but not 3311  
limited to: 3312

(1) The name of the corporation and, if its corporate name 3313

is not available, the trade name under which it will do business 3314  
in this state; 3315

(2) The name of the state under the laws of which it was 3316  
incorporated; 3317

(3) The location and complete address of its principal 3318  
office; 3319

(4) The name of the county and the municipal corporation 3320  
or township in which its principal office within this state, if 3321  
any, is to be located; 3322

(5) The appointment of a designated agent and the complete 3323  
address of such agent; 3324

(6) The irrevocable consent of such corporation to service 3325  
of process on such agent so long as the authority of such agent 3326  
continues and to service of process upon the secretary of state 3327  
in the events provided for in section 1703.19 of the Revised 3328  
Code; 3329

(7) A brief summary of the corporate purposes to be 3330  
exercised within this state. 3331

(C) (1) No such application for a license shall be accepted 3332  
for filing if it appears that the name of the foreign 3333  
corporation is prohibited by law or is not distinguishable upon 3334  
the records in the office of the secretary of state from the 3335  
name of any other corporation, whether nonprofit or for profit 3336  
and whether that of a domestic corporation or of a foreign 3337  
corporation authorized to transact business in this state, the 3338  
name of a limited liability company registered in the office of 3339  
the secretary of state pursuant to Chapter 1705. or 1706. of the 3340  
Revised Code, whether domestic or foreign, the name of any 3341  
limited liability partnership registered in the office of the 3342

secretary of state pursuant to Chapter 1775. or 1776. of the 3343  
Revised Code, whether domestic or foreign, the name of any 3344  
limited partnership registered in the office of the secretary of 3345  
state pursuant to Chapter 1782. of the Revised Code, whether 3346  
domestic or foreign, or a trade name to which the exclusive 3347  
right at the time in question is registered in the manner 3348  
provided in Chapter 1329. of the Revised Code, unless there also 3349  
is filed with the secretary of state, on a form prescribed by 3350  
the secretary of state, the consent of the other entity or 3351  
person to the use of the name, evidenced in a writing signed by 3352  
any authorized officer of the other entity or authorized 3353  
representative of the other person owning the exclusive right to 3354  
the registered trade name. 3355

(2) Notwithstanding division (C)(1) of this section, if an 3356  
application for a license is not acceptable for filing solely 3357  
because the name of the foreign corporation is not 3358  
distinguishable from the name of another entity or registered 3359  
trade name, the foreign corporation may be authorized to 3360  
transact business in this state by filing with the secretary of 3361  
state, in addition to those items otherwise prescribed by this 3362  
section, a statement signed by an authorized officer directing 3363  
the foreign corporation to make application for a license to 3364  
transact business in this state under an assumed business name 3365  
or names that comply with the requirements of this division and 3366  
stating that the foreign corporation will transact business in 3367  
this state only under the assumed name or names. The application 3368  
for a license shall be on a form prescribed by the secretary of 3369  
state. 3370

**Sec. 1706.01. As used in this chapter:** 3371

**(A) "Articles of organization" means the articles of** 3372

organization described in section 1706.16 of the Revised Code, 3373  
and those articles of organization as amended or restated. 3374

(B) "Assignment" means a transfer, conveyance, deed, bill 3375  
of sale, lease, mortgage, security interest, encumbrance, gift, 3376  
or transfer by operation of law. 3377

(C) "Constituent limited liability company" means a 3378  
constituent entity that is a limited liability company. 3379

(D) "Constituent entity" means an entity that is party to 3380  
a merger. 3381

(E) "Contribution" means anything of value including cash, 3382  
property, or services rendered, or a promissory note or other 3383  
binding obligation to contribute cash or property or to perform 3384  
services, that a person contributes to a limited liability 3385  
company, or a series thereof, in the person's capacity as a 3386  
member. 3387

(F) "Converted entity" means the entity into which a 3388  
converting entity converts pursuant to sections 1706.72 to 3389  
1706.723 of the Revised Code. 3390

(G) "Converting limited liability company" means a 3391  
converting entity that is a limited liability company. 3392

(H) "Converting entity" means an entity that converts into 3393  
a converted entity pursuant to sections 1706.72 to 1706.723 of 3394  
the Revised Code. 3395

(I) "Debtor in bankruptcy" means a person who is the 3396  
subject of an order for relief under Title 11 of the United 3397  
States Code, a comparable order under a successor statute of 3398  
general application, or a comparable order under any federal, 3399  
state, or foreign law governing insolvency. 3400

(J) "Distribution" means a transfer of money or other 3401  
property from a limited liability company, or a series thereof, 3402  
to another person on account of a membership interest. 3403

(K) "Entity" means a general partnership, limited 3404  
partnership, limited liability partnership, limited liability 3405  
company, association, corporation, professional corporation, 3406  
professional association, nonprofit corporation, business trust, 3407  
real estate investment trust, common law trust, statutory trust, 3408  
cooperative association, or any similar organization that has a 3409  
governing statute, in each case, whether foreign or domestic. 3410

(L) "Foreign limited liability company" means an entity 3411  
that is all of the following: 3412

(1) An unincorporated association; 3413

(2) Organized under the laws of a state other than this 3414  
state or under the laws of a foreign country; 3415

(3) Organized under a statute pursuant to which an 3416  
association may be formed that affords to each of its members 3417  
limited liability with respect to the liabilities of the entity; 3418

(4) Not required to be registered, qualified, or organized 3419  
under any statute of this state other than this chapter. 3420

(M) "Governing statute" means the law that governs an 3421  
entity's internal affairs. 3422

(N) "Limited liability company," except in the phrase 3423  
"foreign limited liability company," means an entity formed or 3424  
existing under this chapter. 3425

(O) "Manager" means any person designated by the limited 3426  
liability company or its members with the authority to manage 3427  
all or part of the activities or affairs of the limited 3428

liability company on behalf of the limited liability company, 3429  
which person has agreed to serve in such capacity, whether such 3430  
person is designated as a manager, director, officer, or 3431  
otherwise. 3432

(P) "Member" means a person that has been admitted as a 3433  
member of a limited liability company under section 1706.27 of 3434  
the Revised Code and that has not dissociated as a member. 3435

(Q) "Membership interest" means a member's right to 3436  
receive distributions from a limited liability company or series 3437  
thereof. 3438

(R) "Operating agreement" means any valid agreement, 3439  
written or oral, of the members, or any written declaration of 3440  
the sole member, as to the affairs and activities of a limited 3441  
liability company and any series thereof. "Operating agreement" 3442  
includes any amendments to the operating agreement. 3443

(S) "Organizational documents" means any of the following: 3444

(1) For a general partnership or foreign general 3445  
partnership, its partnership agreement; 3446

(2) For a limited partnership or foreign limited 3447  
partnership, its certificate of limited partnership and 3448  
partnership agreement; 3449

(3) For a limited liability limited partnership or foreign 3450  
limited liability limited partnership, its certificate of 3451  
limited partnership and partnership agreement; 3452

(4) For a limited liability company or foreign limited 3453  
liability company, its articles of organization and operating 3454  
agreement, or comparable records as provided in its governing 3455  
statute; 3456

(5) For a business or statutory trust or foreign business or statutory trust, its trust instrument, or comparable records as provided in its governing statute; 3457  
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(6) For a for-profit corporation or foreign for-profit corporation, its articles of incorporation, regulations, and other agreements among its shareholders that are authorized by its governing statute, or comparable records as provided in its governing statute; 3460  
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(7) For a nonprofit corporation or foreign nonprofit corporation, its articles of incorporation, regulations, and other agreements that are authorized by its governing statute or comparable records as provided in its governing statute; 3465  
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(8) For a professional association, its articles of incorporation, regulations, and other agreements among its shareholders that are authorized by its governing statute, or comparable records as provided in its governing statute; 3469  
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(9) For any other entity, the basic records that create the entity, determine its internal governance, and determine the relations among the persons that own it, are members of it, or govern it. 3473  
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(T) "Organizer" means a person executing the initial articles of organization filed by the secretary of state in accordance with section 1706.16 of the Revised Code. 3477  
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(U) "Person" means an individual, entity, trust, estate, government, custodian, nominee, trustee, personal representative, fiduciary, or any other individual, entity, or series thereof in its own or any representative capacity, in each case, whether foreign or domestic. As used in this division, "government" includes a country, state, county, or 3480  
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other political subdivision, agency, or instrumentality. 3486

(V) "Principal office" means the location specified by a 3487  
limited liability company, foreign limited liability company, or 3488  
other entity as its principal office in the last filed record in 3489  
which the limited liability company, foreign limited liability 3490  
company, or other entity specified its principal office on the 3491  
records of the secretary of state. If no such location has 3492  
previously been specified, then "principal office" means the 3493  
location reasonably apparent to an unaffiliated person as the 3494  
principal executive office of the limited liability company, 3495  
foreign limited liability company, or other entity. 3496

(W) "Record" means information that is inscribed on a 3497  
tangible medium or that is stored in an electronic or other 3498  
medium and is retrievable in written or paper form through an 3499  
automated process. 3500

(X) "Sign" means, with the present intent to authenticate 3501  
or adopt a record, either of the following: 3502

(1) To execute or adopt a tangible symbol; 3503

(2) To attach to or logically associate with the record an 3504  
electronic symbol, sound, or process. 3505

(Y) "State" means a state of the United States, the 3506  
District of Columbia, Puerto Rico, the United States Virgin 3507  
Islands, or any territory or insular possession subject to the 3508  
jurisdiction of the United States. 3509

(Z) "Surviving entity" means an entity into which one or 3510  
more other entities are merged, whether the entity pre-existed 3511  
the merger or was created pursuant to the merger. 3512

(AA) "Tribunal" means a court or, if provided in the 3513



operating agreement or otherwise agreed, an arbitrator, 3514  
arbitration panel, or other tribunal. 3515

Sec. 1706.02. This chapter may be cited as the "Ohio 3516  
Revised Limited Liability Company Act." 3517

Sec. 1706.03. (A) A person knows a fact when either of the 3518  
following is met: 3519

(1) The person has actual knowledge of the fact. 3520

(2) The person is deemed to know the fact under law other 3521  
than this chapter. 3522

(B) A person has notice of a fact when any of the 3523  
following is met: 3524

(1) The person knows of the fact. 3525

(2) The person receives notification of the fact. 3526

(3) The person has reason to know the fact from all the 3527  
facts known to the person at the time. 3528

(4) The person is deemed to have notice of the fact under 3529  
division (D) of this section. 3530

(C) A person notifies another of a fact by taking steps 3531  
reasonably required to inform the other person in ordinary 3532  
course, whether or not the other person knows the fact. 3533

(D) A person is deemed to have notice of the following: 3534

(1) The matters included in a limited liability company's 3535  
articles of organization under divisions (A) (1) to (3) of 3536  
section 1706.16 of the Revised Code, upon the filing of the 3537  
articles; 3538

(2) A limited liability company's dissolution, ninety days 3539

after a certificate of dissolution under section 1706.471 of the 3540  
Revised Code becomes effective; 3541

(3) A limited liability company's merger or conversion, 3542  
ninety days after a certificate of merger under section 1706.712 3543  
of the Revised Code or certificate of conversion under section 3544  
1706.722 of the Revised Code becomes effective. 3545

(E) A member's knowledge, notice, or receipt of a 3546  
notification of a fact relating to the limited liability company 3547  
is not knowledge, notice, or receipt of a notification of a fact 3548  
by the limited liability company solely by reason of the 3549  
member's capacity as a member. 3550

**Sec. 1706.04.** (A) A limited liability company is a 3551  
separate legal entity. A limited liability company's status for 3552  
tax purposes shall not affect its status as a separate legal 3553  
entity formed under this chapter. 3554

(B) A limited liability company has perpetual duration. 3555

**Sec. 1706.05.** (A) A limited liability company may carry on 3556  
any lawful activity, whether or not for profit. 3557

(B) A limited liability company shall possess and may 3558  
exercise all the powers and privileges granted by this chapter 3559  
or by any other law or by its operating agreement, together with 3560  
any powers incidental thereto, including those powers and 3561  
privileges necessary or convenient to the conduct, promotion, or 3562  
attainment of the business, purposes, or activities of the 3563  
limited liability company. 3564

(C) Without limiting the general powers enumerated in 3565  
division (B) of this section, a limited liability company shall 3566  
have the power and authority to make contracts of guaranty and 3567  
suretyship and enter into interest rate, basis, currency, hedge, 3568

or other swap agreements, or cap, floor, put, call, option, 3569  
exchange, or collar agreements, derivative agreements, or other 3570  
agreements similar to any of the foregoing. 3571

(D) A series established under this chapter has the power 3572  
and capacity, in the series' own name, to do all of the 3573  
following: 3574

(1) Sue and be sued; 3575

(2) Contract; 3576

(3) Hold and convey title to assets of the series, 3577  
including real property, personal property, and intangible 3578  
property; 3579

(4) Grant liens and security interests in assets of the 3580  
series. 3581

**Sec. 1706.06.** (A) This chapter shall be construed to give 3582  
maximum effect to the principles of freedom of contract and to 3583  
the enforceability of operating agreements. 3584

(B) Unless displaced by particular provisions of this 3585  
chapter, principles of law and equity supplement this chapter. 3586

(C) Rules that statutes in derogation of the common law 3587  
are to be strictly construed shall have no application to this 3588  
chapter. 3589

(D) Sections 1309.406 and 1309.408 of the Revised Code do 3590  
not apply to any interest in a limited liability company, 3591  
including all rights, powers, and interests arising under an 3592  
operating agreement or this chapter. This division prevails over 3593  
those sections, and is expressly intended to permit the 3594  
enforcement of the provisions of an operating agreement that 3595  
would otherwise be ineffective under those sections. 3596

(E) This chapter applies to all limited liability companies equally regardless of whether the limited liability company has one or more members or whether it is formed by a filing under section 1706.16 of the Revised Code or by merger, consolidation, conversion, or otherwise. 3597  
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**Sec. 1706.061.** The law of this state governs all of the following: 3602  
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(A) The organization and internal affairs of a limited liability company; 3604  
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(B) The liability of a member as a member for the debts, obligations, or other liabilities of a limited liability company; 3606  
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(C) The authority of the members and agents of a limited liability company; 3609  
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(D) The availability of the assets of a limited liability company or series thereof for the obligations of the limited liability company or another series thereof. 3611  
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**Sec. 1706.07.** (A) The name of a limited liability company shall contain the words "limited liability company" or the abbreviation "L.L.C.," "LLC," "limited," "ltd.," or "ltd." 3614  
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(B) Except as provided in this section and in sections 1701.75, 1701.78, 1701.82, 1705.36, and 1705.37 of the Revised Code, the secretary of state shall not accept for filing in the secretary of state's office the articles of organization of a limited liability company if the company name set forth in the articles is not distinguishable on the records of the secretary of state from the name of any of the following: 3617  
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(1) Any other limited liability company, whether the name 3624

is of a domestic limited liability company or of a foreign 3625  
limited liability company registered as a foreign limited 3626  
liability company under this chapter; 3627

(2) Any corporation, whether the name is of a domestic 3628  
corporation or of a foreign corporation holding a license as a 3629  
foreign corporation under the laws of this state pursuant to 3630  
Chapter 1701., 1702., or 1703. of the Revised Code; 3631

(3) Any limited liability partnership, whether the name is 3632  
of a domestic limited liability partnership or a foreign limited 3633  
liability partnership registered pursuant to Chapter 1775. or 3634  
1776. of the Revised Code; 3635

(4) Any limited partnership, whether the name is of a 3636  
domestic limited partnership or a foreign limited partnership 3637  
registered pursuant to Chapter 1782. of the Revised Code; 3638

(5) Any trade name to which the exclusive right, at the 3639  
time in question, is registered in the office of the secretary 3640  
of state pursuant to Chapter 1329. of the Revised Code. 3641

(C) A limited liability company may apply to the secretary 3642  
of state for authorization to use a name that is not 3643  
distinguishable from the names identified in division (B) of of 3644  
this section if there also is filed in the office of the 3645  
secretary of state, on a form prescribed by the secretary of 3646  
state, the consent of the other person or, in the case of a 3647  
registered trade name, the person in whose name is registered 3648  
the exclusive right to use the name, which consent is evidenced 3649  
in a writing signed by any authorized officer or any authorized 3650  
representative of the other person. 3651

(D) If a judicial sale or other transfer by order of a 3652  
tribunal involves the right to use the name of a limited 3653

liability company or of a foreign limited liability company, 3654  
then division (B) of this section shall not be applicable with 3655  
respect to any person that is subject to the order. 3656

(E) Any person that wishes to reserve a name for a 3657  
proposed new limited liability company, a limited liability 3658  
company that intends to change its name, or an assumed name for 3659  
a foreign limited liability company whose name is not available 3660  
may submit to the secretary of state, on a form prescribed by 3661  
the secretary of state, a written application for the exclusive 3662  
right to use a specified name as the name of the company. If the 3663  
secretary of state finds, consistent with this section, that the 3664  
specified name is available for use, the secretary of state 3665  
shall file the application. From the date of the filing, the 3666  
applicant has the exclusive right for one hundred eighty days to 3667  
use the specified name as the name of the limited liability 3668  
company, counting the date of the filing as the first of the one 3669  
hundred eighty days. The right so obtained may be transferred by 3670  
the applicant or other holder of the right by filing in the 3671  
office of the secretary of state a written transfer, on a form 3672  
prescribed by the secretary of state, that states the name and 3673  
address of the transferee. 3674

**Sec. 1706.08.** (A) Except as otherwise provided in 3675  
divisions (B) and (C) of this section, both of the following 3676  
apply: 3677

(1) An operating agreement governs relations among the 3678  
members as members and between the members and the limited 3679  
liability company. 3680

(2) To the extent that an operating agreement does not 3681  
otherwise provide for a matter described in division (A) (1) of 3682  
this section, this chapter governs the matter. 3683

(B) (1) To the extent that, at law or in equity, a member, manager, or other person has duties, including fiduciary duties, to the limited liability company, or to another member or to another person that is a party to or is otherwise bound by an operating agreement, those duties may be expanded or restricted or eliminated by a written operating agreement. However, an operating agreement may not eliminate the implied covenant of good faith and fair dealing. 3684  
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(2) A written operating agreement may provide for the limitation or elimination of any and all liabilities for breach of contract and breach of duties, including breach of fiduciary duties, of a member, manager, or other person to a limited liability company or to another member or to another person that is a party to or is otherwise bound by an operating agreement. However, an operating agreement may not limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied covenant of good faith and fair dealing. 3692  
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(3) A member, manager, or other person shall not be liable to a limited liability company or to another member or to another person that is a party to or is otherwise bound by an operating agreement for breach of fiduciary duty for the member's or other person's good faith reliance on the operating agreement. 3702  
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(4) An operating agreement may provide either or both of the following: 3708  
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(a) That, a member or assignee who fails to perform in accordance with, or to comply with the terms and conditions of, the operating agreement shall be subject to specified penalties or specified consequences; 3710  
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(b) That at the time or upon the happening of events 3714  
specified in the operating agreement, a member or assignee may 3715  
be subject to specified penalties or consequences. 3716

(5) A penalty or consequence that may be specified under 3717  
division (B) (4) of this section may include any of the 3718  
following: 3719

(a) Reducing or eliminating the defaulting member's or 3720  
assignee's proportionate interest in a limited liability 3721  
company; 3722

(b) Subordinating the member's or assignee's membership 3723  
interest to that of nondefaulting members or assignees; 3724

(c) Forcing a sale of the member's or assignee's 3725  
membership interest; 3726

(d) Forfeiting the defaulting member's or assignee's 3727  
membership interest; 3728

(e) The lending by other members or assignees of the 3729  
amount necessary to meet the defaulting member's or assignee's 3730  
commitment; 3731

(f) A fixing of the value of the defaulting member's or 3732  
assignee's membership interest by appraisal or by formula and 3733  
redemption or sale of the membership interest at that value; 3734

(g) Any other penalty or consequence. 3735

(C) An operating agreement shall not do any of the 3736  
following: 3737

(1) Vary the nature of the limited liability company as a 3738  
separate legal entity under division (A) of section 1706.04 of 3739  
the Revised Code; 3740



(2) Except as otherwise provided in division (B) of 3741  
section 1706.082 of the Revised Code, restrict the rights under 3742  
this chapter of a person other than a member, dissociated 3743  
member, or assignee; 3744

(3) Vary the power of a court under section 1706.171 of 3745  
the Revised Code; 3746

(4) Eliminate the implied covenant of good faith and fair 3747  
dealing; 3748

(5) Eliminate or limit the liability of a member or other 3749  
person for any act or omission that constitutes a bad faith 3750  
violation of the implied covenant of good faith and fair 3751  
dealing; 3752

(6) Waive the requirements of division (A) of section 3753  
1706.281 of the Revised Code; 3754

(7) Waive the prohibition on issuance of a certificate of 3755  
a membership interest in bearer form under division (D) of 3756  
section 1706.341 of the Revised Code; 3757

(8) Waive the requirements of division (B) of section 3758  
1706.761 of the Revised Code. 3759

**Sec. 1706.081.** (A) A limited liability company is bound by 3760  
and may enforce its operating agreement, whether or not the 3761  
limited liability company has itself manifested assent to its 3762  
operating agreement. 3763

(B) A person that is admitted as a member of a limited 3764  
liability company becomes a party to and assents to the 3765  
operating agreement subject to division (A) of section 1706.281 3766  
of the Revised Code. 3767

(C) Two or more persons intending to be the initial 3768

members of a limited liability company may make an agreement 3769  
providing that upon the formation of the limited liability 3770  
company the agreement will become its operating agreement. One 3771  
person intending to be the initial member of a limited liability 3772  
company may assent to terms providing that upon the formation of 3773  
the limited liability company the terms will become the 3774  
operating agreement. 3775

(D) The operating agreement of a limited liability company 3776  
having only one member shall not be unenforceable by reason of 3777  
there being only one person who is a party to the operating 3778  
agreement. 3779

**Sec. 1706.082.** (A) An operating agreement may be amended 3780  
upon the consent of all the members of a limited liability 3781  
company or in such other manner authorized by the operating 3782  
agreement. If an operating agreement provides for the manner in 3783  
which it may be amended, including by requiring the approval of 3784  
a person who is not a party to the operating agreement or the 3785  
satisfaction of conditions, it may be amended only in that 3786  
manner or as otherwise permitted by law; except that the 3787  
approval of any person may be waived by that person and any 3788  
conditions may be waived by all persons for whose benefit those 3789  
conditions were intended. 3790

(B) An operating agreement may provide rights to any 3791  
person, including a person who is not a party to the operating 3792  
agreement, to the extent set forth in the operating agreement. 3793

(C) The obligations of a limited liability company and its 3794  
members to a person in the person's capacity as an assignee or 3795  
dissociated member are governed by the operating agreement. An 3796  
assignee and dissociated member are bound by the operating 3797  
agreement. 3798

Sec. 1706.09. (A) Each limited liability company and 3799  
foreign limited liability company that has an effective 3800  
registration as a foreign limited liability company under 3801  
section 1706.511 of the Revised Code shall maintain continuously 3802  
in this state an agent for service of process on the company. 3803  
The agent shall be one of the following: 3804

(1) A natural person who is a resident of this state; 3805

(2) A domestic or foreign corporation, nonprofit 3806  
corporation, limited liability company, partnership, limited 3807  
partnership, limited liability partnership, limited partnership 3808  
association, professional association, business trust, or 3809  
unincorporated nonprofit association that has a business address 3810  
in this state. If the agent is an entity other than a domestic 3811  
corporation, the agent shall meet the requirements of Title XVII 3812  
of the Revised Code for an entity of the agent's type to 3813  
transact business or exercise privileges in this state. 3814

(B) (1) The secretary of state shall not accept original 3815  
articles of organization of a limited liability company or an 3816  
original registration of a foreign limited liability company for 3817  
filing unless both of the following accompany the articles or 3818  
registration: 3819

(a) A written appointment of an agent as described in 3820  
division (A) of this section that is signed by an authorized 3821  
representative of the limited liability company or foreign 3822  
limited liability company; 3823

(b) A written acceptance of the appointment that is signed 3824  
by the designated agent on a form prescribed by the secretary of 3825  
state. 3826

(2) In cases not covered by division (B) (1) of this 3827

section, the company shall appoint the agent described in 3828  
division (A) of this section and shall file with the secretary 3829  
of state, on a form prescribed by the secretary of state, a 3830  
written appointment of that agent that is signed by an 3831  
authorized representative of the company and a written 3832  
acceptance of the appointment that is signed by the designated 3833  
agent. 3834

(C) The written appointment of an agent shall set forth 3835  
the name and address in this state of the agent, including the 3836  
street and number or other particular description, and shall 3837  
otherwise be in such form as the secretary of state prescribes. 3838  
The secretary of state shall keep a record of the names of 3839  
limited liability companies and foreign limited liability 3840  
companies, and the names and addresses of their respective 3841  
agents. 3842

(D) If any agent described in division (A) of this section 3843  
dies, resigns, or moves outside of this state, the limited 3844  
liability company or foreign limited liability company shall 3845  
appoint forthwith another agent and file with the secretary of 3846  
state, on a form prescribed by the secretary of state, a written 3847  
appointment of the agent and acceptance of appointment as 3848  
described in division (B)(2) of this section. 3849

(E) If the agent described in division (A) of this section 3850  
changes the agent's address from the address stated in the 3851  
records of the secretary of state, the agent or the limited 3852  
liability company or foreign limited liability company shall 3853  
file forthwith with the secretary of state, on a form prescribed 3854  
by the secretary of state, a written statement setting forth the 3855  
new address. 3856

(F) An agent described in division (A) of this section may 3857

resign by filing with the secretary of state, on a form 3858  
prescribed by the secretary of state, a written notice of 3859  
resignation that is signed by the agent and by mailing a copy of 3860  
that notice to the limited liability company or foreign limited 3861  
liability company at the current or last known address of its 3862  
principal office. The notice shall be mailed to the company on 3863  
or prior to the date that the notice is filed with the secretary 3864  
of state and shall set forth the name of the company, the name 3865  
and current address of the agent, the current or last known 3866  
address, including the street and number or other particular 3867  
description, of the company's principal office, a statement of 3868  
the resignation of the agent, and a statement that a copy of the 3869  
notice has been sent to the company within the time and in the 3870  
manner specified in this division. The authority of the 3871  
resigning agent terminates thirty days after the filing of the 3872  
notice with the secretary of state. 3873

(G) A limited liability company or foreign limited 3874  
liability company may revoke the appointment of its agent 3875  
described in division (A) of this section by filing with the 3876  
secretary of state, on a form prescribed by the secretary of 3877  
state, a written appointment of another agent and an acceptance 3878  
of appointment in the manner described in division (B) (2) of 3879  
this section and a statement indicating that the appointment of 3880  
the former agent is revoked. 3881

(H) (1) Any legal process, notice, or demand required or 3882  
permitted by law to be served upon a limited liability company 3883  
may be served upon the company as follows: 3884

(a) By delivering a copy of the process, notice, or demand 3885  
to the address of the agent in this state as contained in the 3886  
records of the secretary of state; 3887

(b) If the agent described in division (A) of this section 3888  
is a natural person, by delivering a copy of the process, 3889  
notice, or demand to the agent. 3890

(2) If the agent described in division (A) of this section 3891  
cannot be found or no longer has the address that is stated in 3892  
the records of the secretary of state or the limited liability 3893  
company or foreign limited liability company has failed to 3894  
maintain an agent as required by this section and if the party 3895  
or the agent or representative of the party that desires service 3896  
of the process, notice, or demand files with the secretary of 3897  
state an affidavit that states that one of those circumstances 3898  
exists and states the most recent address of the company that 3899  
the party who desires service has been able to ascertain after a 3900  
diligent search, then the service of the process, notice, or 3901  
demand upon the secretary of state as the agent of the company 3902  
may be initiated by delivering to the secretary of state four 3903  
copies of the process, notice, or demand accompanied by a fee of 3904  
five dollars. The secretary of state shall give forthwith notice 3905  
of that delivery to the company at either its principal office 3906  
as shown upon the secretary of state's records or at any 3907  
different address specified in the affidavit of the party 3908  
desiring service and shall forward to the company at either 3909  
address by certified mail, return receipt requested, a copy of 3910  
the process, notice, or demand. Service upon the company is made 3911  
when the secretary of state gives the notice and forwards the 3912  
process, notice, or demand as set forth in division (H) (2) of 3913  
this section. 3914

(I) The secretary of state shall keep a record of each 3915  
process, notice, and demand that pertains to a limited liability 3916  
company or foreign limited liability company and that is 3917  
delivered to the secretary of state's office under this section 3918

or another law of this state that authorizes service upon the 3919  
secretary of state in connection with a limited liability 3920  
company or foreign limited liability company. In that record, 3921  
the secretary of state shall record the time of each delivery of 3922  
that type and the secretary of state's subsequent action with 3923  
respect to the process, notice, or demand. 3924

(J) This section does not limit or affect the right to 3925  
serve any process, notice, or demand upon a limited liability 3926  
company or foreign limited liability company in any other manner 3927  
permitted by law. 3928

(K) A written appointment of an agent or a written 3929  
statement filed by a limited liability company or foreign 3930  
limited liability company with the secretary of state shall be 3931  
signed by an authorized representative of the company. 3932

(L) Upon the failure of a limited liability company or 3933  
foreign limited liability company to continuously maintain a 3934  
statutory agent or file a change of name or address of a 3935  
statutory agent, the secretary of state shall give notice 3936  
thereof by ordinary or electronic mail to the company at the 3937  
electronic mail address provided to the secretary of state, or 3938  
at the address set forth in the notice of resignation. Unless 3939  
the default is cured within thirty days after the mailing by the 3940  
secretary of state of the notice or within any further period of 3941  
time that the secretary of state grants, upon the expiration of 3942  
that period of time from the date of the mailing, the articles 3943  
of the limited liability company or the registration of the 3944  
foreign limited liability company shall be canceled without 3945  
further notice or action by the secretary of state. The 3946  
secretary of state shall make a notation of the cancellation on 3947  
the secretary of state's records. 3948

A limited liability company or foreign limited liability company whose articles or registration has been canceled may be reinstated by filing, on a form prescribed by the secretary of state, an application for reinstatement and the required appointment of agent or required statement, and by paying the filing fee specified in division (Q) of section 111.16 of the Revised Code. The rights and privileges of a limited liability company or foreign limited liability company whose articles or registration has been reinstated are subject to section 1706.46 of the Revised Code. The secretary of state shall furnish the tax commissioner a monthly list of all limited liability companies and foreign limited liability companies canceled and reinstated under this division. 3949  
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**Sec. 1706.16.** (A) In order to form a limited liability company, one or more persons shall execute articles of organization and deliver the articles to the secretary of state for filing. The articles of organization shall set forth all of the following: 3962  
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(1) The name of the limited liability company; 3967

(2) The name and street address of the limited liability company's statutory agent and a written acceptance of the appointment that is signed by the agent; 3968  
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(3) If applicable, a statement as provided in division (B) (3) of section 1706.761 of the Revised Code; 3971  
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(4) Any other matters the organizers or the members determine to include in the articles of organization. 3973  
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(B) A limited liability company is formed when the articles of organization are filed by the secretary of state or at any later date or time specified in the articles of 3975  
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organization. 3978

(C) The fact that articles of organization are on file in 3979  
the office of the secretary of state is notice of the matters 3980  
required to be included by divisions (A) (1) to (3) of this 3981  
section, but is not notice of any other fact. 3982

(D) An operating agreement may be entered into before, at 3983  
the time of, or after the filing of the articles of 3984  
organization. Regardless of when the operating agreement is 3985  
entered into, it may be made effective as of the filing of the 3986  
articles of organization or any other time provided in the 3987  
operating agreement. 3988

**Sec. 1706.161.** (A) The articles of organization may be 3989  
amended at any time. 3990

(B) The articles of organization may be restated with or 3991  
without amendment at any time. 3992

(C) To amend its articles of organization, a limited 3993  
liability company shall deliver to the secretary of state for 3994  
filing, on a form prescribed by the secretary of state, a 3995  
certificate of amendment containing both of the following 3996  
information: 3997

(1) The name and registration number of the limited 3998  
liability company; 3999

(2) The changes the amendment makes to the articles of 4000  
organization as most recently amended or restated. 4001

(D) Restated articles of organization shall be delivered 4002  
to the secretary of state for filing in the same manner as an 4003  
amendment. Restated articles of organization shall be designated 4004  
as such in the heading and state in the heading or in an 4005

introductory paragraph the limited liability company's name and 4006  
the date of the filing of its articles of organization. Any 4007  
amendment or change effected in connection with the restatement 4008  
of the articles of organization shall be subject to any other 4009  
provision of this chapter, not inconsistent with this section, 4010  
which would apply if a separate certificate of amendment were 4011  
filed to effect the amendment or change. 4012

(E) The original articles of organization, as amended or 4013  
supplemented, shall be superseded by the restated articles of 4014  
organization. Thereafter, the articles of organization, 4015  
including any further amendment or changes made thereby, shall 4016  
be the articles of organization of the limited liability 4017  
company, but the original effective date of formation shall 4018  
remain unchanged. 4019

**Sec. 1706.17.** (A) A record delivered to the secretary of 4020  
state for filing pursuant to this chapter shall be signed as 4021  
provided by this section. 4022

(1) A limited liability company's initial articles of 4023  
organization shall be signed by at least one person. 4024

(2) A record signed on behalf of a limited liability 4025  
company shall be signed by a person authorized by the limited 4026  
liability company. 4027

(3) A record filed on behalf of a dissolved limited 4028  
liability company that has no members shall be signed by the 4029  
person winding up the limited liability company's activities 4030  
under division (A) of section 1706.472 of the Revised Code or a 4031  
person appointed under division (B) of section 1706.472 of the 4032  
Revised Code to wind up those activities. 4033

(4) A statement of denial by a person under section 4034

1706.20 of the Revised Code shall be signed by that person. 4035

(5) Any other record shall be signed by the person on 4036  
whose behalf the record is delivered to the secretary of state. 4037

(B) Any record to be filed under this chapter may be 4038  
signed by an agent, including an attorney-in-fact. Powers of 4039  
attorney relating to the signing of the record need not be 4040  
delivered to the secretary of state. 4041

**Sec. 1706.171.** (A) If a person required by this chapter to 4042  
sign a record or deliver a record to the secretary of state for 4043  
filing under this chapter does not do so, any other person that 4044  
is aggrieved by that failure to sign may petition the 4045  
appropriate court to order any of the following: 4046

(1) The person to sign the record; 4047

(2) The person to deliver the record to the secretary of 4048  
state for filing; 4049

(3) The secretary of state to file the record unsigned. 4050

(B) If a petitioner under division (A) of this section is 4051  
not the limited liability company or foreign limited liability 4052  
company to whom the record pertains, the petitioner shall make 4053  
the limited liability company or foreign limited liability 4054  
company a party to the action. A person aggrieved under division 4055  
(A) of this section may seek the remedies provided in that 4056  
division in a separate action against the person required to 4057  
sign the record or as a part of any other action concerning the 4058  
limited liability company in which the person required to sign 4059  
the record is made a party. 4060

(C) A record filed unsigned pursuant to this section is 4061  
effective without being signed. 4062

(D) A court may award reasonable expenses, including 4063  
reasonable attorney's fees, to the prevailing party, in whole or 4064  
in part, with respect to any claim made under division (A) of 4065  
this section. 4066

**Sec. 1706.172.** (A) Each record authorized or required to 4067  
be delivered to the secretary of state for filing under this 4068  
chapter shall meet all of the following requirements: 4069

(1) The record shall contain all information required by 4070  
the law of this state to be contained in the record but, unless 4071  
otherwise provided by law, shall not be required to contain 4072  
other information. 4073

(2) The record shall be on or in a medium and in such form 4074  
acceptable to the secretary of state and from which the 4075  
secretary of state may create a record that contains all of the 4076  
information stated in the record. The secretary of state may 4077  
require that the record be delivered by any one or more means or 4078  
on or in any one or more media acceptable to the secretary of 4079  
state. The secretary of state is not required to file a record 4080  
that is not delivered by a means and in a medium that complies 4081  
with the requirements then established by the secretary of state 4082  
for the delivery and filing of records. If the secretary of 4083  
state permits a record to be delivered on paper, the record 4084  
shall be typewritten or machine printed, and the secretary of 4085  
state may impose reasonable requirements upon the dimensions, 4086  
legibility, quality, and color of the paper and typewriting or 4087  
printing and upon the format and other attributes of any record 4088  
that is delivered electronically. The secretary of state shall, 4089  
at the earliest practicable time, allow for the delivery of a 4090  
record for filing to be accomplished electronically, without the 4091  
necessity for the delivery of a physical original record or the 4092

image thereof, if all required information is delivered and is 4093  
readily retrievable from the data delivered. If the delivery of 4094  
a record for filing is required to be accomplished 4095  
electronically, that record shall not be accompanied by any 4096  
physical record unless the secretary of state permits that 4097  
accompaniment. 4098

(3) The record shall be in English. A person's name set 4099  
forth in the record need not be in English if expressed in 4100  
English letters or Arabic or Roman numerals. Records of a 4101  
foreign person need not be in English if accompanied by a 4102  
reasonably authenticated English translation. 4103

(B) Unless the secretary of state determines that a record 4104  
does not comply with the filing requirements of this chapter, 4105  
the secretary of state shall file the record and send a 4106  
certificate and a receipt for the fees to the person who 4107  
submitted the record. 4108

(C) Upon request and payment of the requisite fee, the 4109  
secretary of state shall furnish to the requester a certified 4110  
copy of a requested record. 4111

(D) Except as otherwise provided in division (F) of 4112  
section 1706.09 and section 1706.173 of the Revised Code, a 4113  
record delivered to the secretary of state for filing under this 4114  
chapter may specify an effective time and a delayed effective 4115  
date of not more than ninety days following the date of receipt 4116  
by the secretary of state. Subject to division (F) of section 4117  
1706.09 and section 1706.173 of the Revised Code, a record filed 4118  
by the secretary of state is effective as follows: 4119

(1) If the record does not specify an effective time and 4120  
does not specify a delayed effective date, on the date the 4121

record is filed as evidenced by the secretary of state's 4122  
endorsement of the date on the record; 4123

(2) If the record specifies an effective time but not a 4124  
delayed effective date, on the date the record is filed at the 4125  
time specified in the record; 4126

(3) If the record specifies a delayed effective date but 4127  
not an effective time, at 12:01 a.m. on the earlier of the 4128  
following: 4129

(a) The specified date; 4130

(b) The ninetieth day after the record is filed. 4131

(4) If the record specifies an effective time and a 4132  
delayed effective date, at the specified time on the earlier of 4133  
the following: 4134

(a) The specified date; 4135

(b) The ninetieth day after the record is filed. 4136

**Sec. 1706.173.** (A) A limited liability company or foreign 4137  
limited liability company may deliver to the secretary of state 4138  
for filing a certificate of correction to correct a record 4139  
previously delivered by the limited liability company or foreign 4140  
limited liability company to the secretary of state and filed by 4141  
the secretary of state if at the time of filing the record 4142  
contained incorrect or inaccurate information or was defectively 4143  
signed. 4144

(B) A certificate of correction under division (A) of this 4145  
section shall not state a delayed effective date and shall do 4146  
all of the following: 4147

(1) Describe the record to be corrected, including its 4148

filing date, or attach a copy of the record as filed; 4149

(2) Specify the inaccurate information or the defect in  
the signing; 4150  
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(3) Correct the incorrect or inaccurate information or  
defective signature. 4152  
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(C) When filed by the secretary of state, a certificate of  
correction is effective retroactively as of the effective date  
of the record the statement corrects, but the statement is  
effective when filed as to persons that previously relied on the  
uncorrected record and would be adversely affected by the  
correction. 4154  
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**Sec. 1706.174.** (A) A person who signs a record authorized  
or required to be filed under this chapter thereby affirms under  
the penalties of perjury that the facts stated in the record are  
true in all material respects. 4160  
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(B) If a record delivered to the secretary of state for  
filing under this chapter and filed by the secretary of state  
contains incorrect or inaccurate information, a person that  
suffers a loss by reasonable reliance on the information may  
recover damages for the loss from a person that signed the  
record, or caused another to sign it on the person's behalf, and  
knew the information to be incorrect or inaccurate at the time  
the record was signed. 4164  
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**Sec. 1706.175.** (A) The secretary of state, upon request  
and payment of the requisite fee, shall furnish to any person a  
certificate of full force and effect for a limited liability  
company if the records filed in the office of the secretary of  
state show that the limited liability company has been formed  
under the laws of this state. A certificate of full force and 4172  
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effect shall state all of the following: 4178

(1) The limited liability company's name; 4179

(2) The limited liability company's date of formation; 4180

(3) That the limited liability company is in full force 4181  
and effect on the records of the secretary of state. 4182

(B) The secretary of state, upon request and payment of 4183  
the requisite fee, shall furnish to any person a certificate of 4184  
registration for a foreign limited liability company if the 4185  
records filed in the office of the secretary of state show that 4186  
the secretary of state has filed a certificate of registration 4187  
for the foreign limited liability company, has not canceled the 4188  
certificate of registration for the foreign limited liability 4189  
company, and has not filed a statement of cancellation of the 4190  
certificate of registration for the foreign limited liability 4191  
company. A certificate of registration shall state both of the 4192  
following: 4193

(1) The foreign limited liability company's name; 4194

(2) That the foreign limited liability company is 4195  
authorized to transact business in this state. 4196

(C) Subject to any qualification stated in the 4197  
certificate, a certificate of existence or certificate of 4198  
registration issued by the secretary of state is, for a period 4199  
of thirty days after the date of such certificate, conclusive 4200  
evidence that the limited liability company is in existence or 4201  
the foreign limited liability company is authorized to transact 4202  
business in this state. 4203

**Sec. 1706.18.** No person shall have the power to bind the 4204  
limited liability company, or a series thereof, except: 4205



(A) To the extent the person is authorized to act as the agent of the limited liability company or a series thereof under or pursuant to the operating agreement; 4206  
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(B) To the extent the person is authorized to act as the agent of the limited liability company or a series thereof pursuant to division (A) of section 1706.30 of the Revised Code; 4209  
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(C) To the extent provided in section 1706.19 of the Revised Code; 4212  
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(D) To the extent provided by law other than this chapter. 4214

**Sec. 1706.19.** (A) A limited liability company, on behalf of itself or a series thereof, may deliver to the secretary of state for filing on a form prescribed by the secretary of state a statement of authority. Such a statement: 4215  
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(1) Shall include the name and registration number of the limited liability company; 4219  
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(2) May state the authority of a specific person, or, with respect to any position that exists in or with respect to the limited liability company or series thereof, of all persons holding the position, to enter into transactions on behalf of the limited liability company or series thereof. 4221  
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(B) To amend or cancel a statement of authority filed by the secretary of state, a limited liability company shall, on behalf of itself or a series thereof, deliver to the secretary of state for filing an amendment or cancellation on a form prescribed by the secretary of state stating all of the following: 4226  
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(1) The name and registration number of the limited liability company; 4232  
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(2) The date of filing of the statement of authority to 4234  
which the amendment or cancellation statement pertains; 4235

(3) The contents of the amendment or a declaration that 4236  
the statement to which it pertains is canceled. 4237

(C) An effective statement of authority is conclusive in 4238  
favor of a person that gives value in reliance on the statement, 4239  
except to the extent that when the person gives value the person 4240  
has knowledge to the contrary. 4241

(D) Upon filing, a certificate of dissolution filed 4242  
pursuant to division (B)(1) of section 1706.471 of the Revised 4243  
Code operates as a cancellation, under division (B) of this 4244  
section, of each statement of authority. 4245

(E) After a certificate of dissolution becomes effective, 4246  
a limited liability company may, on behalf of itself or a series 4247  
thereof, deliver to the secretary of state for filing a 4248  
statement of authority that is designated as a post-dissolution 4249  
or post-cancellation statement of authority. 4250

(F) Upon filing, a statement of denial filed pursuant to 4251  
section 1706.20 of the Revised Code operates as an amendment, 4252  
under division (B) of this section, of the statement of 4253  
authority to which the statement of denial pertains. 4254

**Sec. 1706.20.** A person named in a filed statement of 4255  
authority may deliver to the secretary of state for filing on a 4256  
form prescribed by the secretary of state a statement of denial 4257  
that does both of the following: 4258

(A) States the name and registration number of the limited 4259  
liability company and the date of filing of the statement of 4260  
authority to which the statement of denial pertains; 4261

(B) Denies the person's authority. 4262

**Sec. 1706.26.** A person who is a member of a limited 4263  
liability company is not liable, solely by reason of being a 4264  
member, for a debt, obligation, or liability of the limited 4265  
liability company or a series thereof, whether arising in 4266  
contract, tort, or otherwise; or for the acts or omissions of 4267  
any other member, agent, or employee of the limited liability 4268  
company or a series thereof. The failure of a limited liability 4269  
company or any of its members to observe any formalities 4270  
relating to the exercise of the limited liability company's 4271  
powers or the management of its activities is not a factor to 4272  
consider in, or a ground for, imposing liability on the members 4273  
for the debts, obligations, or liability of the limited 4274  
liability company. 4275

**Sec. 1706.27.** (A) In connection with the formation of a 4276  
limited liability company, a person is admitted as a member of 4277  
the limited liability company upon the occurrence of either of 4278  
the following: 4279

(1) If the organizer was authorized by one or more persons 4280  
intending to be members of the limited liability company to file 4281  
the articles of organization on their behalf, the formation of 4282  
the limited liability company; 4283

(2) If the organizer was not authorized by any other 4284  
person intending to be members of the limited liability company, 4285  
each organizer shall have the authority of a member of the 4286  
limited liability company upon the formation of the limited 4287  
liability company until the admission of the initial member of 4288  
the limited liability company. 4289

(B) After formation of a limited liability company, a 4290

person may be admitted as a member of the limited liability 4291  
company in any of the following manners: 4292

(1) As provided in the operating agreement; 4293

(2) As the result of a transaction effective under 4294  
sections 1706.71 to 1706.74 of the Revised Code; 4295

(3) With the consent of all the members or in the case of 4296  
a limited liability company having only one member, the consent 4297  
of the member; 4298

(4) If, within ninety consecutive days after the 4299  
occurrence of the dissociation of the last remaining member, 4300  
both of the following occur: 4301

(a) All holders of the membership interest last assigned 4302  
by the last person to have been a member consent to the 4303  
designation of a person to be admitted as a member; 4304

(b) The designated person consents to be admitted as a 4305  
member effective as of the date the last person to have been a 4306  
member ceased to be a member. 4307

(C) A person may be admitted as a member without acquiring 4308  
a membership interest and without making or being obligated to 4309  
make a contribution to the limited liability company. A person 4310  
may be admitted as the sole member without acquiring a 4311  
membership interest and without making or being obligated to 4312  
make a contribution to the limited liability company. 4313

Sec. 1706.28. A contribution of a member to a limited 4314  
liability company, or a series thereof, may consist of cash, 4315  
property, services rendered, or a promissory note or other 4316  
binding obligation to contribute cash or property or to perform 4317  
services. 4318

Sec. 1706.281. (A) A promise by a member to make a contribution to a limited liability company, or a series thereof, is not enforceable unless set forth in a writing signed by the member. 4319  
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(B) A member's obligation to make a contribution to a limited liability company, or a series thereof, is not excused by the member's death, disability, or other inability to perform personally. If a member does not make a contribution required by an enforceable promise, the member or the member's estate is obligated, at the election of the limited liability company, or a series thereof, to contribute money equal to the value of the portion of the contribution that has not been made. The election shall be in addition to, and not in lieu of, any other rights, including the right to specific performance, that the limited liability company, or a series thereof, may have under the operating agreement or applicable law. 4323  
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(C) (1) The obligation of a member to make a contribution to a limited liability company may be compromised only by consent of all the members. A conditional obligation of a member to make a contribution to a limited liability company may not be enforced unless the conditions of the obligation have been satisfied or waived as to or by that member. Conditional obligations include contributions payable upon a discretionary call of a limited liability company before the time the call occurs. 4335  
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(2) The obligation of a member associated with a series to make a contribution to the series may be compromised only by consent of all the members associated with that series. A conditional obligation of a member to make a contribution to a series may not be enforced unless the conditions of the 4344  
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obligation have been satisfied or waived as to or by that 4349  
member. Conditional obligations include contributions payable 4350  
upon a discretionary call of that series before the time the 4351  
call occurs. 4352

(3) Division (C)(1) of this section shall not apply to a 4353  
member's obligation to make a contribution to a series of a 4354  
limited liability company. 4355

**Sec. 1706.29.** (A) (1) All members shall share equally in 4356  
any distributions made by a limited liability company before its 4357  
dissolution and winding up. 4358

(2) A member has a right to a distribution before the 4359  
dissolution and winding up of a limited liability company as 4360  
provided in the operating agreement. A decision to make a 4361  
distribution before the dissolution and winding up of the 4362  
limited liability company is a decision in the ordinary course 4363  
of activities of the limited liability company. A member's 4364  
dissociation does not entitle the dissociated member to a 4365  
distribution. 4366

(3) A member does not have a right to demand and receive a 4367  
distribution from a limited liability company in any form other 4368  
than money. Except as otherwise provided in division (C) of 4369  
section 1706.475 of the Revised Code, a limited liability 4370  
company may distribute an asset in kind if each member receives 4371  
a percentage of the asset in proportion to the member's share of 4372  
contributions. 4373

(4) If a member becomes entitled to receive a 4374  
distribution, the member has the status of, and is entitled to 4375  
all remedies available to, a creditor of the limited liability 4376  
company with respect to the distribution. 4377

(B) (1) All members associated with a series shall share 4378  
equally in any distributions made by the series before its 4379  
dissolution and winding up. 4380

(2) A member associated with a series has a right to a 4381  
distribution before the dissolution and winding up of the series 4382  
as provided in the operating agreement. A decision of the series 4383  
to make a distribution before the dissolution and winding up of 4384  
the series is a decision in the ordinary course of activities of 4385  
the series. A member's dissociation from a series with which the 4386  
member is associated does not entitle the dissociated member to 4387  
a distribution from the series. 4388

(3) A member associated with a series does not have a 4389  
right to demand and receive a distribution from the series in 4390  
any form other than money. Except as otherwise provided in 4391  
division (C) of section 1706.7613 of the Revised Code, a series 4392  
may distribute an asset in kind if each member associated with 4393  
the series receives a percentage of the asset in proportion to 4394  
the member's share of distributions from the series. 4395

(4) If a member associated with a series becomes entitled 4396  
to receive a distribution from the series, the member has the 4397  
status of, and is entitled to all remedies available to, a 4398  
creditor of the series with respect to the distribution. 4399

(C) Division (A) of this section does not apply to a 4400  
distribution made by a series. 4401

**Sec. 1706.30.** (A) (1) The activities and affairs of the 4402  
limited liability company shall be under the direction, and 4403  
subject to the oversight, of its members. 4404

(2) The activities and affairs of a series shall be under 4405  
the direction, and subject to the oversight, of the members 4406

associated with the series. 4407

(3) Division (A) (1) of this section shall not apply to the 4408  
activities and affairs of a series. 4409

(B) (1) Except as provided in division (C) of this section, 4410  
a matter in the ordinary course of activities of the limited 4411  
liability company may be decided by a majority of the members. 4412

(2) Except as provided in division (C) of this section, a 4413  
matter in the ordinary course of activities of a series may be 4414  
decided by a majority of the members associated with the series. 4415

(3) Division (B) (1) of this section shall not apply to 4416  
matters of a series. 4417

(C) (1) The consent of all members is required to do any of 4418  
the following: 4419

(a) Amend the operating agreement; 4420

(b) File a petition of the limited liability company for 4421  
relief under Title 11 of the United States Code, or a successor 4422  
statute of general application, or a comparable federal, state, 4423  
or foreign law governing insolvency; 4424

(c) Undertake any act outside the ordinary course of the 4425  
limited liability company's activities; 4426

(d) Undertake, authorize, or approve any other act or 4427  
matter for which this chapter requires the consent of all 4428  
members. 4429

(2) The consent of all members associated with a series is 4430  
required to do either of the following: 4431

(a) Undertake any act outside the ordinary course of the 4432  
series' activities; 4433



(b) Undertake, authorize, or approve any other act or 4434  
matter for which this chapter requires the consent of all the 4435  
members associated with a series. 4436

(D) Any matter requiring the consent of members may be 4437  
decided without a meeting, and a member may appoint a proxy or 4438  
other agent to consent or otherwise act for the member by 4439  
signing an appointing record, personally or by the member's 4440  
agent. 4441

(E) This chapter does not entitle a member to remuneration 4442  
for services performed for a limited liability company. 4443

**Sec. 1706.31.** (A) Unless either a written operating 4444  
agreement for the limited liability company or a written 4445  
agreement with a member establishes additional fiduciary duties, 4446  
in the event that there have been designated one or more 4447  
managers to supervise or manage the activities or affairs of the 4448  
limited liability company, the only obligation a member owes, in 4449  
the member's capacity as a member, to the limited liability 4450  
company and the other members is to discharge the member's 4451  
duties and obligations under this chapter and the operating 4452  
agreement in accordance with division (E) of this section. 4453  
Divisions (C) and (D) of this section shall not apply to such a 4454  
member. 4455

(B) Unless either a written operating agreement for the 4456  
limited liability company or a written agreement with a member 4457  
establishes additional fiduciary duties or the duties of the 4458  
member have been modified, waived, or eliminated as contemplated 4459  
by section 1706.08 of the Revised Code, in the event that there 4460  
have not been designated one or more managers to supervise or 4461  
manage the activities of the limited liability company, the only 4462  
fiduciary duties a member owes to the limited liability company 4463

and the other members is the duty of loyalty and the duty of 4464  
care set forth in divisions (C) and (D) of this section. 4465

(C) A member's duty of loyalty to the limited liability 4466  
company and the other members is limited to the following: 4467

(1) To account to the limited liability company and hold 4468  
for it any property, profit, or benefit derived by the member in 4469  
the conduct and winding up of the limited liability company 4470  
business or derived from a use by the member of limited 4471  
liability company property or from the appropriation of a 4472  
limited liability company opportunity; 4473

(2) To refrain from dealing with the limited liability 4474  
company in the conduct or winding up of the limited liability 4475  
company business as or on behalf of a party having an interest 4476  
adverse to the limited liability company. 4477

(D) A member's duty of care to the limited liability 4478  
company and the other members in the conduct and winding up of 4479  
the limited liability company business is limited to refraining 4480  
from engaging in grossly negligent or reckless conduct, 4481  
intentional misconduct, or a knowing violation of law. 4482

(E) A member shall discharge the member's duties to the 4483  
limited liability company and the other members under this 4484  
chapter and under the operating agreement and exercise any 4485  
rights consistent with the implied covenant of good faith and 4486  
fair dealing. 4487

(F) A member does not violate a duty or obligation under 4488  
this chapter or under the operating agreement merely because the 4489  
member's conduct furthers the member's own interest. 4490

(G) All the members of a limited liability company may 4491  
authorize or ratify, after full disclosure of all material 4492

facts, a specific act or transaction that otherwise would 4493  
violate the duty of loyalty. It is a defense to a claim under 4494  
division (C)(2) of this section and any comparable claim in 4495  
equity or at common law that the transaction was fair to the 4496  
limited liability company. If, as permitted, by this division or 4497  
the limited liability company's operating agreement, a member 4498  
enters into a transaction with a limited liability company that 4499  
otherwise would be prohibited by division (C)(2) of this 4500  
section, the member's rights and obligations arising from the 4501  
transaction are the same as those of a person that is not a 4502  
member. 4503

(H) This section applies to a person winding up the 4504  
limited liability company business as the personal or legal 4505  
representative of the last surviving member as if the person 4506  
were a member. 4507

**Sec. 1706.311.** (A) Unless either a written operating 4508  
agreement for the limited liability company or a written 4509  
agreement with a manager establishes additional fiduciary duties 4510  
or the duties of the manager have been modified, waived, or 4511  
eliminated as contemplated by section 1706.08 of the Revised 4512  
Code, the only fiduciary duties of a manager to the limited 4513  
liability company or its members are the duty of loyalty and the 4514  
duty of care set forth in divisions (B) and (C) of this section. 4515

(B) A manager's duty of loyalty to the limited liability 4516  
company and its members is limited to the following: 4517

(1) To account to the limited liability company and hold 4518  
for it any property, profit, or benefit derived by the manager 4519  
in the conduct and winding up of the limited liability company 4520  
business or derived from a use by the manager of limited 4521  
liability company property or from the appropriation of a 4522

limited liability company opportunity; 4523

(2) To refrain from dealing with the limited liability 4524  
company in the conduct or winding up of the limited liability 4525  
company business as or on behalf of a party having an interest 4526  
adverse to the limited liability company. 4527

(C) A manager's duty of care to the limited liability 4528  
company in the conduct and winding up of the limited liability 4529  
company activities is limited to acting in good faith, in a 4530  
manner the manager reasonably believes to be in or not opposed 4531  
to the best interests of the limited liability company. 4532

(D) For purposes of division (C) of this section, both of 4533  
the following apply: 4534

(1) A manager of a limited liability company shall not be 4535  
determined to have violated the manager's duties under division 4536  
(C) of this section unless it is proved that the manager has not 4537  
acted in good faith, in a manner the manager reasonably believes 4538  
to be in or not opposed to the best interests of the limited 4539  
liability company. 4540

(2) A manager shall not be considered to be acting in good 4541  
faith if the manager has knowledge concerning the matter in 4542  
question that would cause reliance on information, opinions, 4543  
reports, or statements that are prepared or presented by any of 4544  
the persons described in section 1706.331 of the Revised Code to 4545  
be unwarranted. 4546

(E) A manager shall be liable for monetary relief for a 4547  
violation of the manager's duties under division (C) of this 4548  
section only if it is proved that the manager's action or 4549  
failure to act involved an act or omission undertaken with 4550  
deliberate intent to cause injury to the limited liability 4551

company or undertaken with reckless disregard for the best 4552  
interests of the company. This division does not apply if, and 4553  
only to the extent that, at the time of a manager's act or 4554  
omission that is the subject of complaint, either of the 4555  
following is true: 4556

(1) The articles or the operating agreement of the limited 4557  
liability company state by specific reference to division (E) of 4558  
this section that the provisions of this division do not apply 4559  
to the limited liability company. 4560

(2) A written agreement between the manager and the 4561  
limited liability company states by specific reference to 4562  
division (E) of this section that the provisions of this 4563  
division do not apply to the manager. 4564

(F) All the members of a limited liability company may 4565  
authorize or ratify, after full disclosure of all material 4566  
facts, a specific act or transaction that would otherwise 4567  
violate the duty of loyalty. It is a defense to a claim under 4568  
division (B) (2) of this section and any comparable claim in 4569  
equity or at common law that the transaction was fair to the 4570  
limited liability company. If, as permitted by this division or 4571  
the operating agreement, a manager enters into a transaction 4572  
with the limited liability company that otherwise would be 4573  
prohibited by division (B) (2) of this section, the manager's 4574  
rights and obligations arising from the transaction are the same 4575  
as those of a person that is not a manager. 4576

(G) A manager shall discharge the duties to the limited 4577  
liability company and the members under this chapter and under 4578  
the operating agreement and exercise any rights consistently 4579  
with the implied covenant of good faith and fair dealing. 4580

(H) Nothing in this section affects the duties of a 4581  
manager who acts in any capacity other than the manager's 4582  
capacity as a manager. If a manager of a limited liability 4583  
company also is a member of the limited liability company, the 4584  
actions taken in the capacity as a member of the limited 4585  
liability company shall be subject to section 1706.31 of the 4586  
Revised Code. Nothing in this section affects any contractual 4587  
obligations of a manager to the limited liability company. 4588

Sec. 1706.32. A limited liability company, or a series 4589  
thereof, may indemnify and hold harmless a member or other 4590  
person, pay in advance or reimburse expenses incurred by a 4591  
member or other person, and purchase and maintain insurance on 4592  
behalf of a member or other person. 4593

Sec. 1706.33. (A) Upon reasonable notice provided to the 4594  
limited liability company, a member may inspect and copy during 4595  
regular business hours, at a reasonable location specified by 4596  
the limited liability company, any record maintained by the 4597  
limited liability company, to the extent the information is 4598  
material to the member's rights and duties under the operating 4599  
agreement or this chapter. 4600

(B) A limited liability company may charge a person that 4601  
makes a demand under this section the reasonable costs of labor 4602  
and materials for copying. 4603

(C) A member or dissociated member may exercise rights 4604  
under this section through an agent or, in the case of an 4605  
individual under legal disability, a legal representative. Any 4606  
restriction or condition imposed by the operating agreement or 4607  
under division (E) of this section applies both to the agent or 4608  
legal representative and the member or dissociated member. 4609

(D) The rights under this section do not extend to an 4610  
assignee who is not admitted as a member. 4611

(E) In addition to any restriction or condition stated in 4612  
its operating agreement, a limited liability company, as a 4613  
matter within the ordinary course of its activities, may do 4614  
either of the following: 4615

(1) Impose reasonable restrictions and conditions on 4616  
access to and use of information to be furnished under this 4617  
section, including designating information confidential and 4618  
imposing nondisclosure and safeguarding obligations on the 4619  
recipient; 4620

(2) Keep confidential from the members and any other 4621  
persons, for such period of time as the limited liability 4622  
company deems reasonable, any information that the limited 4623  
liability company reasonably believes to be in the nature of 4624  
trade secrets or other information the disclosure of which the 4625  
limited liability company in good faith believes is not in the 4626  
best interest of the limited liability company or could damage 4627  
the limited liability company or its activities, or that the 4628  
limited liability company is required by law or by agreement 4629  
with a third party to keep confidential. 4630

**Sec. 1706.331.** Each member and agent of a limited 4631  
liability company shall be fully protected in relying in good 4632  
faith upon the records of the limited liability company and upon 4633  
information, opinions, reports, or statements presented by 4634  
another member or agent of the limited liability company, or by 4635  
any other person as to matters the member or the agent 4636  
reasonably believes are within that other person's professional 4637  
or expert competence, including information, opinions, reports, 4638  
or statements as to any of the following: 4639

(A) The value and amount of the assets, liabilities, profits, or losses of the limited liability company, or a series thereof; 4640  
4641  
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(B) The value and amount of assets or reserves or contracts, agreements, or other undertakings that would be sufficient to pay claims and obligations of the limited liability company, or series thereof, or to make reasonable provision to pay those claims and obligations; 4643  
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(C) Any other facts pertinent to the existence and amount of assets from which distributions to members or creditors might properly be paid. 4648  
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Sec. 1706.332. If a member dies, the deceased member's personal representative or other legal representative may, for purposes of settling the estate, exercise the rights of a current member under section 1706.33 of the Revised Code. 4651  
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Sec. 1706.34. The only interest of a member that is assignable is the member's membership interest. A membership interest is personal property. 4655  
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Sec. 1706.341. (A) An assignment, in whole or in part, of a membership interest: 4658  
4659

(1) Is permissible; 4660

(2) (a) Does not by itself cause a member to cease to be a member of the limited liability company; 4661  
4662

(b) Does not by itself cause a member to cease to be associated with a series of the limited liability company. 4663  
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(3) Does not by itself cause a dissolution and winding up of the limited liability company, or a series thereof; 4665  
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(4) Subject to section 1706.332 of the Revised Code, does 4667  
not entitle the assignee to do either of the following: 4668

(a) Participate in the management or conduct of the 4669  
activities of the limited liability company, or a series 4670  
thereof; 4671

(b) Have access to records or other information concerning 4672  
the activities of the limited liability company, or a series 4673  
thereof. 4674

(B) An assignee has the right to receive, in accordance 4675  
with the assignment, distributions to which the assignor would 4676  
otherwise be entitled. 4677

(C) A membership interest may be evidenced by a 4678  
certificate of membership interest issued by the limited 4679  
liability company, or a series thereof. An operating agreement 4680  
may provide for the assignment of the membership interest 4681  
represented by the certificate and make other provisions with 4682  
respect to the certificate. 4683

(D) A limited liability company, or a series thereof, 4684  
shall not issue a certificate of membership interest in bearer 4685  
form. 4686

(E) A limited liability company, or a series thereof, need 4687  
not give effect to an assignee's rights under this section until 4688  
the limited liability company, or a series thereof, has notice 4689  
of the assignment. 4690

(F) Except as otherwise provided in division (J) of 4691  
section 1706.411 of the Revised Code, when a member assigns a 4692  
membership interest, the assignor retains the rights of a member 4693  
other than the right to distributions assigned and retains all 4694  
duties and obligations of a member. 4695

(G) When a member assigns a membership interest to a 4696  
person that is admitted as a member with respect to the assigned 4697  
interest, the assignee is only liable for the member's 4698  
obligations under section 1706.281 of the Revised Code to the 4699  
extent that the obligations are known to the assignee when the 4700  
assignee voluntarily accepts admission as a member. 4701

**Sec. 1706.342.** (A) On application to a court of competent 4702  
jurisdiction by any judgment creditor of a member or assignee, 4703  
the court may charge the membership interest of the judgment 4704  
debtor with payment of the unsatisfied amount of the judgment 4705  
with interest. To the extent so charged and after the limited 4706  
liability company has been served with the charging order, the 4707  
judgment creditor has only the right to receive any distribution 4708  
or distributions to which the judgment debtor would otherwise be 4709  
entitled in respect of the membership interest. 4710

(B) After the limited liability company is served with a 4711  
charging order, the limited liability company or any member 4712  
shall be entitled to pay to or deposit with the clerk of the 4713  
court so issuing the charging order any distribution or 4714  
distributions to which the judgment debtor would otherwise be 4715  
entitled in respect of the charged membership interest, and the 4716  
payment or deposit shall discharge the limited liability company 4717  
and the judgment debtor from liability for the amount so paid or 4718  
deposited and any interest that might accrue thereon. Upon 4719  
receipt of the payment or deposit, the clerk of the court shall 4720  
notify the judgment creditor of the receipt of the payment or 4721  
deposit. The judgment creditor shall, after any payment or 4722  
deposit into the court, petition the court for payment of so 4723  
much of the amount paid or deposited as may be necessary to pay 4724  
the judgment creditor's judgment. To the extent the court has 4725  
excess amounts paid or deposited on hand after the payment to 4726

the judgment creditor, the excess amounts paid or deposited 4727  
shall be distributed to the judgment debtor, and the charging 4728  
order shall be extinguished. The court may, in its discretion, 4729  
order the clerk to deposit, pending the judgment creditor's 4730  
petition, any money paid or deposited with the clerk, in an 4731  
interest bearing account at a bank authorized to receive 4732  
deposits of public funds. 4733

(C) A charging order constitutes a lien on the judgment 4734  
debtor's membership interest. 4735

(D) Subject to division (C) of this section, both of the 4736  
following apply: 4737

(1) A judgment debtor that is a member retains the rights 4738  
of a member and remains subject to all duties and obligations of 4739  
a member. 4740

(2) A judgment debtor that is an assignee retains the 4741  
rights of an assignee and remains subject to all duties and 4742  
obligations of an assignee. 4743

(E) This chapter does not deprive any member or assignee 4744  
of the benefit of any exemption laws applicable to the member's 4745  
or assignee's membership interest. 4746

(F) This section provides the sole and exclusive remedy by 4747  
which a judgment creditor of a member or assignee may satisfy a 4748  
judgment out of the judgment debtor's membership interest, and 4749  
the judgment creditor shall have no right to foreclose, under 4750  
this chapter or any other law, upon the charging order, the 4751  
charging order lien, or the judgment debtor's membership 4752  
interest. A judgment creditor of a member or assignee has no 4753  
right to obtain possession of, or otherwise exercise legal or 4754  
equitable remedies with respect to, the judgment debtor's 4755

membership interest or the property of a limited liability 4756  
company. Court orders for actions or requests for accounts and 4757  
inquiries that the judgment debtor might have made to the 4758  
limited liability company are not available to a judgment 4759  
creditor attempting to satisfy the judgment out of the judgment 4760  
debtor's membership interest and may not be ordered by a court. 4761

**Sec. 1706.41.** (A) A person shall not voluntarily 4762  
dissociate from a limited liability company. 4763

(B) A person's dissociation from a limited liability 4764  
company is wrongful only if one of the following applies: 4765

(1) The dissociation is in breach of an express provision 4766  
of the operating agreement. 4767

(2) The person is expelled as a member by a determination 4768  
of a tribunal under division (D) of section 1706.411 of the 4769  
Revised Code. 4770

(3) The person is dissociated by becoming a debtor in 4771  
bankruptcy or making a general assignment for the benefit of 4772  
creditors. 4773

(C) A person that wrongfully dissociates as a member is 4774  
liable to the limited liability company and, subject to section 4775  
1706.61 of the Revised Code, to the other members for damages 4776  
caused by the dissociation. The liability is in addition to any 4777  
other debt, obligation, or liability of the member to the 4778  
limited liability company or the other members. 4779

**Sec. 1706.411.** A person is dissociated as a member from a 4780  
limited liability company in any of the following circumstances: 4781

(A) An event stated in the operating agreement as causing 4782  
the person's dissociation occurs. 4783

(B) The person is expelled as a member pursuant to the 4784  
operating agreement. 4785

(C) The person is expelled as a member by the unanimous 4786  
consent of the other members if any of the following apply: 4787

(1) It is unlawful to carry on the limited liability 4788  
company's activities with the person as a member. 4789

(2) The person is an entity and, within ninety days after 4790  
the limited liability company notifies the person that it will 4791  
be expelled as a member because the person has filed a statement 4792  
of dissolution or the equivalent, or its right to transact 4793  
business has been suspended by its jurisdiction of formation, 4794  
the statement of dissolution or the equivalent has not been 4795  
revoked or its right to transact business has not been 4796  
reinstated. 4797

(3) The person is an entity and, within ninety days after 4798  
the limited liability company notifies the person that it will 4799  
be expelled as a member because the person has been dissolved 4800  
and its activities are being wound up, the entity has not been 4801  
reinstated or the dissolution and winding up have not been 4802  
revoked or canceled. 4803

(D) On application by the limited liability company, the 4804  
person is expelled as a member by tribunal order for any of the 4805  
following reasons: 4806

(1) The person has engaged, or is engaging, in wrongful 4807  
conduct that has adversely and materially affected, or will 4808  
adversely and materially affect, the limited liability company's 4809  
activities. 4810

(2) The person has willfully or persistently committed, or 4811  
is willfully or persistently committing, a material breach of 4812

the operating agreement or the person's duties or obligations 4813  
under this chapter or other applicable law. 4814

(3) The person has engaged, or is engaging, in conduct 4815  
relating to the limited liability company's activities that 4816  
makes it not reasonably practicable to carry on the activities 4817  
with the person as a member. 4818

(E) In the case of a person who is an individual, the 4819  
person dies, a guardian or general conservator is appointed for 4820  
the person, or a tribunal determines that the person has 4821  
otherwise become incapable of performing the person's duties as 4822  
a member under this chapter or the operating agreement. 4823

(F) The person becomes a debtor in bankruptcy, executes an 4824  
assignment for the benefit of creditors, or seeks, consents, or 4825  
acquiesces to the appointment of a trustee, receiver, or 4826  
liquidator of the person or of all or substantially all of the 4827  
person's property. This division shall not apply to a person who 4828  
is the sole remaining member of a limited liability company. 4829

(G) In the case of a person that is a trust or is acting 4830  
as a member by virtue of being a trustee of a trust, the trust's 4831  
entire membership interest in the limited liability company is 4832  
distributed, but not solely by reason of the substitution of a 4833  
successor trustee. 4834

(H) In the case of a person that is an estate or is acting 4835  
as a member by virtue of being a personal representative of an 4836  
estate, the estate's entire membership interest in the limited 4837  
liability company is distributed, but not solely by reason of 4838  
the substitution of a successor personal representative. 4839

(I) In the case of a member that is not an individual, the 4840  
legal existence of the person otherwise terminates. 4841

(J) There has been an assignment of all of the person's membership interest other than an assignment for security purposes. 4842  
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**Sec. 1706.412.** (A) A person who has dissociated as a member shall have no right to participate as a member in the activities and affairs of the limited liability company and is entitled only to receive the distributions to which that member would have been entitled if the member had not dissociated. 4845  
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(B) Upon a person's dissociation, the member's duty of loyalty and duty of care under divisions (C) and (D) of section 1706.31 of the Revised Code continue only with regard to matters arising and events occurring before the member's dissociation, unless the member participates in winding up the limited liability company's business pursuant to section 1706.472 of the Revised Code. 4850  
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(C) A person's dissociation as a member does not of itself discharge the person from any debt, obligation, or liability to a limited liability company or the other members that the person incurred while a member. 4857  
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**Sec. 1706.46.** (A) Except as otherwise provided in this division, upon reinstatement of a limited liability company's articles or a foreign limited liability company's registration in accordance with section 1706.09 of the Revised Code, the rights and privileges, including all real or personal property rights and credits and all contract and other rights, of the company existing at the time its articles or registration were canceled shall be fully vested in the company as if its articles or registration had not been canceled, and the company shall again be entitled to exercise the rights and privileges authorized by its articles. The name of a company whose articles 4861  
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have been canceled shall be reserved for a period of one year 4872  
after the date of cancellation. If the reinstatement is not made 4873  
within one year after the date of the cancellation of its 4874  
articles and it appears that a corporate name, limited liability 4875  
company name, limited liability partnership name, limited 4876  
partnership name, trade name, or assumed name has been filed, 4877  
the name of which is not distinguishable upon the record as 4878  
provided in section 1706.07 of the Revised Code, the secretary 4879  
of state shall require the applicant for reinstatement, as a 4880  
condition prerequisite to such reinstatement, to amend its 4881  
articles or registration by changing its name. 4882

(B) Upon reinstatement in accordance with section 1706.09 4883  
of the Revised Code, both of the following apply to the exercise 4884  
of or an attempt to exercise any rights or privileges, including 4885  
entering into or performing any contracts, on behalf of the 4886  
company by an officer, agent, or employee of the company, after 4887  
cancellation and prior to reinstatement of the articles or 4888  
registration: 4889

(1) The exercise of or an attempt to exercise any rights 4890  
or privileges on behalf of the company by the officer, agent, or 4891  
employee of the company has the same force and effect that the 4892  
exercise of or an attempt to exercise the right or privilege 4893  
would have had if the company's articles or registration had not 4894  
been canceled, if both of the following apply: 4895

(a) The exercise of or an attempt to exercise the right or 4896  
privilege was within the scope of the company's articles that 4897  
existed prior to cancellation; 4898

(b) The officer, agent, or employee had no knowledge that 4899  
the company's articles or registration had been canceled. 4900



(2) The company is liable exclusively for the exercise of 4901  
or an attempt to exercise any rights or privileges on behalf of 4902  
the company by an officer, agent, or employee of the company, if 4903  
the conditions set forth in divisions (B) (1) (a) and (b) of this 4904  
section are met. 4905

(C) Upon reinstatement of a company's articles or 4906  
registration in accordance with section 1706.09 of the Revised 4907  
Code, the exercise of or an attempt to exercise any rights or 4908  
privileges on behalf of the company by an officer, agent, or 4909  
employee of the company, after cancellation and prior to 4910  
reinstatement of the articles or registration, does not 4911  
constitute a violation of section 1706.09 of the Revised Code, 4912  
if the conditions set forth in divisions (B) (1) (a) and (b) of 4913  
this section are met. 4914

(D) This section is remedial in nature and is to be 4915  
construed liberally to accomplish the purpose of providing full 4916  
reinstatement of a limited liability company's articles of 4917  
organization or a foreign limited liability company's 4918  
registration, in accordance with this section, to the time of 4919  
the cancellation of the articles or registration. 4920

**Sec. 1706.461.** (A) (1) A limited liability company or 4921  
foreign limited liability company may appeal a cancellation 4922  
under division (L) of section 1706.09 of the Revised Code within 4923  
thirty days after the effective date of the cancellation. The 4924  
appeal shall be made to one of the following: 4925

(a) The court of common pleas of the county in which the 4926  
street address of the limited liability company or foreign 4927  
limited liability company's principal office is located; 4928

(b) If the limited liability company or foreign limited 4929

liability company has no principal office in this state, to the 4930  
court of common pleas of the county in which the street address 4931  
of its statutory agent is located; 4932

(c) If the limited liability company or foreign limited 4933  
liability company has no statutory agent, to the Franklin county 4934  
court of common pleas. 4935

(2) The limited liability company or foreign limited 4936  
liability company shall commence its appeal by petitioning the 4937  
appropriate court to set aside the cancellation or to determine 4938  
that the limited liability company or foreign limited liability 4939  
company has cured the grounds for cancellation and attaching to 4940  
the petition copies of those records of the secretary of state 4941  
as may be relevant. 4942

(B) The appropriate court may take, or may summarily order 4943  
the secretary of state to take, whatever action the court 4944  
considers appropriate. 4945

(C) The appropriate court's order or decision may be 4946  
appealed as in any other civil proceeding. 4947

**Sec. 1706.47. A limited liability company is dissolved,** 4948  
**and its activities shall be wound up, upon the occurrence of any** 4949  
**of the following:** 4950

(A) An event or circumstance that the operating agreement 4951  
states causes dissolution; 4952

(B) The consent of all the members; 4953

(C) A limited liability company with canceled articles has 4954  
failed to cure the grounds for cancellation for three years or 4955  
more and any member or person authorized pursuant to section 4956  
1706.18 of the Revised Code consents to the dissolution; 4957

(D) The passage of ninety consecutive days after the 4958  
occurrence of the dissociation of the last remaining member; 4959  
provided that upon dissociation of the last remaining member 4960  
pursuant to division (E) of section 1706.411 of the Revised 4961  
Code, the limited liability company shall not be dissolved if 4962  
either of the following applies: 4963

(1) The operating agreement provides for the admission of 4964  
a substitute member effective prior to the passage of such time 4965  
period; 4966

(2) A substitute member has been admitted, as evidenced by 4967  
a written record, prior to the passage of such time period, 4968  
which admission is to be effective as of the date of such 4969  
dissociation. 4970

(E) On application by a member, the entry by the 4971  
appropriate court of an order dissolving the limited liability 4972  
company on the grounds that it is not reasonably practicable to 4973  
carry on the limited liability company's activities in 4974  
conformity with the operating agreement. 4975

**Sec. 1706.471.** (A) A dissolved limited liability company 4976  
continues its existence as a limited liability company but may 4977  
not carry on any activities except as is appropriate to wind up 4978  
and liquidate its activities and affairs. Appropriate activities 4979  
include all of the following: 4980

(1) Collecting its assets; 4981

(2) Disposing of its properties that will not be 4982  
distributed in kind to persons owning membership interests; 4983

(3) Discharging or making provisions for discharging its 4984  
liabilities; 4985

<u>(4) Distributing its remaining property in accordance with</u>	4986
<u>section 1706.475 of the Revised Code;</u>	4987
<u>(5) Doing every other act necessary to wind up and</u>	4988
<u>liquidate its activities and affairs.</u>	4989
<u>(B) In winding up its activities, a limited liability</u>	4990
<u>company may do any of the following:</u>	4991
<u>(1) Deliver to the secretary of state for filing, on a</u>	4992
<u>form prescribed by the secretary of state, a certificate of</u>	4993
<u>dissolution setting forth all of the following:</u>	4994
<u>(a) The name and registration number of the limited</u>	4995
<u>liability company;</u>	4996
<u>(b) That the limited liability company has dissolved;</u>	4997
<u>(c) The effective date of the certificate of dissolution</u>	4998
<u>if it is not to be effective upon the filing. Such an effective</u>	4999
<u>date shall be a date certain and shall not be a date prior to</u>	5000
<u>the date of filing.</u>	5001
<u>(d) A copy of the notice it will publish pursuant to</u>	5002
<u>division (A) of section 1706.474 of the Revised Code.</u>	5003
<u>(e) Any other information the limited liability company</u>	5004
<u>considers proper.</u>	5005
<u>(2) Preserve the limited liability company's activities</u>	5006
<u>and property as a going concern for a reasonable time;</u>	5007
<u>(3) Prosecute, defend, or settle actions or proceedings</u>	5008
<u>whether civil, criminal, or administrative;</u>	5009
<u>(4) Make an assignment of the limited liability company's</u>	5010
<u>property;</u>	5011
<u>(5) Resolve disputes by mediation or arbitration;</u>	5012

<u>(6) Merge or convert in accordance with sections 1706.71</u>	5013
<u>to 1706.74 of the Revised Code.</u>	5014
<u>(C) A limited liability company's dissolution, in itself:</u>	5015
<u>(1) Is not an assignment of the limited liability</u>	5016
<u>company's property;</u>	5017
<u>(2) Does not prevent the commencement of a proceeding by</u>	5018
<u>or against the limited liability company in its limited</u>	5019
<u>liability company name;</u>	5020
<u>(3) Does not abate or suspend a proceeding pending by or</u>	5021
<u>against the limited liability company on the effective date of</u>	5022
<u>dissolution;</u>	5023
<u>(4) Does not terminate the authority of its statutory</u>	5024
<u>agent;</u>	5025
<u>(5) Does not abate, suspend, or otherwise alter the</u>	5026
<u>application of section 1706.26 of the Revised Code.</u>	5027
<b>Sec. 1706.472.</b> <u>(A) Subject to division (C) (5) of section</u>	5028
<u>1706.471 of the Revised Code, after dissolution, the remaining</u>	5029
<u>members, if any, and if none, a person appointed by all holders</u>	5030
<u>of the membership interest last assigned by the last person to</u>	5031
<u>have been a member, may wind up the limited liability company's</u>	5032
<u>activities.</u>	5033
<u>(B) The appropriate tribunal may order supervision of the</u>	5034
<u>winding up of a dissolved limited liability company, including</u>	5035
<u>the appointment of a person to wind up the limited liability</u>	5036
<u>company's activities as follows:</u>	5037
<u>(1) On application of a member, if the applicant</u>	5038
<u>establishes good cause;</u>	5039

(2) On application of an assignee, if both of the 5040  
following apply: 5041

(a) The limited liability company does not have any 5042  
members; 5043

(b) Within a reasonable time following the dissolution, a 5044  
person has not been appointed pursuant to division (A) of this 5045  
section. 5046

(3) In connection with a proceeding under division (E) of 5047  
section 1706.47 of the Revised Code. 5048

**Sec. 1706.473.** (A) A dissolved limited liability company 5049  
may dispose of any known claims against it by following the 5050  
procedures described in division (B) of this section at any time 5051  
after the effective date of the dissolution of the limited 5052  
liability company. 5053

(B) A dissolved limited liability company may give notice 5054  
of its dissolution in a record to the holder of any known claim. 5055  
The notice shall do all of the following: 5056

(1) Identify the dissolved limited liability company; 5057

(2) Describe the information required to be included in a 5058  
claim; 5059

(3) Provide a mailing address to which the claim is to be 5060  
sent; 5061

(4) State the deadline, by which the dissolved limited 5062  
liability company must receive the claim. The deadline shall not 5063  
be sooner than ninety days from the effective date of the 5064  
notice. 5065

(5) State that if not sooner barred, the claim will be 5066

barred if not received by the deadline. 5067

(C) Unless sooner barred by any other statute limiting actions, a claim against a dissolved limited liability company is barred in either of the following circumstances: 5068  
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(1) A claimant who was given notice under division (B) of this section does not deliver the claim to the dissolved limited liability company by the deadline. 5071  
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(2) A claimant whose claim was rejected by the dissolved limited liability company does not commence a proceeding to enforce the claim within ninety days from the effective date of the rejected notice. 5074  
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(D) For purposes of this section, "claim" includes an unliquidated claim, but does not include either of the following: 5078  
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(1) A contingent liability that has not matured so that there is no immediate right to bring suit; 5081  
5082

(2) A claim based on an event occurring after the effective date of dissolution. 5083  
5084

(E) Nothing in this section shall be construed to extend any otherwise applicable statute or period of limitations. 5085  
5086

**Sec. 1706.474.** (A) A dissolved limited liability company may publish notice of its dissolution and request that persons with claims against the dissolved limited liability company present them in accordance with the notice. 5087  
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(B) The notice described in division (A) of this section shall meet all of the following requirements: 5091  
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(1) It shall be posted prominently on the principal web 5093

site then maintained by the limited liability company, if any, 5094  
and provided to the secretary of state to be posted on the web 5095  
site maintained by the secretary of state in accordance with 5096  
division (J) of this section. The notice shall be considered 5097  
published when posted on both web sites or, if the limited 5098  
liability company does not then maintain a web site, when posted 5099  
on the web site maintained by the secretary of state. 5100

(2) It shall describe the information that must be 5101  
included in a claim and provide a mailing address to which the 5102  
claim must be sent. 5103

(3) It shall state that if not sooner barred, a claim 5104  
against the dissolved limited liability company will be barred 5105  
unless a proceeding to enforce the claim is commenced within two 5106  
years after the publication of the notice. 5107

(C) If a dissolved limited liability company publishes a 5108  
notice in accordance with division (B) of this section, unless 5109  
sooner barred by any other statute limiting actions, the claim 5110  
of each of the following claimants is barred unless the claimant 5111  
commences a proceeding to enforce the claim against the 5112  
dissolved limited liability company within two years after the 5113  
publication of the notice: 5114

(1) A claimant who was not given notice under division (B) 5115  
of section 1706.473 of the Revised Code; 5116

(2) A claimant whose claim was timely sent to the 5117  
dissolved limited liability company but not acted on by the 5118  
dissolved limited liability company; 5119

(3) A claimant whose claim is contingent at the effective 5120  
date of the dissolution of the limited liability company, or is 5121  
based on an event occurring after the effective date of the 5122



dissolution of the limited liability company. 5123

(D) A claim that is not barred under this section, any 5124  
other statute limiting actions, or section 1706.473 of the 5125  
Revised Code may be enforced as follows: 5126

(1) Against a dissolved limited liability company, to the 5127  
extent of its undistributed assets; 5128

(2) Except as provided in division (H) of this section, if 5129  
the assets of a dissolved limited liability company have been 5130  
distributed after dissolution, against a member or assignee to 5131  
the extent of that person's proportionate share of the claim or 5132  
of the assets distributed to the member or assignee after 5133  
dissolution, whichever is less. A person's total liability for 5134  
all claims under division (D) of this section may not exceed the 5135  
total amount of assets distributed to the person after 5136  
dissolution of the limited liability company. 5137

(E) A dissolved limited liability company that published a 5138  
notice under this section may file an application with the 5139  
appropriate court in the county in which the dissolved limited 5140  
liability company's principal office is located or, if it has 5141  
none in this state, in the county in which the dissolved limited 5142  
liability company's statutory agent is or was last located, for 5143  
a determination of the amount and form of security to be 5144  
provided for payment of the following claims: 5145

(1) Claims that are contingent; 5146

(2) Claims that have not been made known to the dissolved 5147  
limited liability company; 5148

(3) Claims that are based on an event occurring after the 5149  
effective date of the dissolution of the limited liability 5150  
company but that, based on the facts known to the dissolved 5151

limited liability company, are reasonably estimated to arise 5152  
after the effective date of the dissolution of the limited 5153  
liability company. 5154

Provision need not be made for any claim that is or is 5155  
reasonably anticipated to be barred under division (C) of this 5156  
section. 5157

(F) Within ten days after the filing of the application 5158  
provided for in division (E) of this section, notice of the 5159  
proceeding shall be given by the dissolved limited liability 5160  
company to each potential claimant as described in division (E) 5161  
of this section. 5162

(G) The appropriate court may appoint a guardian ad litem 5163  
to represent all claimants whose identities are unknown in any 5164  
proceeding brought under this section. The reasonable fees and 5165  
expenses of the guardian, including all reasonable expert 5166  
witness fees, shall be paid by the dissolved limited liability 5167  
company. 5168

(H) Provision by the dissolved limited liability company 5169  
for security in the amount and the form ordered by the 5170  
appropriate court under division (E) of this section shall 5171  
satisfy the dissolved limited liability company's obligation 5172  
with respect to claims that are contingent, have not been made 5173  
known to the dissolved limited liability company, or are based 5174  
on an event occurring after the effective date of the 5175  
dissolution of the limited liability company. Such claims shall 5176  
not be enforced against a person owning a membership interest to 5177  
whom assets have been distributed by the dissolved limited 5178  
liability company after the effective date of the dissolution of 5179  
the limited liability company. 5180

(I) Nothing in this section shall be construed to extend 5181  
any otherwise applicable statute of limitations. 5182

(J) (1) Except as provided in division (J) (2) of this 5183  
section, the secretary of state shall make both of the following 5184  
available to the public in a format that is searchable, 5185  
viewable, and accessible through the internet: 5186

(a) A list of each limited liability companies that have 5187  
filed certificates of dissolution; 5188

(b) For each dissolved limited liability company on the 5189  
list described in division (J) (1) (a) of this section, a copy of 5190  
both the certificate of dissolution and the notice delivered 5191  
under division (B) of this section. 5192

(2) After the materials relating to any dissolved limited 5193  
liability company have been posted for five years, the secretary 5194  
of state may remove from the web site the information that the 5195  
secretary posted pursuant to division (J) (1) of this section 5196  
that relates to that dissolved company. 5197

**Sec. 1706.475. (A) Upon the winding up of a limited** 5198  
**liability company, payment or adequate provision for payment,** 5199  
**shall be made to creditors, including members who are creditors,** 5200  
**in satisfaction of liabilities of the limited liability company.** 5201

(B) After a limited liability company complies with 5202  
division (A) of this section, any surplus shall be distributed 5203  
as follows: 5204

(1) First, to each person owning a membership interest 5205  
that reflects contributions made on account of the membership 5206  
interest and not previously returned, an amount equal to the 5207  
value of the person's unreturned contributions; 5208

(2) Then to each person owning a membership interest in 5209  
the proportions in which the owners of membership interests 5210  
share in distributions before dissolution. 5211

(C) If the limited liability company does not have 5212  
sufficient surplus to comply with division (B)(1) of this 5213  
section, any surplus shall be distributed among the owners of 5214  
membership interests in proportion to the value of their 5215  
respective unreturned contributions. 5216

**Sec. 1706.51.** (A) The law of the state or other 5217  
jurisdiction under which a foreign limited liability company is 5218  
formed governs all of the following: 5219

(1) The organization and internal affairs of the foreign 5220  
limited liability company; 5221

(2) The liability of a member as a member for the debts, 5222  
obligations, or other liabilities of the foreign limited 5223  
liability company or a series thereof; 5224

(3) The authority of the members and agents of a foreign 5225  
limited liability company or a series thereof; 5226

(4) The liability of the following for the obligations of 5227  
another series or the foreign limited liability company: 5228

(a) The assets of the foreign limited liability company; 5229

(b) The assets of a series thereof. 5230

(B) A foreign limited liability company's application for 5231  
registration as a foreign limited liability company may not be 5232  
denied by reason of any difference between the laws of the 5233  
jurisdiction under which the limited liability company is formed 5234  
and the laws of this state. 5235

(C) A foreign limited liability company, including a foreign limited liability company that has filed a registration as a foreign limited liability company, may not engage in any activities in this state that a limited liability company is forbidden to engage in by the laws of this state. 5236  
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(D) A foreign limited liability company that has filed a registration as a foreign limited liability company shall in this state: 5241  
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(1) Have the same but no greater rights than a limited liability company; 5244  
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(2) Have the same but no greater privileges than a limited liability company; 5246  
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(3) Except as otherwise provided by this chapter, be subject to the same duties, restrictions, penalties, and liabilities now or later imposed on a limited liability company. 5248  
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**Sec. 1706.511.** (A) In order for a foreign limited liability company or any one or more of its series to transact business in this state, the foreign limited liability company shall register with the secretary of state. Neither a foreign limited liability company nor any one or more of its series may transact business in this state until the registration has been approved by the secretary of state and the foreign limited liability company or series is otherwise in compliance with sections 1706.51 to 1706.516 of the Revised Code. 5251  
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(B) The registration as a foreign limited liability company shall state all of the following: 5260  
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(1) The name of the foreign limited liability company and, if the name does not comply with section 1706.07 of the Revised Code, the assumed name adopted pursuant to division (A) of 5262  
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<u>section 1706.513 of the Revised Code;</u>	5265
<u>(2) The foreign limited liability company's jurisdiction of formation;</u>	5266
<u>(3) The name and street address of the foreign limited liability company's statutory agent and a written acceptance of the appointment that is signed by the agent;</u>	5268
<u>(4) That the foreign limited liability company is a foreign limited liability company;</u>	5271
<u>(5) The information required by division (C) of this section, if applicable.</u>	5273
<u>(C) If a foreign limited liability company establishes or provides for the establishment of one or more series of assets, it shall state all of the following in the registration as a foreign limited liability company:</u>	5275
<u>(1) The fact that it provides for the establishment of one or more series of assets;</u>	5279
<u>(2) Whether the debts, liabilities, and obligations incurred, contracted for, or otherwise existing with respect to a particular series, if any, shall be enforceable against the assets of that series only, and not against the assets of the foreign limited liability company generally or any other series thereof;</u>	5281
<u>(3) Whether any of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to the foreign limited liability company generally or any other series thereof shall be enforceable against the assets of that series.</u>	5287
<u>(D) Upon any change in circumstances that makes any</u>	5292

statement contained in its filed registration as a foreign 5293  
limited liability company no longer true, a foreign limited 5294  
liability company authorized to transact business in this state 5295  
shall deliver to the secretary of state for filing an 5296  
appropriate certificate of correction, on a form as prescribed 5297  
by the secretary of state, so that its statement of foreign 5298  
qualification is in all respects true. 5299

(E) A foreign limited liability company is authorized to 5300  
transact business in this state from the effective date of its 5301  
registration as a foreign limited liability company until the 5302  
earlier of the effective date of its cancellation of foreign 5303  
limited liability company or the effective date of the secretary 5304  
of state's cancellation of the registration as a foreign limited 5305  
liability company in accordance with section 1706.09 of the 5306  
Revised Code. 5307

**Sec. 1706.512.** (A) A foreign limited liability company 5308  
shall not be considered to be transacting business in this state 5309  
within the meaning of sections 1706.51 to 1706.516 of the 5310  
Revised Code by reason of its or any one or more of its series' 5311  
carrying on in this state any of the following actions: 5312

(1) Maintaining, defending, or settling in its own behalf 5313  
any proceeding or dispute; 5314

(2) Holding meetings or carrying on any other activities 5315  
concerning its internal affairs; 5316

(3) Maintaining accounts in financial institutions; 5317

(4) Maintaining offices or agencies for the assignment, 5318  
exchange, and registration of the foreign limited liability 5319  
company's or its series' own securities or interests or 5320  
maintaining trustees or depositories with respect to those 5321

<u>securities or interests;</u>	5322
<u>(5) Selling through independent contractors;</u>	5323
<u>(6) Soliciting or obtaining orders, whether by mail or</u>	5324
<u>electronic means or through employees or agents or otherwise, if</u>	5325
<u>the orders require acceptance outside this state before they</u>	5326
<u>become contracts;</u>	5327
<u>(7) Creating, as borrower or lender, or acquiring</u>	5328
<u>indebtedness, mortgages, or security interests in real or</u>	5329
<u>personal property;</u>	5330
<u>(8) Securing or collecting debts in its own behalf or</u>	5331
<u>enforcing mortgages or other security interests in real or</u>	5332
<u>personal property securing those debts, and holding, protecting,</u>	5333
<u>and maintaining property so acquired;</u>	5334
<u>(9) Owning real or personal property;</u>	5335
<u>(10) Conducting an isolated transaction that is not one in</u>	5336
<u>the course of repeated transactions of a like nature;</u>	5337
<u>(11) Transacting business in interstate commerce.</u>	5338
<u>(B) A foreign limited liability company shall not be</u>	5339
<u>considered to be transacting business in this state solely</u>	5340
<u>because it or any one or more of its series:</u>	5341
<u>(1) Owns a controlling interest in an entity that is</u>	5342
<u>transacting business in this state;</u>	5343
<u>(2) Is a limited partner of a limited partnership or</u>	5344
<u>foreign limited partnership that is transacting business in this</u>	5345
<u>state;</u>	5346
<u>(3) Is a member of a limited liability company or foreign</u>	5347
<u>limited liability company that is transacting business in this</u>	5348



state. 5349

(C) This section does not apply in determining the 5350  
contacts or activities that may subject a foreign limited 5351  
liability company, or a series thereof, to service of process, 5352  
taxation, or regulation under laws of this state other than this 5353  
chapter. 5354

(D) Nothing in this section shall limit or affect the 5355  
right to subject a foreign limited liability company, or a 5356  
series thereof, to the jurisdiction of the courts of this state 5357  
or to serve upon any foreign limited liability company, or 5358  
series thereof, any process, notice, or demand required or 5359  
permitted by law to be served upon a foreign limited liability 5360  
company, or series thereof, pursuant to any other provision of 5361  
law or pursuant to the applicable rules of civil procedure. 5362

**Sec. 1706.513.** (A) A foreign limited liability company 5363  
whose name does not comply with section 1706.07 of the Revised 5364  
Code may not file a registration as a foreign limited liability 5365  
company until it adopts, for the purpose of transacting business 5366  
in this state, an assumed name that complies with section 5367  
1706.07 of the Revised Code. A foreign limited liability company 5368  
that adopts an assumed name under this division and then files a 5369  
registration as a foreign limited liability company under that 5370  
assumed name need not file a name registration when transacting 5371  
business under that assumed name. After filing the registration 5372  
as a foreign limited liability company under an assumed name, a 5373  
foreign limited liability company shall transact business in 5374  
this state under the assumed name unless the foreign limited 5375  
liability company has filed a name registration under another 5376  
name and is authorized to transact business in this state under 5377  
such name. 5378

(B) If a foreign limited liability company to which a registration as a foreign limited liability company has been filed changes its name to one that does not comply with section 1706.07 of the Revised Code, it may not thereafter transact business in this state until it complies with division (A) of this section by filing a certificate of correction. 5379  
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**Sec. 1706.515.** (A) A foreign limited liability company that has a registration as a foreign limited liability company in the records of the secretary of state may cancel its registration as a limited liability company by delivering for filing a certificate of cancellation of registration of a foreign limited liability company to the secretary of state. 5385  
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(B) A certificate of cancellation of registration of a foreign limited liability company shall set forth all of the following: 5391  
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(1) The name and registration number of the foreign limited liability company, any assumed name adopted for use in this state, and the name of the jurisdiction under whose law it is organized; 5394  
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(2) The name and street address of the statutory agent, or if a statutory agent is no longer to be maintained, a statement that the foreign limited liability company will not maintain a statutory agent, and the street address to which service of process may be mailed pursuant to section 1706.09 of the Revised Code; 5398  
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(3) That the foreign limited liability company, and all series thereof, will no longer transact business in this state and that it relinquishes its authority to transact business in this state; 5404  
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(4) That the foreign limited liability company is 5408  
canceling its registration as a foreign limited liability 5409  
company; 5410

(5) That any statement of assumed name it has on file in 5411  
the records of the secretary of state and any assumed name with 5412  
respect to the foreign limited liability company, are withdrawn 5413  
upon the effective date of the cancellation of registration of a 5414  
foreign limited liability company. 5415

(C) The cancellation of registration of a foreign limited 5416  
liability company shall be effective upon filing by the 5417  
secretary of state, whereupon the registration as a foreign 5418  
limited liability company shall be canceled and the foreign 5419  
limited liability company, and all series thereof, shall be 5420  
without authority to transact business in this state. 5421

(D) Cancellation of a registration as a foreign limited 5422  
liability company shall not terminate the authority of any 5423  
statutory agent appointed by the foreign limited liability 5424  
company. 5425

**Sec. 1706.516.** (A) No foreign limited liability company, 5426  
or a series thereof, transacting business in this state, nor 5427  
anyone on its behalf, shall be permitted to maintain a 5428  
proceeding in any court in this state for the collection of its 5429  
debts unless an effective registration as a limited liability 5430  
company for the foreign limited liability company is on file in 5431  
the records of the secretary of state. 5432

(B) A court may stay a proceeding commenced by a foreign 5433  
limited liability company, or series thereof, until it 5434  
determines whether the foreign limited liability company should 5435  
have a registration as a limited liability company on file in 5436

the records of the secretary of state. If the court determines 5437  
that the foreign limited liability company should have a 5438  
registration as a limited liability company on file in the 5439  
records of the secretary of state, the court may further stay 5440  
the proceeding until there is an effective registration as a 5441  
limited liability company on file in the records of the 5442  
secretary of state with respect to the foreign limited liability 5443  
company. If a court determines that a foreign limited liability 5444  
company should have a registration as a limited liability 5445  
company on file in the records of the secretary of state, and 5446  
the foreign limited liability company subsequently delivers for 5447  
filing to the secretary of state a registration as a limited 5448  
liability company, no proceeding in any court in this state to 5449  
which the foreign limited liability company, or a series 5450  
thereof, is a party shall, after the effective date of the 5451  
registration as a foreign limited liability company, be 5452  
dismissed by reason of the foreign limited liability company's 5453  
prior noncompliance with section 1706.511 of the Revised Code. 5454

(C) If a foreign limited liability company, or a series 5455  
thereof, conducts activities in this state without having on 5456  
file in the records of the secretary of state a registration as 5457  
a foreign limited liability company, the foreign limited 5458  
liability company shall be liable to this state for an amount 5459  
equal to the fee as prescribed by the secretary of state from 5460  
time to time. 5461

No registration as a foreign limited liability company 5462  
shall be filed until payment of the amounts due under this 5463  
division is made. 5464

(D) The amounts due to this state under division (C) of 5465  
this section may be recovered in an action brought by the 5466

attorney general. Upon a finding by the court that a foreign 5467  
limited liability company, or series thereof, has conducted 5468  
activities in this state in violation of sections 1706.51 to 5469  
1706.516 of the Revised Code, the court may issue, in addition 5470  
to or in lieu of the imposition of a civil penalty, an 5471  
injunction restraining the further conducting of activities by 5472  
the foreign limited liability company and all of its series, and 5473  
the further exercise of any rights and privileges of a foreign 5474  
limited liability company in this state until all amounts plus 5475  
any interest and court costs that the court may assess have been 5476  
paid, and until the foreign limited liability company has 5477  
otherwise complied with sections 1706.51 to 1706.516 of the 5478  
Revised Code. 5479

(E) Notwithstanding divisions (A) and (B) of this section, 5480  
the conducting of activities in this state by a foreign limited 5481  
liability company, or a series thereof, without having a 5482  
registration as a foreign limited liability company on file in 5483  
the records of the secretary of state does not impair the 5484  
validity of the acts of the foreign limited liability company, 5485  
or a series thereof, or prevent the foreign limited liability 5486  
company, or a series thereof, from defending any proceeding in 5487  
this state. 5488

(F) Neither a member nor agent of a foreign limited 5489  
liability company nor a member associated with a series or agent 5490  
of a series, is liable for the debts, obligations, or other 5491  
liabilities of the foreign limited liability company, or a 5492  
series thereof, solely because the foreign limited liability 5493  
company, or a series thereof, conducted activities in this state 5494  
without a registration as a foreign limited liability company 5495  
being on file in the records of the secretary of state. 5496

Sec. 1706.61. (A) A member may commence or maintain a derivative action in the right of a limited liability company to recover a judgment in favor of the limited liability company by complying with sections 1706.61 to 1706.618 of the Revised Code.

(B) A member associated with a series of a limited liability company may commence or maintain a derivative action in the right of the series to recover a judgment in favor of the series by complying with sections 1706.61 to 1706.618 of the Revised Code.

Sec. 1706.611. (A) A member may commence or maintain a derivative action in the right of the limited liability company only if the member meets both of the following conditions:

(1) The member fairly and adequately represents the interests of the limited liability company in enforcing the right of the limited liability company.

(2) The member either:

(a) Was a member of the limited liability company at the time of the act or omission of which the member complains;

(b) Acquired a membership interest through assignment by operation of law from a person who was a member at the time of the act or omission of which the member complains.

(B) A member associated with a series of a limited liability company may commence or maintain a derivative action in the right of the series only if the member meets both of the following conditions:

(1) The member fairly and adequately represents the interests of the series in enforcing the right of the series.

(2) The member either:

(a) Was associated with the series at the time of the act 5525  
or omission of which the member complains; 5526

(b) Acquired a membership interest through assignment by 5527  
operation of law from a person who was a member associated with 5528  
the series at the time of the act or omission of which the 5529  
member complains. 5530

**Sec. 1706.612.** A member may not commence a derivative 5531  
action in the right of the limited liability company, or a 5532  
series thereof, until both of the following occur: 5533

(A) A written demand has been made upon the limited 5534  
liability company or the series to take suitable action. 5535

(B) Ninety days have expired from the date the demand was 5536  
made unless either of the following applies: 5537

(1) The member has earlier been notified that the demand 5538  
has been rejected by the limited liability company or the 5539  
series; 5540

(2) Irreparable injury to the limited liability company or 5541  
the series would result by waiting for the expiration of the 5542  
ninety-day period. 5543

**Sec. 1706.613.** For the purpose of allowing the limited 5544  
liability company or the series thereof time to undertake an 5545  
inquiry into the allegations made in the demand or complaint 5546  
commenced pursuant to sections 1706.61 to 1706.618 of the 5547  
Revised Code, the court may stay any derivative action for the 5548  
period the court deems appropriate. 5549

**Sec. 1706.614.** (A) (1) A derivative action in the right of 5550  
a limited liability company shall be dismissed by the court on 5551  
motion by the limited liability company if one of the groups 5552

specified in division (A) (2) of this section has determined in 5553  
good faith, after conducting a reasonable inquiry upon which its 5554  
conclusions are based, that the maintenance of the derivative 5555  
action is not in the best interests of the limited liability 5556  
company. 5557

(2) Subject to the requirements of division (A) (3) of this 5558  
section, the determination of whether the maintenance of a 5559  
derivative action in the right of a limited liability company is 5560  
in the best interests of the limited liability company shall be 5561  
made by a majority vote of either of the following: 5562

(a) The independent members of the limited liability 5563  
company; 5564

(b) The committee members of a committee consisting of 5565  
independent members appointed by a majority of the independent 5566  
members. 5567

(3) If the determination is not made pursuant to division 5568  
(A) (1) of this section, the determination shall be made by the 5569  
person, or, in the case of more than one person, by a majority 5570  
of the persons, sitting upon a panel of one or more persons 5571  
appointed by a court upon motion filed with the court by the 5572  
limited liability company for those purposes. 5573

(B) (1) A derivative action in the right of a series of a 5574  
limited liability company shall be dismissed on motion by the 5575  
series if one of the groups specified in division (B) (2) of this 5576  
section has determined in good faith, after conducting a 5577  
reasonable inquiry upon which its conclusions are based that the 5578  
maintenance of the derivative action is not in the best 5579  
interests of the series. 5580

(2) Subject to the requirements of division (B) (3) of this 5581



section, the determination whether the maintenance of a 5582  
derivative action on behalf of a series of a limited liability 5583  
company is in the best interests of the series shall be made by 5584  
a majority vote of either of the following: 5585

(a) The independent members associated with the series; 5586

(b) The committee members of a committee consisting of 5587  
independent members associated with the series appointed by a 5588  
majority of the independent members associated with the series. 5589

(3) If the determination is not made pursuant to division 5590  
(B) (1) of this section, the determination shall be made by the 5591  
person, or, in the case of more than one person, by a majority 5592  
of the persons, sitting upon a panel of one or more persons 5593  
appointed by a court upon motion filed with the court by the 5594  
series for those purposes. 5595

(C) The court shall appoint only independent persons to 5596  
the panel described in divisions (A) (3) and (B) (3) of this 5597  
section. 5598

(D) The presence of one or more of the following 5599  
circumstances, without more, shall not prevent a person from 5600  
being considered independent for purposes of this section: 5601

(1) The naming of the person as a defendant in the 5602  
derivative action or as a person against whom action is 5603  
demand; 5604

(2) The approval by that person of the act being 5605  
challenged in the derivative action or demand where the act did 5606  
not result in personal benefit to that person; 5607

(3) The making of the demand pursuant to section 1706.612 5608  
of the Revised Code or the commencement of the derivative action 5609

pursuant to sections 1706.61 to 1706.618 of the Revised Code. 5610

(E) Subject to section 1706.615 of the Revised Code, a 5611  
panel appointed by the court pursuant to division (A) (3) or (B) 5612  
(3) of this section shall have the authority to continue, 5613  
settle, or discontinue the derivative proceeding as the court 5614  
may confer upon the panel. 5615

(F) The plaintiff in the derivative action shall have the 5616  
burden of proving that any of the requirements of division (A) 5617  
or (B) of this section have not been met. 5618

**Sec. 1706.615.** A derivative action may not be discontinued 5619  
or settled without the court's approval. If the court determines 5620  
that a proposed discontinuance or settlement will substantially 5621  
affect the interests of members of the limited liability 5622  
company, or the interests of members associated with a series of 5623  
the limited liability company, the court shall direct that 5624  
notice be given to the members affected. 5625

**Sec. 1706.616.** On termination of the derivative action the 5626  
court may do any of the following: 5627

(A) Order the limited liability company to pay the 5628  
plaintiff's reasonable expenses, including attorney fees, 5629  
incurred by the plaintiff in the derivative action if the court 5630  
finds that the derivative action has resulted in a substantial 5631  
benefit to the limited liability company; 5632

(B) Order a series to pay the plaintiff's reasonable 5633  
expenses, including attorney fees, incurred by the plaintiff in 5634  
the derivative action if the court finds that the derivative 5635  
action has resulted in a substantial benefit to the series; 5636

(C) Order the plaintiff to pay any defendant's reasonable 5637  
expenses, including attorney fees, incurred by the defendant in 5638

defending the derivative action if it finds that the derivative 5639  
action was commenced or maintained without reasonable cause or 5640  
for an improper purpose; 5641

(D) Order a party to pay an opposing party's expenses 5642  
incurred because of the filing of a pleading, motion, or other 5643  
paper, if it finds both of the following: 5644

(1) That the pleading, motion, or other paper was not well 5645  
grounded in fact, after reasonable inquiry, or not warranted by 5646  
existing law or a good faith argument for the extension, 5647  
modification, or reversal of existing law. 5648

(2) That the pleading, motion, or other paper was 5649  
interposed for an improper purpose, such as to harass or cause 5650  
unnecessary delay or needless increase in the cost of 5651  
litigation. 5652

**Sec. 1706.617.** In any derivative action in the right of a 5653  
foreign limited liability company, or a series thereof, the 5654  
right of a person to commence or maintain a derivative action in 5655  
the right of a foreign limited liability company, or a series 5656  
thereof, and any matters raised in the action covered by 5657  
sections 1706.61 to 1706.616 of the Revised Code shall be 5658  
governed by the law of the jurisdiction under which the foreign 5659  
limited liability company was formed; except that any matters 5660  
raised in the action covered by sections 1706.613, 1706.615, and 5661  
1706.616 of the Revised Code shall be governed by the law of 5662  
this state. 5663

**Sec. 1706.618.** (A) Subject to division (B) of this 5664  
section, a member may maintain a direct action against another 5665  
member or members or the limited liability company, or a series 5666  
thereof, to enforce the member's rights and otherwise protect 5667

the member's interests, including rights and interests under the 5668  
operating agreement or this chapter or arising independently of 5669  
the membership relationship. 5670

(B) A member maintaining a direct action under division 5671  
(A) of this section must plead and prove an actual or threatened 5672  
injury that is not solely the result of an injury suffered or 5673  
threatened to be suffered by the limited liability company, or 5674  
series thereof. 5675

(C) (1) A member may maintain a direct action to enforce a 5676  
right of a limited liability company if all members at the time 5677  
of suit are parties to the action. 5678

(2) A member associated with a series may maintain a 5679  
direct action to enforce a right of the series if all members 5680  
associated with the series at the time of suit are parties to 5681  
the action. 5682

**Sec. 1706.71.** (A) A limited liability company may merge 5683  
with one or more other constituent entities pursuant to sections 5684  
1706.71 to 1706.713 of the Revised Code and to an agreement of 5685  
merger if all of the following conditions are met: 5686

(1) The governing statute of each of the other entities 5687  
authorizes the merger. 5688

(2) The merger is not prohibited by the law of a 5689  
jurisdiction that enacted any of the governing statutes. 5690

(3) Each of the other entities complies with its governing 5691  
statute in effecting the merger. 5692

(B) An agreement of merger shall be in a record and shall 5693  
include all of the following: 5694

(1) The name and form of each constituent entity; 5695

(2) The name and form of the surviving entity and, if the surviving entity is to be created pursuant to the merger, a statement to that effect; 5696  
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(3) The terms and conditions of the merger, including the manner and basis for converting the interests in each constituent entity into any combination of money, interests in the surviving entity, and other consideration as permitted under division (C) of this section; 5699  
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(4) If the surviving entity is to be created pursuant to the merger, the surviving entity's organizational documents that are proposed to be in a record; 5704  
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(5) If the surviving entity is not to be created pursuant to the merger, any amendments to be made by the merger to the surviving entity's organizational documents that are, or are proposed to be, in a record. 5707  
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(C) In connection with a merger, rights or securities of or interests in the constituent entity may be any of the following: 5711  
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(1) Exchanged for or converted into cash, property, or rights or securities of or interests in the surviving entity; 5714  
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(2) In addition to or in lieu of division (C) (1) of this section, exchanged for or converted into cash, property, or rights or securities of or interests in another entity; 5716  
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(3) Canceled. 5719

**Sec. 1706.711.** (A) To be effective, an agreement of merger shall be consented to by all the members of a constituent limited liability company. 5720  
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5722

(B) After the agreement of merger is approved, and at any 5723

time before a certificate of merger is delivered to the 5724  
secretary of state for filing under section 1706.712 of the 5725  
Revised Code, a constituent limited liability company may amend 5726  
the agreement or abandon the merger: 5727

(1) As provided in the agreement; or 5728

(2) Except as otherwise prohibited in the agreement, with 5729  
the same consent as was required to approve the agreement. 5730

**Sec. 1706.712.** (A) After each constituent entity has 5731  
approved the agreement of merger, a certificate of merger shall 5732  
be signed on behalf of both of the following: 5733

(1) Each constituent limited liability company, as 5734  
provided in division (A) of section 1706.17 of the Revised Code; 5735

(2) Each other constituent entity, as provided in its 5736  
governing statute. 5737

(B) A certificate of merger under this section shall 5738  
include all of the following: 5739

(1) The name and form of each constituent entity, the 5740  
jurisdiction of its governing statute, and its registration 5741  
number, if any, as it appears on the records of the secretary of 5742  
state; 5743

(2) The name and form of the surviving entity, the 5744  
jurisdiction of its governing statute, and, if the surviving 5745  
entity is created pursuant to the merger, a statement to that 5746  
effect; 5747

(3) The date the merger is effective under the governing 5748  
statute of the surviving entity; 5749

(4) If the surviving entity is to be created pursuant to 5750

the merger: 5751

(a) If it will be a limited liability company, the limited liability company's articles of organization; 5752  
5753

(b) If it will be an entity other than a limited liability company, any organizational document that creates the entity that is required to be in a public record. 5754  
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(5) If the surviving entity exists before the merger, any amendments provided for in the agreement of merger for the organizational document that created the entity that are in a public record; 5757  
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(6) A statement as to each constituent entity that the merger was approved as required by the entity's governing statute; 5761  
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(7) If the surviving entity is a foreign entity not authorized to transact business in this state, the street address of its statutory agent; 5764  
5765  
5766

(8) Any additional information required by the governing statute of any constituent entity. 5767  
5768

(C) Each constituent limited liability company shall deliver the certificate of merger for filing in the office of the secretary of state. 5769  
5770  
5771

(D) A merger becomes effective under sections 1706.71 to 1706.74 of the Revised Code as follows: 5772  
5773

(1) If the surviving entity is a limited liability company, upon the later of the following: 5774  
5775

(a) Compliance with division (C) of this section; 5776

(b) As specified in the certificate of merger. 5777

(2) If the surviving entity is not a limited liability company, as provided by the governing statute of the surviving entity. 5778  
5779  
5780

**Sec. 1706.713.** (A) When a merger becomes effective, all of the following apply: 5781  
5782

(1) The surviving entity continues or comes into existence. 5783  
5784

(2) Each constituent entity that merges into the surviving entity ceases to exist as a separate entity. 5785  
5786

(3) All property owned by each constituent entity, or series thereof, that ceases to exist vests in the surviving entity without reservation or impairment. 5787  
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5789

(4) All debts, obligations, or other liabilities of each constituent entity, or series thereof, that ceases to exist continue as debts, obligations, or other liabilities of the surviving entity. 5790  
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(5) An action or proceeding pending by or against any constituent entity, or series thereof, that ceases to exist continues as if the merger had not occurred. 5794  
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(6) Except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of each constituent entity, or series thereof, that ceases to exist vest in the surviving entity. 5797  
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(7) Except as otherwise provided in the agreement of merger, the terms and conditions of the agreement of merger take effect. 5801  
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(8) Except as otherwise agreed, if a constituent limited liability company ceases to exist, the merger does not dissolve 5804  
5805



the limited liability company for the purposes of sections 5806  
1706.47 to 1706.475 of the Revised Code and does not dissolve a 5807  
series for purposes of sections 1706.76 to 1706.7613 of the 5808  
Revised Code. 5809

(9) If the surviving entity is created pursuant to the 5810  
merger: 5811

(a) If it is a limited liability company, the articles of 5812  
organization become effective; 5813

(b) If it is an entity other than a limited liability 5814  
company, the organizational document that creates the entity 5815  
becomes effective. 5816

(10) If the surviving entity existed before the merger, 5817  
any amendments provided for in the certificate of merger for the 5818  
organizational document that created the entity become 5819  
effective. 5820

(B) A surviving entity that is a foreign entity consents 5821  
to the jurisdiction of the courts of this state to enforce any 5822  
debt, obligation, or other liability owed by a constituent 5823  
entity, if before the merger the constituent entity was subject 5824  
to suit in this state on the debt, obligation, or other 5825  
liability. Service of process on a surviving entity that is a 5826  
foreign entity and not authorized to transact business in this 5827  
state for the purposes of enforcing a debt, obligation, or other 5828  
liability may be made in the same manner and has the same 5829  
consequences as provided in section 1706.09 of the Revised Code 5830  
as if the surviving entity was a foreign limited liability 5831  
company. 5832

Sec. 1706.72. (A) An entity other than a limited liability 5833  
company may convert to a limited liability company, and a 5834

limited liability company may convert to an entity other than a 5835  
limited liability company pursuant to sections 1706.72 to 5836  
1706.723 of the Revised Code and a written declaration of 5837  
conversion if all of the following apply: 5838

(1) The governing statute of the entity that is not a 5839  
limited liability company authorizes the conversion; 5840

(2) The law of the jurisdiction governing the converting 5841  
entity and the converted entity does not prohibit the 5842  
conversion; 5843

(3) The converting entity and the converted entity comply 5844  
with their respective governing statutes and organizational 5845  
documents in effecting the conversion. 5846

(B) A written declaration of conversion shall be in a 5847  
record and include all of the following: 5848

(1) The name and form of the converting entity before 5849  
conversion; 5850

(2) The name and form of the converted entity after 5851  
conversion; 5852

(3) The terms and conditions of the conversion, including 5853  
the manner and basis for converting interests in the converting 5854  
entity into any combination of money, interests in the converted 5855  
entity, and other consideration allowed under division (C) of 5856  
this section. 5857

(4) The organizational documents of the converted entity 5858  
that are, or are proposed to be, in a record. 5859

(C) In connection with a conversion, rights or securities 5860  
of or interests in the converting entity may be any of the 5861  
following: 5862

(1) Exchanged for or converted into cash, property, or 5863  
rights or securities of or interests in the converted entity; 5864

(2) In addition to or in lieu of division (C) (1) of this 5865  
section, exchanged for or converted into cash, property, or 5866  
rights or securities of or interests in another entity; 5867

(3) Canceled. 5868

**Sec. 1706.721.** (A) A declaration of conversion must be 5869  
consented to by all the members of a converting limited 5870  
liability company. 5871

(B) After a conversion is approved, and at any time before 5872  
the certificate of conversion is delivered to the secretary of 5873  
state for filing under section 1706.722 of the Revised Code, a 5874  
converting limited liability company may amend the declaration 5875  
or abandon the conversion: 5876

(1) As provided in the declaration; or 5877

(2) Except as otherwise prohibited in the declaration, by 5878  
the same consent as was required to approve the declaration. 5879

**Sec. 1706.722.** (A) After a declaration of conversion is 5880  
approved, both of the following apply: 5881

(1) A converting limited liability company shall deliver 5882  
to the secretary of state for filing a certificate of 5883  
conversion. The certificate of conversion shall be signed as 5884  
provided in division (A) of section 1706.17 of the Revised Code 5885  
and shall include all of the following: 5886

(a) A statement that the converting limited liability 5887  
company has been converted into the converted entity; 5888

(b) The name and form of the converted entity and the 5889

<u>jurisdiction of its governing statute;</u>	5890
<u>(c) The date the conversion is effective under the governing statute of the converted entity;</u>	5891
	5892
<u>(d) A statement that the conversion was approved as required by this chapter;</u>	5893
	5894
<u>(e) A statement that the conversion was approved as required by the governing statute of the converted entity;</u>	5895
	5896
<u>(f) If the converted entity is a foreign entity not authorized to transact business in this state, the street address of its statutory agent for the purposes of division (B) of section 1706.723 of the Revised Code.</u>	5897
	5898
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	5900
<u>(2) If the converted entity is a limited liability company, the converting entity shall deliver to the secretary of state for filing articles of organization which shall include, in addition to the information required by division (A) of section 1706.16 of the Revised Code, all of the following:</u>	5901
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	5903
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	5905
<u>(a) A statement that the converted entity was converted from the converting entity;</u>	5906
	5907
<u>(b) The name and form of the converting entity and the jurisdiction of the converting entity's governing statute;</u>	5908
	5909
<u>(c) A statement that the conversion was approved as required by the governing statute of the converting entity.</u>	5910
	5911
<u>(B) A conversion shall become effective as follows:</u>	5912
<u>(1) If the converted entity is a limited liability company, when the articles of organization take effect;</u>	5913
	5914
<u>(2) If the converted entity is not a limited liability company, as provided by the governing statute of the converted</u>	5915
	5916

entity. 5917

Sec. 1706.723. (A) When a conversion takes effect, all of 5918  
the following apply: 5919

(1) All property owned by the converting entity, or series 5920  
thereof, remains vested in the converted entity. 5921

(2) All debts, obligations, or other liabilities of the 5922  
converting entity, or series thereof, continue as debts, 5923  
obligations, or other liabilities of the converted entity. 5924

(3) An action or proceeding pending by or against the 5925  
converting entity, or series thereof, continues as if the 5926  
conversion had not occurred. 5927

(4) Except as prohibited by law other than this chapter, 5928  
all of the rights, privileges, immunities, powers, and purposes 5929  
of the converting entity, or series thereof, remain vested in 5930  
the converted entity. 5931

(5) Except as otherwise provided in the plan of 5932  
conversion, the terms and conditions of the declaration of 5933  
conversion take effect. 5934

(6) Except as otherwise agreed, for all purposes of the 5935  
laws of this state, the converting entity, and any series 5936  
thereof, shall not be required to wind up its affairs or pay its 5937  
liabilities and distribute its assets, and the conversion shall 5938  
not be deemed to constitute a dissolution of the converting 5939  
entity, or series thereof. 5940

(7) For all purposes of the laws of this state, the 5941  
rights, privileges, powers, and interests in property of the 5942  
converting entity, and all series thereof, as well as the debts, 5943  
liabilities, and duties of the converting entity, and all series 5944

thereof, shall not be deemed to have been assigned to the 5945  
converted entity as a consequence of the conversion. 5946

(8) If the converted entity is a limited liability 5947  
company, for all purposes of the laws of this state, the limited 5948  
liability company shall be deemed to be the same entity as the 5949  
converting entity, and the conversion shall constitute a 5950  
continuation of the existence of the converting entity in the 5951  
form of a limited liability company. 5952

(9) If the converted entity is a limited liability 5953  
company, the existence of the limited liability company shall be 5954  
deemed to have commenced on the date the converting entity 5955  
commenced its existence in the jurisdiction in which the 5956  
converting entity was first created, formed, organized, 5957  
incorporated, or otherwise came into being. 5958

(B) A converted entity that is a foreign entity consents 5959  
to the jurisdiction of the courts of this state to enforce any 5960  
debt, obligation, or other liability for which the converting 5961  
limited liability company, or series thereof, is liable if, 5962  
before the conversion, the converting limited liability company, 5963  
or series thereof, was subject to suit in this state on the 5964  
debt, obligation, or other liability. Service of process on a 5965  
converted entity that is a foreign entity and not authorized to 5966  
transact business in this state for purposes of enforcing a 5967  
debt, obligation, or other liability under this division may be 5968  
made in the same manner and has the same consequences as 5969  
provided in section 1706.09 of the Revised Code, as if the 5970  
converted entity were a foreign limited liability company. 5971

**Sec. 1706.73.** (A) If a member of a constituent or 5972  
converting limited liability company will have personal 5973  
liability with respect to a surviving or converted entity, 5974

approval or amendment of a plan of merger or a declaration of 5975  
conversion are ineffective without the consent of the member, 5976  
unless both of the following conditions are met: 5977

(1) The limited liability company's operating agreement 5978  
provides for approval of a merger or conversion with the consent 5979  
of fewer than all the members. 5980

(2) The member has consented to the provision of the 5981  
operating agreement described in division (A)(1) of this 5982  
section. 5983

(B) A member does not give the consent required by 5984  
division (A) of this section merely by consenting to a provision 5985  
of the operating agreement that permits the operating agreement 5986  
to be amended with the consent of fewer than all the members. 5987

**Sec. 1706.74.** Sections 1706.71 to 1706.74 of the Revised 5988  
Code do not preclude an entity from being merged or converted 5989  
under law other than this chapter. 5990

**Sec. 1706.76.** (A) An operating agreement may establish or 5991  
provide for the establishment of one or more designated series 5992  
of assets that has both of the following: 5993

(1) Either or both of the following: 5994

(a) Separate rights, powers, or duties with respect to 5995  
specified property or obligations of the limited liability 5996  
company or profits and losses associated with specified property 5997  
or obligations; 5998

(b) A separate purpose or investment objective. 5999

(2) At least one member associated with each series. 6000

(B) A series established in accordance with division (A) 6001

of this section may carry on any activity, whether or not for 6002  
profit. 6003

**Sec. 1706.761.** (A) Subject to division (B) of this 6004  
section, both of the following apply: 6005

(1) The debts, liabilities, obligations, and expenses 6006  
incurred, contracted for, or otherwise existing with respect to 6007  
a series shall be enforceable against the assets of that series 6008  
only, and shall not be enforceable against the assets of the 6009  
limited liability company generally or any other series thereof. 6010

(2) None of the debts, liabilities, obligations, and 6011  
expenses incurred, contracted for, or otherwise existing with 6012  
respect to the limited liability company generally or any other 6013  
series thereof shall be enforceable against the assets of a 6014  
series. 6015

(B) Division (A) of this section applies only if all of 6016  
the following conditions are met: 6017

(1) The records maintained for that series account for the 6018  
assets of that series separately from the other assets of the 6019  
company or any other series. 6020

(2) The operating agreement contains a statement to the 6021  
effect of the limitations provided in division (A) of this 6022  
section. 6023

(3) The limited liability company's articles of 6024  
organization contains a statement that the limited liability 6025  
company may have one or more series of assets subject to the 6026  
limitations provided in division (A) of this section. 6027

**Sec. 1706.762.** (A) Assets of a series may be held directly 6028  
or indirectly, including being held in the name of the series, 6029



in the name of the limited liability company, through a nominee, 6030  
or otherwise. 6031

(B) If the records of a series are maintained in a manner 6032  
so that the assets of the series can be reasonably identified by 6033  
specific listing, category, type, quantity, or computational or 6034  
allocational formula or procedure, including a percentage or 6035  
share of any assets, or by any other method in which the 6036  
identity of the assets can be objectively determined, the 6037  
records are considered to satisfy the requirement of division 6038  
(B) (1) of section 1706.761 of the Revised Code. 6039

**Sec. 1706.763.** The statement of limitation on liabilities 6040  
of a series required by division (B) (3) of section 1706.761 of 6041  
the Revised Code is sufficient regardless of whether either of 6042  
the following applies: 6043

(A) The limited liability company has established any 6044  
series under this chapter when the statement of limitations is 6045  
contained in the articles of organization; 6046

(B) The statement of limitations makes reference to a 6047  
specific series of the limited liability company. 6048

**Sec. 1706.764.** (A) A person may not voluntarily dissociate 6049  
as a member associated with a series. 6050

(B) A person's dissociation from a series is wrongful only 6051  
if one of the following applies: 6052

(1) The person's dissociation is in breach of an express 6053  
provision of the operating agreement. 6054

(2) The person is expelled as a member associated with the 6055  
series by determination of a tribunal under division (E) of 6056  
section 1706.765 of the Revised Code. 6057

(3) The person is dissociated as a member associated with a series by becoming a debtor in bankruptcy or making a general assignment for the benefit of creditors. 6058  
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6060

(C) A person that wrongfully dissociates as a member associated with a series is liable to the series and, subject to section 1706.61 of the Revised Code, to the other members associated with that series for damages caused by the dissociation. The liability is in addition to any other debt, obligation, or liability of the member associated with a series to the series or the other members associated with that series. 6061  
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**Sec. 1706.765.** A person is dissociated as a member associated with a series when any of the following occurs: 6068  
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(A) An event stated in the operating agreement as causing the person's dissociation from the series occurs. 6070  
6071

(B) The person is dissociated as a member of the limited liability company pursuant to section 1706.411 of the Revised Code. 6072  
6073  
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(C) The person is expelled as a member associated with that series pursuant to the operating agreement. 6075  
6076

(D) The person is expelled as a member associated with the series by the unanimous consent of the other members associated with that series and if any of the following applies: 6077  
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(1) It is unlawful to carry on the series' activities with the person as a member associated with that series. 6080  
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(2) The person is an entity and, within ninety days after the series notifies the person that it will be expelled as a member associated with that series because the person has filed a certificate of dissolution or the equivalent, or its right to 6082  
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transact business has been suspended by its jurisdiction of 6086  
formation, the certificate of dissolution or the equivalent has 6087  
not been revoked or its right to transact business has not been 6088  
reinstated. 6089

(3) The person is an entity and, within ninety days after 6090  
the series notifies the person that it will be expelled as a 6091  
member associated with that series because the person has been 6092  
dissolved and its activities are being wound up, the entity has 6093  
not been reinstated or the dissolution and winding up have not 6094  
been revoked or canceled. 6095

(E) On application by the series, the person is expelled 6096  
as a member associated with that series by tribunal order for 6097  
any of the following reasons: 6098

(1) The person has engaged, or is engaging, in wrongful 6099  
conduct that has adversely and materially affected, or will 6100  
adversely and materially affect, that series' activities. 6101

(2) The person has willfully or persistently committed, or 6102  
is willfully or persistently committing, a material breach of 6103  
the operating agreement or the person's duties or obligations 6104  
under this chapter or other applicable law. 6105

(3) The person has engaged, or is engaging, in conduct 6106  
relating to that series' activities that makes it not reasonably 6107  
practicable to carry on the activities with the person as a 6108  
member associated with that series. 6109

(F) In the case of a person who is an individual, the 6110  
person dies, a guardian or general conservator is appointed for 6111  
the person, or a tribunal determines that the person has 6112  
otherwise become incapable of performing the person's duties as 6113  
a member associated with a series under this chapter or the 6114

operating agreement. 6115

(G) The person becomes a debtor in bankruptcy, executes an assignment for the benefit of creditors, or seeks, consents, or acquiesces to the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all of the person's property. This division shall not apply to a person who is the sole remaining member associated with a series. 6116  
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(H) In the case of a person that is a trust or is acting as a member associated with a series by virtue of being a trustee of a trust, the trust's entire membership interest associated with the series is distributed, but not solely by reason of the substitution of a successor trustee. 6122  
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(I) In the case of a person that is an estate or is acting as a member associated with a series by virtue of being a personal representative of an estate, the estate's entire membership interest associated with the series is distributed, but not solely by reason of the substitution of a successor personal representative. 6127  
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(J) In the case of a member associated with a series that is not an individual, the legal existence of the person otherwise terminates. 6133  
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**Sec. 1706.766.** (A) A person who has dissociated as a member associated with a series shall have no right to participate in the activities and affairs of that series and is entitled only to receive the distributions to which that member would have been entitled if the member had not dissociated from that series. 6136  
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(B) A person's dissociation as a member associated with a series does not of itself discharge the person from any debt, 6142  
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obligation, or liability to that series, the limited liability 6144  
company, or the other members that the person incurred while a 6145  
member associated with that series. 6146

(C) A member's dissociation from a series does not, in 6147  
itself, cause the member to dissociate from any other series or 6148  
require the winding up of the series. 6149

(D) A member's dissociation from a series does not, in 6150  
itself, cause the member to dissociate from the limited 6151  
liability company. 6152

**Sec. 1706.767.** A series may be dissolved and its 6153  
activities and affairs may be wound up without causing the 6154  
dissolution of the limited liability company. The dissolution 6155  
and winding up of a series does not abate, suspend, or otherwise 6156  
affect the limitation on liabilities of the series provided by 6157  
section 1706.761 of the Revised Code. 6158

**Sec. 1706.768.** A series is dissolved and its activities 6159  
and affairs shall be wound up upon the first to occur of the 6160  
following: 6161

(A) The dissolution of the limited liability company under 6162  
section 1706.47 of the Revised Code; 6163

(B) An event or circumstance that the operating agreement 6164  
states causes dissolution of the series; 6165

(C) The consent of all of the members associated with the 6166  
series; 6167

(D) The passage of ninety days after the occurrence of the 6168  
dissociation of the last remaining member associated with the 6169  
series; 6170

(E) On application by a member associated with the series, 6171

the entry by the appropriate court of an order dissolving the 6172  
series on the grounds that it is not reasonably practicable to 6173  
carry on the series' activities in conformity with the operating 6174  
agreement. 6175

**Sec. 1706.769.** (A) A dissolved series continues its 6176  
existence as a series but may not carry on any activities except 6177  
as is appropriate to wind up and liquidate its activities and 6178  
affairs. Appropriate activities include all of the following: 6179

(1) Collecting the assets of the series; 6180

(2) Disposing of the properties of the series that will 6181  
not be distributed in kind to persons owning membership 6182  
interests associated with the series; 6183

(3) Discharging or making provisions for discharging the 6184  
liabilities of the series; 6185

(4) Distributing the remaining property of the series in 6186  
accordance with section 1706.7613 of the Revised Code; 6187

(5) Doing any other act necessary to wind up and liquidate 6188  
the series' activities and affairs. 6189

(B) In winding up a series' activities, a series may do 6190  
any of the following: 6191

(1) Preserve the series' activities and property as a 6192  
going concern for a reasonable time; 6193

(2) Prosecute, defend, or settle actions or proceedings 6194  
whether civil, criminal, or administrative; 6195

(3) Make an assignment of the series' property; 6196

(4) Resolve disputes by mediation or arbitration. 6197

(C) A series' dissolution, in itself: 6198

<u>(1) Is not an assignment of the series' property;</u>	6199
<u>(2) Does not prevent the commencement of a proceeding by</u>	6200
<u>or against the series in the series' name;</u>	6201
<u>(3) Does not abate or suspend a proceeding pending by or</u>	6202
<u>against the series on the effective date of dissolution;</u>	6203
<u>(4) Does not abate, suspend, or otherwise alter the</u>	6204
<u>application of section 1706.7613 of the Revised Code.</u>	6205
<u>Sec. 1706.7610. (A) Subject to division (C) of section</u>	6206
<u>1706.769 of the Revised Code, after dissolution of a series, the</u>	6207
<u>remaining members associated with the series, if any, and if</u>	6208
<u>none, a person appointed by all holders of the membership</u>	6209
<u>interest last assigned by the last person to have been a member</u>	6210
<u>associated with the series, may wind up the series' activities.</u>	6211
<u>(B) The appropriate tribunal may order supervision of the</u>	6212
<u>winding up of a dissolved series, including the appointment of a</u>	6213
<u>person to wind up the series' activities for any of the</u>	6214
<u>following reasons:</u>	6215
<u>(1) On application of a member associated with the series,</u>	6216
<u>if the applicant establishes good cause;</u>	6217
<u>(2) On application of an assignee associated with a</u>	6218
<u>series, if both of the following apply:</u>	6219
<u>(a) There are no members associated with the series.</u>	6220
<u>(b) Within a reasonable time following the dissolution a</u>	6221
<u>person has not been appointed pursuant to division (A) of this</u>	6222
<u>section.</u>	6223
<u>(3) In connection with a proceeding under division (E) of</u>	6224
<u>section 1706.768 of the Revised Code.</u>	6225

Sec. 1706.7611. (A) A dissolved series may dispose of any known claims against it by following the procedures described in division (B) of this section, at any time after the effective date of the dissolution of the series. 6226  
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(B) A dissolved series may give notice of the dissolution in a record to the holder of any known claim. The notice shall do all of the following: 6230  
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(1) Identify the limited liability company and the dissolved series; 6233  
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(2) Describe the information required to be included in a claim; 6235  
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(3) Provide a mailing address to which the claim is to be sent; 6237  
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(4) State the deadline by which the dissolved series must receive the claim. The deadline shall not be sooner than one hundred twenty days from the effective date of the notice. 6239  
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(5) State that if not sooner barred, the claim will be barred if not received by the deadline. 6242  
6243

(C) Unless sooner barred by any other statute limiting actions, a claim against a dissolved series is barred in either of the following circumstances: 6244  
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(1) If a claimant who was given notice under division (B) of this section does not deliver the claim to the dissolved series by the deadline; 6247  
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(2) If a claimant whose claim was rejected by the dissolved series does not commence a proceeding to enforce the claim within ninety days from the effective date of the rejected notice. 6250  
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(D) For purposes of this section, "claim" includes an unliquidated claim, but does not include a contingent liability that has not matured so that there is no immediate right to bring suit or a claim based on an event occurring after the effective date of dissolution. 6254  
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(E) Nothing in this section shall be construed to extend any otherwise applicable statute of limitations. 6259  
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**Sec. 1706.7612.** (A) A dissolved series may publish notice of its dissolution and request that persons with claims against the dissolved series present them in accordance with the notice. 6261  
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(B) The notice authorized by division (A) of this section shall meet all of the following criteria: 6264  
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(1) It shall be posted prominently on the principal web site then maintained by the limited liability company, if any, and provided to the secretary of state to be posted on the web site maintained by the secretary of state in accordance with division (J) of section 1706.474 of the Revised Code. The notice shall be considered published when posted on the secretary of state's web site. 6266  
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(2) It shall describe the information that must be included in a claim and provide a mailing address to which the claim must be sent. 6273  
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(3) It shall state that if not sooner barred, a claim against the dissolved series will be barred unless a proceeding to enforce the claim is commenced within two years following the publication of the notice. 6276  
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(C) If a dissolved series publishes a notice in accordance with division (B) of this section, unless sooner barred by any other statute limiting actions, the claim of each of the 6280  
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following claimants is barred unless the claimant commences a 6283  
proceeding to enforce the claim against the dissolved series 6284  
within two years after the publication date of the notice: 6285

(1) A claimant who was not given notice under division (B) 6286  
of section 1706.7611 of the Revised Code; 6287

(2) A claimant whose claim was timely sent to the 6288  
dissolved series but not acted on by the dissolved series; 6289

(3) A claimant whose claim is contingent at the effective 6290  
date of the dissolution of the series, or is based on an event 6291  
occurring after the effective date of the dissolution of the 6292  
series. 6293

(D) A claim that is not barred under this section, any 6294  
other statute limiting actions, or section 1706.7611 of the 6295  
Revised Code may be enforced against either of the following: 6296

(1) A dissolved series, to the extent of its undistributed 6297  
assets associated with the series; 6298

(2) A member or assignee associated with the series to the 6299  
extent of that person's proportionate share of the claim or of 6300  
the assets of the series distributed to the member or assignee 6301  
after dissolution, whichever is less, except as provided in 6302  
division (H) of this section and only if the assets of a 6303  
dissolved series have been distributed after dissolution. A 6304  
person's total liability for all claims under division (D) of 6305  
this section shall not exceed the total amount of assets of the 6306  
series distributed to the person after dissolution of the 6307  
series. 6308

(E) A dissolved series that published a notice under this 6309  
section may file an application with the appropriate court in 6310  
the county in which the limited liability company's principal 6311

office is located or, if it has none in this state, in the 6312  
county in which the limited liability company's statutory agent 6313  
is or was last located. The application shall be for a 6314  
determination of the amount and form of security to be provided 6315  
for payment of claims that are contingent or have not been made 6316  
known to the dissolved series or that are based on an event 6317  
occurring after the effective date of the dissolution of the 6318  
series but that, based on the facts known to the dissolved 6319  
series, are reasonably estimated to arise after the effective 6320  
date of the dissolution of the series. Provision need not be 6321  
made for any claim that is or is reasonably anticipated to be 6322  
barred under division (C) of this section. 6323

(F) Within ten days after the filing of the application 6324  
provided for in division (E) of this section, notice of the 6325  
proceeding shall be given by the dissolved series to each 6326  
potential claimant as described in that division. 6327

(G) The appropriate court may appoint a guardian ad litem 6328  
to represent all claimants whose identities are unknown in any 6329  
proceeding brought under this section. The reasonable fees and 6330  
expenses of the guardian, including all reasonable expert 6331  
witness fees, shall be paid by the dissolved series. 6332

(H) Provision by the dissolved series for security in the 6333  
amount and the form ordered by the appropriate court under 6334  
division (E) of this section shall satisfy the dissolved series' 6335  
obligation with respect to claims that are contingent, have not 6336  
been made known to the dissolved series, or are based on an 6337  
event occurring after the effective date of the dissolution of 6338  
the series. Those claims may not be enforced against a person 6339  
owning a membership interest to whom assets have been 6340  
distributed by the dissolved series after the effective date of 6341

the dissolution of the series. 6342

(I) Nothing in this section shall be construed to extend 6343  
any otherwise applicable statute of limitations. 6344

**Sec. 1706.7613.** (A) Upon the winding up of a series, 6345  
payment or adequate provision for payment shall be made to 6346  
creditors of the series, including, to the extent permitted by 6347  
law, members who are associated with the series and who are also 6348  
creditors of the series, in satisfaction of liabilities of the 6349  
series. 6350

(B) After a series complies with division (A) of this 6351  
section, any surplus shall be distributed as follows: 6352

(1) First, to each person owning a membership interest 6353  
associated with the series that reflects contributions made on 6354  
account of that membership interest and not previously returned, 6355  
an amount equal to the value of the person's unreturned 6356  
contributions; 6357

(2) Then to each person owning a membership interest 6358  
associated with the series in the proportions in which the 6359  
owners of membership interests associated with the series share 6360  
in distributions prior to dissolution of the series. 6361

(C) If the series does not have sufficient surplus to 6362  
comply with division (B) (1) of this section, any surplus shall 6363  
be distributed among the owners of membership interests 6364  
associated with the series in proportion to the value of their 6365  
respective unreturned contributions. 6366

**Sec. 1706.81.** This chapter modifies, limits, and 6367  
supersedes the federal "Electronic Signatures in Global and 6368  
National Commerce Act," 15 U.S.C. 7001 et seq., but does not 6369  
modify, limit, or supersede 15 U.S.C. 7001(c) or authorize 6370

electronic delivery of any of the notices described in 15 U.S.C. 6371  
7003(b). 6372

Sec. 1706.82. A limited liability company formed and 6373  
existing under this chapter may conduct its activities and 6374  
affairs, carry on its operations, and have and exercise the 6375  
powers granted by this chapter in any state, foreign country, or 6376  
other jurisdiction. 6377

Sec. 1706.83. (A) Prior to January 1, 2022, this chapter 6378  
shall govern the following limited liability companies: 6379

(1) A limited liability company formed on or after January 6380  
1, 2021, except a limited liability company that is continuing 6381  
the business of a dissolved limited liability company under 6382  
section 1705.44 of the Revised Code; 6383

(2) A limited liability company formed before January 1, 6384  
2021, that elects, pursuant to division (C) of this section, to 6385  
be governed by this chapter. 6386

(B) On and after January 1, 2022, this chapter shall 6387  
govern all limited liability companies, including every foreign 6388  
limited liability company that files an application for 6389  
registration as a foreign limited liability company on or after 6390  
January 1, 2022, every foreign limited liability company that 6391  
registers a name in this state on or after January 1, 2022, 6392  
every foreign limited liability company that has registered a 6393  
name in this state prior to January 1, 2022, and every foreign 6394  
limited liability company that has filed an application for 6395  
registration as a foreign limited liability company prior to 6396  
January 1, 2022, pursuant to Chapter 1705. of the Revised Code. 6397

(C) On and after January 1, 2021, but prior to January 1, 6398  
2022, a limited liability company may elect, in the manner 6399

provided in its operating agreement or by law for amending the 6400  
operating agreement, to be subject to this chapter. 6401

Sec. 1706.84. Unless expressly stated to the contrary in 6402  
this chapter, all amendments of this chapter shall apply to 6403  
limited liability companies and members and agents whether or 6404  
not existing as such at the time of the enactment of any such 6405  
amendment. 6406

**Sec. 1729.36.** (A) An association may merge or consolidate 6407  
with one or more entities, if such merger or consolidation is 6408  
permitted by the laws under which each constituent entity exists 6409  
and the association complies with this section. 6410

(B) Each constituent association shall comply with section 6411  
1729.35 of the Revised Code with respect to form and approval of 6412  
an agreement of merger or consolidation, and each constituent 6413  
entity shall comply with the applicable provisions of the laws 6414  
under which it exists, except that the agreement of merger or 6415  
consolidation, by whatever name designated, shall comply with 6416  
divisions (C) and (D) of this section. 6417

(C) The agreement of merger or consolidation shall set 6418  
forth all of the following: 6419

(1) The names of the states and the laws under which each 6420  
constituent entity exists; 6421

(2) All statements and matters required to be set forth in 6422  
agreements of merger or consolidation by the laws under which 6423  
any constituent entity exists; 6424

(3) A statement that the surviving or new entity is to be 6425  
an association, a foreign association, a corporation other than 6426  
a cooperative, or a limited liability company; 6427

(4) If the surviving or new entity is to be a foreign entity: 6428  
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(a) The place where the principal office of the surviving or new entity is to be located in the state in which the surviving or new entity is to exist; 6430  
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(b) The consent by the surviving or new entity that it may be sued and served with process in this state in any proceeding for the enforcement of any obligation of any constituent association or domestic entity; 6433  
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6436

(c) The consent by the surviving or new entity that it shall be subject to the applicable provisions of Chapter 1703. of the Revised Code, if it is a foreign corporation or foreign association, or to sections 1705.53 to 1705.58 or 1706.51 to 1706.516 of the Revised Code, if it is a foreign limited liability company; 6437  
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(d) If it is desired that the surviving or new entity exercise its corporate privileges in this state as a foreign entity. 6443  
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(D) The agreement also may set forth other provisions permitted by the laws of any state in which any constituent entity exists. 6446  
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(E) If the surviving or new entity is an association, the merger or consolidation shall take effect in accordance with sections 1729.37 and 1729.38 of the Revised Code. 6449  
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(F) If the surviving or new entity is an entity other than an association, the merger or consolidation shall take effect in accordance with the applicable provisions of the laws under which it exists. 6452  
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**Sec. 1729.38.** (A) (1) Upon adoption of an agreement of merger or consolidation under section 1729.35 or 1729.36 of the Revised Code, a certificate, signed by any authorized officer or representative of each constituent association or entity, shall be filed with the secretary of state on a form prescribed by the secretary of state that sets forth the following:

(a) The name and form of each constituent association or entity and the state law under which each constituent entity exists;

(b) A statement that each constituent association or entity has adopted the agreement of merger or consolidation, the manner of adoption, and that the agreement was adopted in compliance with the laws applicable to each constituent association or entity;

(c) The effective date of the merger or consolidation, which date may be on or after the date of filing of the certificate;

(d) In the case of a merger, a statement that one or more specified constituent associations or entities will be merged into a specified surviving association or entity or, in the case of a consolidation, a statement that the constituent associations or entities will be consolidated into a new association or entity;

(e) The name and address of the statutory agent upon whom any process, notice, or demand against any constituent association or entity, or the surviving or new association or entity, may be served.

(2) In the case of a merger into an association or domestic entity, any amendments to the articles of incorporation



or the articles of organization of the surviving association or 6485  
entity shall be filed with the certificate. 6486

(3) In the case of a consolidation to form a new domestic 6487  
association or entity, the articles of incorporation or the 6488  
articles of organization of the new association or entity shall 6489  
be filed with the certificate. 6490

(4) If the surviving or new entity is a foreign entity 6491  
that desires to transact business in this state as a foreign 6492  
entity, the certificate shall be accompanied by the information 6493  
required for qualification of a foreign entity in this state by 6494  
Chapter 1703. of the Revised Code, in the case of a foreign 6495  
corporation or foreign cooperative, or by sections 1705.53 and 6496  
1705.54 or 1706.511 of the Revised Code, in the case of a 6497  
foreign limited liability company. 6498

(B) A copy of the certificate of merger or consolidation, 6499  
certified by the secretary of state, may be filed for record in 6500  
the office of the county recorder of any county in this state. 6501  
For such recording, the county recorder shall charge and collect 6502  
the same fee as in the case of deeds. The certified copy of the 6503  
certificate of merger or consolidation shall be recorded in the 6504  
official records of the county recorder. 6505

(C) For purposes of this section, "domestic entity" means 6506  
a corporation other than an association or a limited liability 6507  
company organized under the laws of this state. 6508

**Sec. 1745.461.** (A) (1) Pursuant to an agreement of merger 6509  
between the constituent entities as provided in this section, a 6510  
domestic unincorporated nonprofit association and, if so 6511  
provided, one or more additional domestic or foreign entities 6512  
may be merged into a surviving entity other than a domestic 6513

unincorporated nonprofit association. Pursuant to an agreement 6514  
of consolidation, a domestic unincorporated nonprofit 6515  
association together with one or more additional domestic or 6516  
foreign entities may be consolidated into a new entity other 6517  
than a domestic unincorporated nonprofit association to be 6518  
formed by that consolidation. The merger or consolidation must 6519  
be permitted by the chapter of the Revised Code under which each 6520  
domestic constituent entity exists and by the laws under which 6521  
each foreign constituent entity exists. 6522

(2) To effect a merger or consolidation under this 6523  
section, the manager or managers of each constituent 6524  
unincorporated nonprofit association shall approve an agreement 6525  
of merger or consolidation to be signed by the manager, the 6526  
chairperson, the president, or a vice-president and by the 6527  
secretary or an assistant secretary or, if there are no 6528  
officers, by an authorized manager. The agreement of merger or 6529  
consolidation shall be approved or otherwise authorized by or on 6530  
behalf of each other constituent entity in accordance with the 6531  
laws under which it exists. 6532

(3) The agreement of merger or consolidation shall set 6533  
forth all of the following: 6534

(a) The name and the form of entity of each constituent 6535  
entity and the state under the laws of which each constituent 6536  
entity exists; 6537

(b) In the case of a merger, that one or more specified 6538  
constituent entities will be merged into a specified surviving 6539  
foreign entity or surviving domestic entity other than a 6540  
domestic unincorporated nonprofit association or, in the case of 6541  
a consolidation, that the constituent entities will be 6542  
consolidated into a new foreign entity or domestic entity other 6543

than a domestic unincorporated nonprofit association. The name 6544  
of the surviving or new entity may be the same as or similar to 6545  
that of any constituent entity. 6546

(c) The terms of the merger or consolidation and the mode 6547  
of carrying those terms into effect; 6548

(d) If the surviving or new entity is a foreign 6549  
unincorporated nonprofit association, all additional statements 6550  
and matters, other than the name and address of the statutory 6551  
agent, that would be required by section 1745.46 of the Revised 6552  
Code if the surviving or new unincorporated nonprofit 6553  
association were a domestic unincorporated nonprofit 6554  
association; 6555

(e) The name and the form of entity of the surviving or 6556  
new entity, the state under the laws of which the surviving 6557  
entity exists or the new entity is to exist, and the location of 6558  
the principal office of the surviving or new entity in that 6559  
state; 6560

(f) All statements and matters required to be set forth in 6561  
an agreement of merger or consolidation by the laws under which 6562  
each constituent entity exists and, in the case of a 6563  
consolidation, the new entity is to exist; 6564

(g) The consent of the surviving or the new entity to be 6565  
sued and served with process in this state and the irrevocable 6566  
appointment of the secretary of state as its agent to accept 6567  
service of process in any proceeding in this state to enforce 6568  
against the surviving or new entity any obligation of any 6569  
domestic constituent unincorporated nonprofit association. Such 6570  
service shall be made upon the secretary of state by leaving 6571  
duplicate copies of such process, together with an affidavit of 6572

the plaintiff or one of the plaintiff's attorneys, showing the 6573  
last known address of such association, and a fee of up to five 6574  
dollars that shall be included as taxable costs in the case of 6575  
judicial proceedings. Upon receipt of such process, affidavit, 6576  
and fee, the secretary of state shall immediately give notice to 6577  
the association at the address specified in the affidavit and 6578  
forward to such address by certified mail, with a request for 6579  
return receipt, a copy of such process. 6580

(h) If the surviving or new entity is a foreign 6581  
unincorporated nonprofit association that desires to transact 6582  
business in this state as a foreign unincorporated nonprofit 6583  
association, a statement to that effect, together with a 6584  
statement regarding the appointment of a statutory agent and 6585  
service of any process, notice, or demand upon that statutory 6586  
agent or the secretary of state; 6587

(i) If the surviving or new entity is a foreign limited 6588  
partnership that desires to transact business in this state as a 6589  
foreign limited partnership, a statement to that effect, 6590  
together with all of the information required under section 6591  
1782.49 of the Revised Code when a foreign limited partnership 6592  
registers to transact business in this state; 6593

(j) If the surviving or new entity is a foreign limited 6594  
liability company that desires to transact business in this 6595  
state as a foreign limited liability company, a statement to 6596  
that effect, together with all of the information required under 6597  
section 1705.54 or 1706.511 of the Revised Code when a foreign 6598  
limited liability company registers to transact business in this 6599  
state; 6600

(k) If the surviving or new entity is a foreign 6601  
unincorporated association that desires to transact business in 6602

this state as a foreign unincorporated association, a statement 6603  
to that effect, together with all of the information, if any, 6604  
required by the secretary of state when a foreign unincorporated 6605  
association registers to transact business in this state. 6606

(4) The agreement of merger or consolidation also may set 6607  
forth any additional provision permitted by the laws of any 6608  
state under the laws of which any constituent entity exists, 6609  
consistent with the laws under which the surviving entity exists 6610  
or the new entity is to exist. 6611

(B) A merger or consolidation pursuant to this section in 6612  
which a public benefit association is one of the constituent 6613  
entities shall be subject to, and shall comply with, the 6614  
provisions of divisions (B) (1) (b), (2), (3), and (4) of section 6615  
1745.46 of the Revised Code. 6616

**Sec. 1751.01.** As used in this chapter: 6617

(A) (1) "Basic health care services" means the following 6618  
services when medically necessary: 6619

(a) Physician's services, except when such services are 6620  
supplemental under division (B) of this section; 6621

(b) Inpatient hospital services; 6622

(c) Outpatient medical services; 6623

(d) Emergency health services; 6624

(e) Urgent care services; 6625

(f) Diagnostic laboratory services and diagnostic and 6626  
therapeutic radiologic services; 6627

(g) Diagnostic and treatment services, other than 6628  
prescription drug services, for biologically based mental 6629

illnesses; 6630

(h) Preventive health care services, including, but not 6631  
limited to, voluntary family planning services, infertility 6632  
services, periodic physical examinations, prenatal obstetrical 6633  
care, and well-child care; 6634

(i) Routine patient care for patients enrolled in an 6635  
eligible cancer clinical trial pursuant to section 3923.80 of 6636  
the Revised Code. 6637

"Basic health care services" does not include experimental 6638  
procedures. 6639

Except as provided by divisions (A) (2) and (3) of this 6640  
section in connection with the offering of coverage for 6641  
diagnostic and treatment services for biologically based mental 6642  
illnesses, a health insuring corporation shall not offer 6643  
coverage for a health care service, defined as a basic health 6644  
care service by this division, unless it offers coverage for all 6645  
listed basic health care services. However, this requirement 6646  
does not apply to the coverage of beneficiaries enrolled in 6647  
medicare pursuant to a medicare contract, or to the coverage of 6648  
beneficiaries enrolled in the federal employee health benefits 6649  
program pursuant to 5 U.S.C.A. 8905, or to the coverage of 6650  
medicaid recipients, or to the coverage of beneficiaries under 6651  
any federal health care program regulated by a federal 6652  
regulatory body, or to the coverage of beneficiaries under any 6653  
contract covering officers or employees of the state that has 6654  
been entered into by the department of administrative services. 6655

(2) A health insuring corporation may offer coverage for 6656  
diagnostic and treatment services for biologically based mental 6657  
illnesses without offering coverage for all other basic health 6658

care services. A health insuring corporation may offer coverage 6659  
for diagnostic and treatment services for biologically based 6660  
mental illnesses alone or in combination with one or more 6661  
supplemental health care services. However, a health insuring 6662  
corporation that offers coverage for any other basic health care 6663  
service shall offer coverage for diagnostic and treatment 6664  
services for biologically based mental illnesses in combination 6665  
with the offer of coverage for all other listed basic health 6666  
care services. 6667

(3) A health insuring corporation that offers coverage for 6668  
basic health care services is not required to offer coverage for 6669  
diagnostic and treatment services for biologically based mental 6670  
illnesses in combination with the offer of coverage for all 6671  
other listed basic health care services if all of the following 6672  
apply: 6673

(a) The health insuring corporation submits documentation 6674  
certified by an independent member of the American academy of 6675  
actuaries to the superintendent of insurance showing that 6676  
incurred claims for diagnostic and treatment services for 6677  
biologically based mental illnesses for a period of at least six 6678  
months independently caused the health insuring corporation's 6679  
costs for claims and administrative expenses for the coverage of 6680  
basic health care services to increase by more than one per cent 6681  
per year. 6682

(b) The health insuring corporation submits a signed 6683  
letter from an independent member of the American academy of 6684  
actuaries to the superintendent of insurance opining that the 6685  
increase in costs described in division (A) (3) (a) of this 6686  
section could reasonably justify an increase of more than one 6687  
per cent in the annual premiums or rates charged by the health 6688

insuring corporation for the coverage of basic health care services. 6689  
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(c) The superintendent of insurance makes the following determinations from the documentation and opinion submitted pursuant to divisions (A) (3) (a) and (b) of this section: 6691  
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(i) Incurred claims for diagnostic and treatment services for biologically based mental illnesses for a period of at least six months independently caused the health insuring corporation's costs for claims and administrative expenses for the coverage of basic health care services to increase by more than one per cent per year. 6694  
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(ii) The increase in costs reasonably justifies an increase of more than one per cent in the annual premiums or rates charged by the health insuring corporation for the coverage of basic health care services. 6700  
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Any determination made by the superintendent under this division is subject to Chapter 119. of the Revised Code. 6704  
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(B) (1) "Supplemental health care services" means any health care services other than basic health care services that a health insuring corporation may offer, alone or in combination with either basic health care services or other supplemental health care services, and includes: 6706  
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(a) Services of facilities for intermediate or long-term care, or both; 6711  
6712

(b) Dental care services; 6713

(c) Vision care and optometric services including lenses and frames; 6714  
6715

(d) Podiatric care or foot care services; 6716



(e) Mental health services, excluding diagnostic and treatment services for biologically based mental illnesses;	6717 6718
(f) Short-term outpatient evaluative and crisis-intervention mental health services;	6719 6720
(g) Medical or psychological treatment and referral services for alcohol and drug abuse or addiction;	6721 6722
(h) Home health services;	6723
(i) Prescription drug services;	6724
(j) Nursing services;	6725
(k) Services of a dietitian licensed under Chapter 4759. of the Revised Code;	6726 6727
(l) Physical therapy services;	6728
(m) Chiropractic services;	6729
(n) Any other category of services approved by the superintendent of insurance.	6730 6731
(2) If a health insuring corporation offers prescription drug services under this division, the coverage shall include prescription drug services for the treatment of biologically based mental illnesses on the same terms and conditions as other physical diseases and disorders.	6732 6733 6734 6735 6736
(C) "Specialty health care services" means one of the supplemental health care services listed in division (B) of this section, when provided by a health insuring corporation on an outpatient-only basis and not in combination with other supplemental health care services.	6737 6738 6739 6740 6741
(D) "Biologically based mental illnesses" means schizophrenia, schizoaffective disorder, major depressive	6742 6743

disorder, bipolar disorder, paranoia and other psychotic 6744  
disorders, obsessive-compulsive disorder, and panic disorder, as 6745  
these terms are defined in the most recent edition of the 6746  
diagnostic and statistical manual of mental disorders published 6747  
by the American psychiatric association. 6748

(E) "Closed panel plan" means a health care plan that 6749  
requires enrollees to use participating providers. 6750

(F) "Compensation" means remuneration for the provision of 6751  
health care services, determined on other than a fee-for-service 6752  
or discounted-fee-for-service basis. 6753

(G) "Contractual periodic prepayment" means the formula 6754  
for determining the premium rate for all subscribers of a health 6755  
insuring corporation. 6756

(H) "Corporation" means a corporation formed under Chapter 6757  
1701. or 1702. of the Revised Code or the similar laws of 6758  
another state. 6759

(I) "Emergency health services" means those health care 6760  
services that must be available on a seven-days-per-week, 6761  
twenty-four-hours-per-day basis in order to prevent jeopardy to 6762  
an enrollee's health status that would occur if such services 6763  
were not received as soon as possible, and includes, where 6764  
appropriate, provisions for transportation and indemnity 6765  
payments or service agreements for out-of-area coverage. 6766

(J) "Enrollee" means any natural person who is entitled to 6767  
receive health care benefits provided by a health insuring 6768  
corporation. 6769

(K) "Evidence of coverage" means any certificate, 6770  
agreement, policy, or contract issued to a subscriber that sets 6771  
out the coverage and other rights to which such person is 6772

entitled under a health care plan. 6773

(L) "Health care facility" means any facility, except a 6774  
health care practitioner's office, that provides preventive, 6775  
diagnostic, therapeutic, acute convalescent, rehabilitation, 6776  
mental health, intellectual disability, intermediate care, or 6777  
skilled nursing services. 6778

(M) "Health care services" means basic, supplemental, and 6779  
specialty health care services. 6780

(N) "Health delivery network" means any group of providers 6781  
or health care facilities, or both, or any representative 6782  
thereof, that have entered into an agreement to offer health 6783  
care services in a panel rather than on an individual basis. 6784

(O) "Health insuring corporation" means a corporation, as 6785  
defined in division (H) of this section, that, pursuant to a 6786  
policy, contract, certificate, or agreement, pays for, 6787  
reimburses, or provides, delivers, arranges for, or otherwise 6788  
makes available, basic health care services, supplemental health 6789  
care services, or specialty health care services, or a 6790  
combination of basic health care services and either 6791  
supplemental health care services or specialty health care 6792  
services, through either an open panel plan or a closed panel 6793  
plan. 6794

"Health insuring corporation" does not include a limited 6795  
liability company formed pursuant to Chapter 1705. or 1706. of 6796  
the Revised Code, an insurer licensed under Title XXXIX of the 6797  
Revised Code if that insurer offers only open panel plans under 6798  
which all providers and health care facilities participating 6799  
receive their compensation directly from the insurer, a 6800  
corporation formed by or on behalf of a political subdivision or 6801

a department, office, or institution of the state, or a public 6802  
entity formed by or on behalf of a board of county 6803  
commissioners, a county board of developmental disabilities, an 6804  
alcohol and drug addiction services board, a board of alcohol, 6805  
drug addiction, and mental health services, or a community 6806  
mental health board, as those terms are used in Chapters 340. 6807  
and 5126. of the Revised Code. Except as provided by division 6808  
(D) of section 1751.02 of the Revised Code, or as otherwise 6809  
provided by law, no board, commission, agency, or other entity 6810  
under the control of a political subdivision may accept 6811  
insurance risk in providing for health care services. However, 6812  
nothing in this division shall be construed as prohibiting such 6813  
entities from purchasing the services of a health insuring 6814  
corporation or a third-party administrator licensed under 6815  
Chapter 3959. of the Revised Code. 6816

(P) "Intermediary organization" means a health delivery 6817  
network or other entity that contracts with licensed health 6818  
insuring corporations or self-insured employers, or both, to 6819  
provide health care services, and that enters into contractual 6820  
arrangements with other entities for the provision of health 6821  
care services for the purpose of fulfilling the terms of its 6822  
contracts with the health insuring corporations and self-insured 6823  
employers. 6824

(Q) "Intermediate care" means residential care above the 6825  
level of room and board for patients who require personal 6826  
assistance and health-related services, but who do not require 6827  
skilled nursing care. 6828

(R) "Medical record" means the personal information that 6829  
relates to an individual's physical or mental condition, medical 6830  
history, or medical treatment. 6831

(S) (1) "Open panel plan" means a health care plan that 6832  
provides incentives for enrollees to use participating providers 6833  
and that also allows enrollees to use providers that are not 6834  
participating providers. 6835

(2) No health insuring corporation may offer an open panel 6836  
plan, unless the health insuring corporation is also licensed as 6837  
an insurer under Title XXXIX of the Revised Code, the health 6838  
insuring corporation, on June 4, 1997, holds a certificate of 6839  
authority or license to operate under Chapter 1736. or 1740. of 6840  
the Revised Code, or an insurer licensed under Title XXXIX of 6841  
the Revised Code is responsible for the out-of-network risk as 6842  
evidenced by both an evidence of coverage filing under section 6843  
1751.11 of the Revised Code and a policy and certificate filing 6844  
under section 3923.02 of the Revised Code. 6845

(T) "Osteopathic hospital" means a hospital registered 6846  
under section 3701.07 of the Revised Code that advocates 6847  
osteopathic principles and the practice and perpetuation of 6848  
osteopathic medicine by doing any of the following: 6849

(1) Maintaining a department or service of osteopathic 6850  
medicine or a committee on the utilization of osteopathic 6851  
principles and methods, under the supervision of an osteopathic 6852  
physician; 6853

(2) Maintaining an active medical staff, the majority of 6854  
which is comprised of osteopathic physicians; 6855

(3) Maintaining a medical staff executive committee that 6856  
has osteopathic physicians as a majority of its members. 6857

(U) "Panel" means a group of providers or health care 6858  
facilities that have joined together to deliver health care 6859  
services through a contractual arrangement with a health 6860

insuring corporation, employer group, or other payor. 6861

(V) "Person" has the same meaning as in section 1.59 of 6862  
the Revised Code, and, unless the context otherwise requires, 6863  
includes any insurance company holding a certificate of 6864  
authority under Title XXXIX of the Revised Code, any subsidiary 6865  
and affiliate of an insurance company, and any government 6866  
agency. 6867

(W) "Premium rate" means any set fee regularly paid by a 6868  
subscriber to a health insuring corporation. A "premium rate" 6869  
does not include a one-time membership fee, an annual 6870  
administrative fee, or a nominal access fee, paid to a managed 6871  
health care system under which the recipient of health care 6872  
services remains solely responsible for any charges accessed for 6873  
those services by the provider or health care facility. 6874

(X) "Primary care provider" means a provider that is 6875  
designated by a health insuring corporation to supervise, 6876  
coordinate, or provide initial care or continuing care to an 6877  
enrollee, and that may be required by the health insuring 6878  
corporation to initiate a referral for specialty care and to 6879  
maintain supervision of the health care services rendered to the 6880  
enrollee. 6881

(Y) "Provider" means any natural person or partnership of 6882  
natural persons who are licensed, certified, accredited, or 6883  
otherwise authorized in this state to furnish health care 6884  
services, or any professional association organized under 6885  
Chapter 1785. of the Revised Code, provided that nothing in this 6886  
chapter or other provisions of law shall be construed to 6887  
preclude a health insuring corporation, health care 6888  
practitioner, or organized health care group associated with a 6889  
health insuring corporation from employing certified nurse 6890

practitioners, certified nurse anesthetists, clinical nurse 6891  
specialists, certified nurse-midwives, pharmacists, dietitians, 6892  
physician assistants, dental assistants, dental hygienists, 6893  
optometric technicians, or other allied health personnel who are 6894  
licensed, certified, accredited, or otherwise authorized in this 6895  
state to furnish health care services. 6896

(Z) "Provider sponsored organization" means a corporation, 6897  
as defined in division (H) of this section, that is at least 6898  
eighty per cent owned or controlled by one or more hospitals, as 6899  
defined in section 3727.01 of the Revised Code, or one or more 6900  
physicians licensed to practice medicine or surgery or 6901  
osteopathic medicine and surgery under Chapter 4731. of the 6902  
Revised Code, or any combination of such physicians and 6903  
hospitals. Such control is presumed to exist if at least eighty 6904  
per cent of the voting rights or governance rights of a provider 6905  
sponsored organization are directly or indirectly owned, 6906  
controlled, or otherwise held by any combination of the 6907  
physicians and hospitals described in this division. 6908

(AA) "Solicitation document" means the written materials 6909  
provided to prospective subscribers or enrollees, or both, and 6910  
used for advertising and marketing to induce enrollment in the 6911  
health care plans of a health insuring corporation. 6912

(BB) "Subscriber" means a person who is responsible for 6913  
making payments to a health insuring corporation for 6914  
participation in a health care plan, or an enrollee whose 6915  
employment or other status is the basis of eligibility for 6916  
enrollment in a health insuring corporation. 6917

(CC) "Urgent care services" means those health care 6918  
services that are appropriately provided for an unforeseen 6919  
condition of a kind that usually requires medical attention 6920

without delay but that does not pose a threat to the life, limb, 6921  
or permanent health of the injured or ill person, and may 6922  
include such health care services provided out of the health 6923  
insuring corporation's approved service area pursuant to 6924  
indemnity payments or service agreements. 6925

**Sec. 1776.69.** (A) Pursuant to a written agreement of 6926  
merger or consolidation between the constituent entities as this 6927  
section provides, a domestic partnership and one or more 6928  
additional domestic or foreign entities may merge into a 6929  
surviving entity other than a domestic partnership, or a 6930  
domestic partnership together with one or more additional 6931  
domestic or foreign entities may consolidate into a new entity, 6932  
other than a domestic partnership, that is formed by the 6933  
consolidation. No merger or consolidation may be carried out 6934  
pursuant to this section unless it is permitted by the Revised 6935  
Code chapter under which each domestic constituent entity exists 6936  
and by the laws under which each foreign constituent entity 6937  
exists. 6938

(B) Any written agreement of any merger or consolidation 6939  
shall set forth all of the following: 6940

(1) The name and the form of entity of each constituent 6941  
entity and the state under the laws of which each constituent 6942  
entity exists; 6943

(2) In the case of a merger, that one or more specified 6944  
constituent domestic partnerships and other specified 6945  
constituent entities will be merged into a specified surviving 6946  
foreign entity or surviving domestic entity other than a 6947  
domestic partnership, or, in the case of a consolidation, that 6948  
the constituent entities will be consolidated into a new foreign 6949  
entity or a new domestic entity other than a domestic 6950



partnership; 6951

(3) If the surviving or new entity is a foreign 6952  
partnership, all statements and matters that section 1776.68 of 6953  
the Revised Code would require if the surviving or new entity 6954  
were a domestic partnership; 6955

(4) The name and the form of entity of the surviving or 6956  
new entity, the state under the laws of which the surviving 6957  
entity exists or the new entity is to exist, and the location of 6958  
the principal office of the surviving or new entity; 6959

(5) Any additional statements and matters required to be 6960  
set forth in an agreement of merger or consolidation by the laws 6961  
under which each constituent entity exists and, in the case of a 6962  
consolidation, the new entity is to exist; 6963

(6) If the surviving or new entity is a foreign entity, 6964  
the consent of the surviving or new foreign entity to be sued 6965  
and served with process in this state and the irrevocable 6966  
appointment of the secretary of state as its agent to accept 6967  
service of process in any proceeding in this state to enforce 6968  
against the surviving or new foreign entity any obligation of 6969  
any constituent domestic partnership or to enforce the rights of 6970  
a dissenting partner of any constituent domestic partnership; 6971

(7) If the surviving or new entity is a foreign 6972  
corporation that desires to transact business in this state as a 6973  
foreign corporation, a statement to that effect, together with a 6974  
statement regarding the appointment of a statutory agent and 6975  
service of any process, notice, or demand upon that statutory 6976  
agent or the secretary of state, as required when a foreign 6977  
corporation applies for a license to transact business in this 6978  
state; 6979

(8) If the surviving or new entity is a foreign limited partnership that desires to transact business in this state as a foreign limited partnership, a statement to that effect, together with all of the information required under section 1782.49 of the Revised Code when a foreign limited partnership registers to transact business in this state;

(9) If the surviving or new entity is a foreign limited liability company that desires to transact business in this state as a foreign limited liability company, a statement to that effect, together with all of the information required under section 1705.54 or 1706.511 of the Revised Code when a foreign limited liability company registers to transact business in this state;

(10) If the surviving or new entity is a foreign limited liability partnership that desires to transact business in this state as a foreign limited liability partnership, a statement to that effect, together with all of the information required under section 1776.86 of the Revised Code when a foreign limited liability partnership registers to transact business in this state.

(C) The written agreement of merger or consolidation also may set forth any additional provision permitted by the laws of any state under the laws of which any constituent entity exists, consistent with the laws under which the surviving entity exists or the new entity is to exist.

(D) To effect the merger or consolidation, the partners of each constituent domestic partnership shall adopt an agreement of merger or consolidation in the same manner and with the same notice to and vote or action of partners or of a particular class or group of partners as section 1776.68 of the Revised

Code requires. The agreement of merger or consolidation also 7010  
shall be approved or otherwise authorized by or on behalf of 7011  
each constituent entity in accordance with the laws under which 7012  
it exists. An agreement of merger or consolidation is not 7013  
effective against a person who would continue to be or who would 7014  
become a general partner of an entity that is the surviving or 7015  
new entity in a merger or consolidation unless that person 7016  
specifically agrees in writing either to continue or to become, 7017  
as the case may be, a general partner of the surviving or new 7018  
entity. 7019

(E) (1) At any time before filing the certificate of merger 7020  
or consolidation pursuant to section 1776.70 of the Revised 7021  
Code, if the agreement of merger or consolidation permits, the 7022  
partners of any constituent partnership, the directors of any 7023  
constituent corporation, or the comparable representatives of 7024  
any other constituent entity may abandon the merger or 7025  
consolidation. 7026

(2) The agreement of merger or consolidation may authorize 7027  
less than all of the partners of any constituent partnership, 7028  
the directors of any constituent corporation, or the comparable 7029  
representatives of any other constituent entity to amend the 7030  
agreement of merger or consolidation at any time before the 7031  
filing of the certificate of merger or consolidation, except 7032  
that, after the adoption of the agreement of merger or 7033  
consolidation by the partners of any constituent domestic 7034  
partnership, only with the approval of all the partners may any 7035  
agreement of merger or consolidation be amended to do any of the 7036  
following: 7037

(a) Alter or change the amount or kind of interests, 7038  
shares, evidences of indebtedness, other securities, cash, 7039

rights, or any other property to be received by partners of the 7040  
constituent domestic partnership in conversion of or in exchange 7041  
for their interests; 7042

(b) If the surviving or new entity is a partnership, alter 7043  
or change any term of the partnership agreement of the surviving 7044  
or new partnership, except for alterations or changes that could 7045  
be adopted by those partners by the terms of the partnership 7046  
agreement of the surviving or new partnership as would be in 7047  
effect after the merger or consolidation; 7048

(c) If the surviving or new entity is a corporation or any 7049  
other entity other than a partnership, alter or change any term 7050  
of the articles or comparable instrument of the surviving or new 7051  
corporation or entity, except for alterations or changes that 7052  
otherwise could be adopted by the directors or comparable 7053  
representatives of the surviving or new corporation or entity; 7054

(d) Alter or change any other terms and conditions of the 7055  
agreement of merger or consolidation if any of the alterations 7056  
or changes, alone or in the aggregate, would materially 7057  
adversely affect the partners or any class or group of partners 7058  
of the constituent domestic partnership. 7059

**Sec. 1776.82.** (A) The name of a limited liability 7060  
partnership shall contain "registered limited liability 7061  
partnership," "registered partnership having limited liability," 7062  
"limited liability partnership," "R.L.L.P.," "P.L.L.," "L.L.P.," 7063  
"RLLP," "PLL," or "LLP." 7064

(B) The name of a domestic registered limited liability 7065  
partnership or foreign limited liability partnership shall be 7066  
distinguishable upon the records in the office of the secretary 7067  
of state from all of the following: 7068

(1) The name of any other limited liability partnership registered in the office of the secretary of state pursuant to this chapter or Chapter 1775. of the Revised Code, whether domestic or foreign;

(2) The name of any domestic corporation that is formed under Chapter 1701. or 1702. of the Revised Code or any foreign corporation that is registered pursuant to Chapter 1703. of the Revised Code;

(3) The name of any limited liability company registered in the office of the secretary of state pursuant to Chapter 1705. or 1706. of the Revised Code, whether domestic or foreign;

(4) The name of any limited partnership registered in the office of the secretary of state pursuant to Chapter 1782. of the Revised Code, whether domestic or foreign;

(5) Any trade name the exclusive right to which is at the time in question registered in the office of the secretary of state pursuant to Chapter 1329. of the Revised Code.

**Sec. 1782.02.** (A) The name of any limited partnership, as set forth in its certificate of limited partnership, shall include "Limited Partnership," "L.P.," "Limited," or "Ltd." and shall not contain the name of a limited partner unless either of the following are true:

(1) It is also the name of a general partner;

(2) The business of the limited partnership had been carried on under that name before the admission of that limited partner.

(B) The name of a limited partnership shall be distinguishable upon the records in the office of the secretary

of state from all of the following: 7097

(1) The name of any other limited partnership registered 7098  
in the office of the secretary of state pursuant to this 7099  
chapter, whether domestic or foreign; 7100

(2) The name of any domestic corporation that is formed 7101  
under Chapter 1701. or 1702. of the Revised Code or any foreign 7102  
corporation that is registered pursuant to Chapter 1703. of the 7103  
Revised Code; 7104

(3) The name of any limited liability company registered 7105  
in the office of the secretary of state pursuant to Chapter 7106  
1705. or 1706. of the Revised Code, whether domestic or foreign; 7107

(4) The name of any limited liability partnership 7108  
registered in the office of the secretary of state pursuant to 7109  
Chapter 1775. or 1776. of the Revised Code, whether domestic or 7110  
foreign; 7111

(5) Any trade name the exclusive right to which is at the 7112  
time in question registered in the office of the secretary of 7113  
state pursuant to Chapter 1329. of the Revised Code. 7114

**Sec. 1782.432.** (A) Pursuant to an agreement of merger or 7115  
consolidation between the constituent entities as provided in 7116  
this section, a domestic limited partnership and one or more 7117  
additional domestic or foreign entities may be merged into a 7118  
surviving entity other than a domestic limited partnership, or a 7119  
domestic limited partnership together with one or more 7120  
additional domestic or foreign entities may be consolidated into 7121  
a new entity other than a domestic limited partnership to be 7122  
formed by such consolidation. The merger or consolidation must 7123  
be permitted by the chapter of the Revised Code under which each 7124  
domestic constituent entity exists and by the laws under which 7125

each foreign constituent entity exists. 7126

(B) The agreement of merger or consolidation shall set 7127  
forth all of the following: 7128

(1) The name and the form of entity of each constituent 7129  
entity and the state under the laws of which each constituent 7130  
entity exists; 7131

(2) In the case of a merger, that one or more specified 7132  
constituent domestic limited partnerships and other specified 7133  
constituent entities will be merged into a specified surviving 7134  
foreign entity or surviving domestic entity other than a 7135  
domestic limited partnership, or, in the case of a 7136  
consolidation, that the constituent entities will be 7137  
consolidated into a new foreign entity or a new domestic entity 7138  
other than a domestic limited partnership; 7139

(3) If the surviving or new entity is a foreign limited 7140  
partnership, all additional statements and matters, other than 7141  
the name and address of the statutory agent, that would be 7142  
required by section 1782.431 of the Revised Code if the 7143  
surviving or new entity were a domestic limited partnership; 7144

(4) The name and the form of entity of the surviving or 7145  
new entity, the state under the laws of which the surviving 7146  
entity exists or the new entity is to exist, and the location of 7147  
the principal office of the surviving or new entity; 7148

(5) All additional statements and matters required to be 7149  
set forth in such an agreement of merger or consolidation by the 7150  
laws under which each constituent entity exists and, in the case 7151  
of a consolidation, the new entity is to exist; 7152

(6) The consent of the surviving or new entity to be sued 7153  
and served with process in this state and the irrevocable 7154

appointment of the secretary of state as its agent to accept 7155  
service of process in any proceeding in this state to enforce 7156  
against the surviving or new entity any obligation of any 7157  
constituent domestic limited partnership or to enforce the 7158  
rights of a dissenting partner of any constituent domestic 7159  
limited partnership; 7160

(7) If the surviving or new entity is a foreign 7161  
corporation that desires to transact business in this state as a 7162  
foreign corporation, a statement to that effect, together with a 7163  
statement regarding the appointment of a statutory agent and 7164  
service of any process, notice, or demand upon that statutory 7165  
agent or the secretary of state, as required when a foreign 7166  
corporation applies for a license to transact business in this 7167  
state; 7168

(8) If the surviving or new entity is a foreign limited 7169  
partnership that desires to transact business in this state as a 7170  
foreign limited partnership, a statement to that effect, 7171  
together with all of the information required under section 7172  
1782.49 of the Revised Code when a foreign limited partnership 7173  
registers to transact business in this state; 7174

(9) If the surviving or new entity is a foreign limited 7175  
liability company that desires to transact business in this 7176  
state as a foreign limited liability company, a statement to 7177  
that effect, together with all of the information required under 7178  
section 1705.54 or 1706.511 of the Revised Code when a foreign 7179  
limited liability company registers to transact business in this 7180  
state. 7181

(C) The agreement of merger or consolidation also may set 7182  
forth any additional provision permitted by the laws of any 7183  
state under the laws of which any constituent entity exists, 7184



consistent with the laws under which the surviving entity exists 7185  
or the new entity is to exist. 7186

(D) To effect the merger or consolidation, the agreement 7187  
of merger or consolidation shall be adopted by the general 7188  
partners of each constituent domestic limited partnership, in 7189  
the same manner and with the same notice to and vote or action 7190  
of partners or of a particular class or group of partners as is 7191  
required by section 1782.431 of the Revised Code. The agreement 7192  
of merger or consolidation also shall be approved or otherwise 7193  
authorized by or on behalf of each constituent entity in 7194  
accordance with the laws under which it exists. Each person who 7195  
will continue to be or who will become a general partner of a 7196  
partnership that is the surviving or new entity in a merger or 7197  
consolidation shall specifically agree to continue or to become, 7198  
as the case may be, a general partner of the surviving or new 7199  
entity. 7200

(E) At any time before the filing of the certificate of 7201  
merger or consolidation pursuant to section 1782.433 of the 7202  
Revised Code, the merger or consolidation may be abandoned by 7203  
the general partners of any constituent partnership, the 7204  
directors of any constituent corporation, or the comparable 7205  
representatives of any other constituent entity if the general 7206  
partners, directors, or comparable representatives are 7207  
authorized to do so by the agreement of merger or consolidation. 7208  
The agreement of merger or consolidation may contain a provision 7209  
authorizing the general partners of any constituent partnership, 7210  
the directors of any constituent corporation, or the comparable 7211  
representatives of any other constituent entity to amend the 7212  
agreement of merger or consolidation at any time before the 7213  
filing of the certificate of merger or consolidation, except 7214  
that after the adoption of the agreement of merger or 7215

consolidation by the limited partners of any constituent 7216  
domestic limited partnership, the general partners shall not be 7217  
authorized to amend the agreement of merger or consolidation to 7218  
do any of the following: 7219

(1) Alter or change the amount or kind of interests, 7220  
shares, evidences of indebtedness, other securities, cash, 7221  
rights, or any other property to be received by limited partners 7222  
of the constituent domestic limited partnership in conversion of 7223  
or in substitution for their interests; 7224

(2) If the surviving or new entity is a partnership, alter 7225  
or change any term of the partnership agreement of the surviving 7226  
or new partnership, except for alterations or changes that 7227  
otherwise could be adopted by the general partners of the 7228  
surviving or new partnership; 7229

(3) If the surviving or new entity is a corporation or any 7230  
other entity other than a partnership, alter or change any term 7231  
of the articles or comparable instrument of the surviving or new 7232  
corporation or entity, except for alterations or changes that 7233  
otherwise could be adopted by the directors or comparable 7234  
representatives of the surviving or new corporation or entity; 7235

(4) Alter or change any other terms and conditions of the 7236  
agreement of merger or consolidation if any of the alterations 7237  
or changes, alone or in the aggregate, would materially 7238  
adversely affect the limited partners or any class or group of 7239  
limited partners of the constituent domestic limited 7240  
partnership. 7241

**Sec. 1785.09.** This chapter does not preclude the rendering 7242  
of a professional service within this state by a corporation 7243  
formed under division (B) of section 1701.03 of the Revised 7244

Code, a limited liability company formed under Chapter 1705. or 7245  
1706. of the Revised Code, or a foreign limited liability 7246  
company registered with the secretary of state and transacting 7247  
business in this state in accordance with sections 1705.53 to 7248  
1705.58 or 1706.51 to 1706.516 of the Revised Code. 7249

**Sec. 3345.203.** (A) As used in this section: 7250

(1) "Claims expenses" means payment of judgments, 7251  
settlement of claims, expense, loss, and damage. 7252

(2) "State university or college" has the same meaning as 7253  
in section 3345.12 of the Revised Code. 7254

(B) Regardless of whether a state university or college 7255  
secures insurance coverages under division (B) (1), (2), or (3) 7256  
of section 3345.202 of the Revised Code, the board of trustees 7257  
of the state university or college may join with other state 7258  
universities or colleges in establishing and maintaining a joint 7259  
self-insurance pool to do both of the following: 7260

(1) Provide for payment of claims expenses that arise, or 7261  
are claimed to have arisen, from an act or omission of the state 7262  
university or college or any of its employees or other persons 7263  
authorized by the board while doing either of the following: 7264

(a) Acting in the scope of their employment or official 7265  
responsibilities; 7266

(b) Being engaged in activities undertaken at the request 7267  
or direction, or for the benefit, of the state university or 7268  
college. 7269

(2) Indemnify or hold harmless the state university's or 7270  
college's employees against such loss or damage. 7271

The joint self-insurance pool shall be pursuant to a 7272

written agreement and to the extent that the board considers the pool to be necessary. 7273  
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(C) All of the following apply to a joint self-insurance pool under this section: 7275  
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(1) The funds shall be reserved as are necessary, in the exercise of sound and prudent actuarial judgment, to cover potential state university or college and employee liabilities, loss, and damage. A report of aggregate amounts so reserved and aggregate disbursements made from such funds shall be prepared and maintained in the office of the pool administrator described in division (C) (2) of this section. The report shall be prepared and maintained not later than ninety days after the close of the pool's fiscal year. 7277  
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The report required by this division shall include, but not be limited to, the aggregate of disbursements made for the administration of the pool, including claims paid, costs of the legal representation of state universities or colleges and employees, and fees paid to consultants. The report also shall be accompanied by a written report of a member of the American academy of actuaries certifying whether the amounts reserved conform to the requirements of this division, are computed in accordance with accepted loss reserving standards, and are fairly stated in accordance with sound loss reserving principles. 7286  
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The pool administrator described in division (C) (2) of this section shall make the report required by this division available for inspection by any person at all reasonable times during regular business hours. Upon the request of such person, the pool administrator shall make copies of the report available at cost within a reasonable period of time. The pool 7297  
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administrator also shall submit a copy of the report to the 7303  
auditor of state. The report required by this division is in 7304  
lieu of the records required by division (A) of section 149.431 7305  
of the Revised Code. 7306

(2) The board of trustees establishing a joint self- 7307  
insurance pool may award a contract, without the necessity of 7308  
competitive bidding, to a pool administrator for purposes of 7309  
administration of the joint self-insurance pool. A "pool 7310  
administrator" may be any person, political subdivision, limited 7311  
liability company organized under Chapter 1705. or 1706. of the 7312  
Revised Code, nonprofit corporation organized under Chapter 7313  
1702. of the Revised Code, or regional council of governments 7314  
created under Chapter 167. of the Revised Code. The board shall 7315  
not enter into such a contract without full, prior, public 7316  
disclosure of all terms and conditions. The disclosure shall 7317  
include, at a minimum, a statement listing all representations 7318  
made in connection with any possible savings and losses 7319  
resulting from the contract, and potential liability of any 7320  
state university or college or employee. The proposed contract 7321  
and statement shall be disclosed and presented at a meeting of 7322  
the board of trustees of the state university or college prior 7323  
to the meeting at which the board of trustees of the state 7324  
university or college authorizes the contract. 7325

(3) A joint self-insurance pool shall include a contract 7326  
with a member of the American academy of actuaries for the 7327  
preparation of the written evaluation of the reserve funds 7328  
required under division (C)(1) of this section. 7329

(4) A joint self-insurance pool may allocate the costs of 7330  
funding the pool among the funds or accounts in the treasuries 7331  
of the state universities or colleges on the basis of their 7332

relative exposure and loss experience. A joint self-insurance 7333  
program may require any deductible under the program to be paid 7334  
from funds or accounts in the treasury of the state university 7335  
or college from which a loss was directly attributable. 7336

(D) Two or more state universities or colleges may also 7337  
authorize the establishment and maintenance of a joint risk- 7338  
management program, including but not limited to the employment 7339  
of risk managers and consultants, for the purpose of preventing 7340  
and reducing the risks covered by insurance, self-insurance, or 7341  
joint self-insurance programs. A joint risk-management program 7342  
shall not include fidelity, surety, or guarantee bonding. 7343

(E) A state university or college is not liable under a 7344  
joint self-insurance pool for any amount in excess of amounts 7345  
payable pursuant to the written agreement for the participation 7346  
of the state university or college in the joint self-insurance 7347  
pool. Under a joint self-insurance pool agreement a state 7348  
university or college may, to the extent permitted under the 7349  
written agreement, assume the risks of any other state 7350  
university or college, including the indemnification of its 7351  
employees. A joint self-insurance pool, established under this 7352  
section, is deemed a separate legal entity for the public 7353  
purpose of enabling the members of the joint self-insurance pool 7354  
to obtain insurance or to provide for a formalized, jointly 7355  
administered self-insurance fund for its members. An entity 7356  
created pursuant to this section is exempt from all state and 7357  
local taxes. 7358

(F) (1) In the manner provided by and subject to the 7359  
applicable provisions of section 3345.12 of the Revised Code, 7360  
any state university or college may issue obligations and may 7361  
also issue notes in anticipation of such obligations, pursuant 7362

to a resolution of its board of trustees or other governing body 7363  
for the purpose of providing funds to do both of the following: 7364

(a) Pay claims expenses, whether by way of a reserve or 7365  
otherwise; 7366

(b) Pay the state university or college's portion of the 7367  
cost of establishing and maintaining a joint self-insurance pool 7368  
or to provide for the reserve in a special fund authorized by 7369  
division (C) (1) of this section. 7370

(2) Sections 9.98 to 9.983 of the Revised Code apply to 7371  
bonds or notes authorized under this section. 7372

(G) (1) A joint self-insurance pool, in addition to its 7373  
powers to provide self-insurance against any and all liabilities 7374  
under this chapter, may also include any one or more of the 7375  
following forms of property or casualty self-insurance for the 7376  
purpose of covering any other liabilities or risks of the 7377  
members of the pool: 7378

(a) Public general liability, professional liability, or 7379  
employee liability; 7380

(b) Individual or fleet motor vehicle or automobile 7381  
liability and protection against other liability and loss 7382  
associated with the ownership, maintenance, and use of motor 7383  
vehicles; 7384

(c) Aircraft liability and protection against other 7385  
liability and loss associated with the ownership, maintenance, 7386  
and use of aircraft; 7387

(d) Loss or damage to property and loss of use and 7388  
occupancy of property by fire, lightning, hail, tempest, flood, 7389  
earthquake, or snow, explosion, accident, or other risk; 7390

(e) Marine, inland transportation and navigation, boiler,	7391
containers, pipes, engines, flywheels, elevators, and machinery;	7392
(f) Environmental impairment;	7393
(g) Loss or damage by any hazard upon any other risk to	7394
which state universities or colleges are subject, which is not	7395
prohibited by statute or at common law from being the subject of	7396
casualty or property insurance.	7397
(2) A joint self-insurance pool is not an insurance	7398
company. Its operation does not constitute doing an insurance	7399
business and is not subject to the insurance laws of this state.	7400
(H) A public official or employee of a state university or	7401
college who is or becomes a member of the governing body of a	7402
joint self-insurance pool in which the state university or	7403
college participates is not in violation of any of the following	7404
as a result of the state university or college entering into the	7405
written agreement to participate in the pool or into any	7406
contract with the pool:	7407
(1) Division (D) or (E) of section 102.03 of the Revised	7408
Code;	7409
(2) Division (C) of section 102.04 of the Revised Code;	7410
(3) Section 2921.42 of the Revised Code.	7411
(I) This section shall not be construed to affect the	7412
ability of any state university or college to self-insure under	7413
the authority conferred by any other section of the Revised	7414
Code.	7415
(J) The establishment or participation in a joint self-	7416
insurance pool under this section shall not constitute a waiver	7417
of any immunity or defense available to the member state	7418



university or college or to any covered entity. 7419

(K) (1) Both of the following shall be determined in the 7420  
court of claims pursuant to section 2743.02 of the Revised Code: 7421

(a) Any claims or litigation relating to the 7422  
administration of a joint self-insurance pool created pursuant 7423  
to this section, including any immunities or defenses; 7424

(b) Any claims relating to the scope of or denial of 7425  
coverage under that pool or its administration. 7426

(2) The pool administrator described in division (C) (2) of 7427  
this section and its employees, while in the course of 7428  
administering a joint self-insurance pool under this section, 7429  
shall: 7430

(a) Be deemed to be an instrumentality of the state for 7431  
the purposes of Chapter 2743. of the Revised Code; 7432

(b) Be deemed to be performing a public duty, as defined 7433  
in section 2743.01 of the Revised Code; and 7434

(c) Have the defenses to, and immunities from, civil 7435  
liability provided in section 2743.02 of the Revised Code. 7436

**Sec. 3964.03.** (A) A captive insurance company shall be 7437  
organized under Chapter 1701., 1702., ~~or 1705.~~ or 1706. of the 7438  
Revised Code. 7439

(B) A captive insurance company shall not operate in this 7440  
state unless all of the following are met: 7441

(1) The captive insurance company obtains from the 7442  
superintendent a license to do the business of captive insurance 7443  
in this state. 7444

(2) The captive insurance company's board of directors 7445

holds at least one meeting each year in this state. 7446

(3) The captive insurance company maintains its principal 7447  
place of business in this state. 7448

(4) The person managing the captive insurance company is a 7449  
resident of this state. 7450

(5) The captive insurance company appoints a registered 7451  
agent to accept service of process and act on its behalf in this 7452  
state. 7453

(C) Whenever an agent required under division (B) (5) of 7454  
this section cannot, with reasonable diligence, be found at the 7455  
registered office of the captive insurance company, the 7456  
superintendent shall be an agent of such a captive insurance 7457  
company upon whom any process, notice, or demand may be served. 7458

(D) A captive insurance company seeking a license to be a 7459  
captive insurance company in this state shall file an 7460  
application with the superintendent and shall submit all of the 7461  
following along with the application: 7462

(1) A certified copy of its articles of incorporation, 7463  
bylaws, or other organizational document and code of 7464  
regulations; 7465

(2) A statement, made under oath by the president and 7466  
secretary, in a form prescribed by the superintendent, showing 7467  
the captive insurance company's financial condition; 7468

(3) A statement of the captive insurance company's assets 7469  
relative to its risks, detailing the amount of assets and their 7470  
liquidity; 7471

(4) An account of the adequacy of the expertise, 7472  
experience, and character of the person or persons who will 7473

manage the captive insurance company; 7474

(5) An account of the loss prevention programs of the 7475  
persons that the captive insurance company insures; 7476

(6) Actuarial assumptions and methodologies that will be 7477  
utilized in calculating reserves; 7478

(7) Any other information considered necessary by the 7479  
superintendent to determine whether the proposed captive 7480  
insurance company will be able to meet its obligations. 7481

(E) (1) A special purpose financial captive insurance 7482  
company shall follow the national association of insurance 7483  
commissioner's accounting practices and procedures manual. 7484

(2) (a) Upon request, the superintendent may allow a 7485  
special purpose financial captive insurance company to use a 7486  
reserve basis other than that found in the national association 7487  
of insurance commissioner's accounting practices and procedures 7488  
manual. 7489

(b) The superintendent, in accordance with Chapter 119. of 7490  
the Revised Code, shall adopt rules that define acceptable 7491  
alternative reserve bases. 7492

(c) Such rules shall be adopted prior to availability for 7493  
use of any such alternative reserve basis and shall ensure that 7494  
the resulting reserves meet all of the following conditions: 7495

(i) Quantify the benefits and guarantees, and the funding, 7496  
associated with the contracts and their risks at a level of 7497  
conservatism that reflects conditions that include unfavorable 7498  
events that have a reasonable probability of occurring during 7499  
the lifetime of the contracts. For policies or contracts with 7500  
significant tail risk, reflects conditions appropriately adverse 7501

to quantify the tail risk. 7502

(ii) Incorporate assumptions, risk analysis methods, and 7503  
financial models and management techniques that are consistent 7504  
with, but not necessarily identical to, those utilized within 7505  
the company's overall risk assessment process, while recognizing 7506  
potential differences in financial reporting structures and any 7507  
prescribed assumptions or methods; 7508

(iii) Provide margins for uncertainty including adverse 7509  
deviation and estimation error, such that the greater the 7510  
uncertainty the larger the margin and resulting reserve. 7511

(d) An alternative basis for calculating a reserve 7512  
approved by the superintendent shall be treated as a public 7513  
document after the date the alternative basis for calculating 7514  
the reserve has been approved, regardless of the application of 7515  
the uniform trade secrets act set forth in sections 1333.61 to 7516  
1333.69 of the Revised Code. 7517

(3) The special purpose financial captive insurance 7518  
company shall submit a request for an alternative reserve basis 7519  
in writing, and affirmed by the company's appointed actuary, 7520  
that includes, at a minimum, the following information for the 7521  
superintendent to consider in evaluating the request: 7522

(a) The reserves based on the national association of 7523  
insurance commissioner's accounting practices and procedures 7524  
manual and the reserves based on the proposed alternative method 7525  
for calculation and the difference between these two 7526  
calculations; 7527

(b) A detailed analysis of the proposed alternative method 7528  
explaining why the use of an alternative basis for calculating 7529  
the reserve is appropriate; 7530

(c) All assumptions utilized within the proposed 7531  
alternative method, together with the source of the assumptions, 7532  
as well as information, satisfactory to the superintendent, 7533  
supporting the appropriateness of the assumptions and analysis 7534  
and identifying the assumptions that result in the greatest 7535  
variability in the reserve and how that analysis was used in 7536  
setting those assumptions; 7537

(d) A detailed overview of the corporate governance and 7538  
oversight of the actuarial valuation function; 7539

(e) Any other information the superintendent may require 7540  
to assess the proposed alternative method for approval or 7541  
disapproval. 7542

(4) At the expense of the special purpose financial 7543  
captive insurance company, the superintendent may require the 7544  
company to secure the affirmation of an independent qualified 7545  
actuary in support of any alternative basis for calculating the 7546  
reserve that is requested pursuant to this section or to assist 7547  
the superintendent in the review of said request. 7548

(5) If the superintendent approves the use of an 7549  
alternative basis for calculating a reserve, the special purpose 7550  
financial captive insurance company, and the ceding insurer 7551  
shall each include a note in its financial statements disclosing 7552  
the use of a basis other than the national association of 7553  
insurance commissioner's accounting practices and procedures 7554  
manual and the difference between the reserve amount determined 7555  
under the alternative basis and the reserve amount that would 7556  
have been determined had the company utilized the national 7557  
association of insurance commissioner's accounting practices and 7558  
procedures manual. 7559

(6) (a) The superintendent shall establish an acceptable total capital and surplus requirement for each insurance company that will cede risks and obligations to a special purpose financial captive insurance company. The total capital and surplus requirement must be met at the time the special purpose financial captive insurance company applies for a license to do the business of captive insurance. The total capital and surplus requirement shall be determined in accordance with a minimum required total capital and surplus methodology that meets both of the following requirements:

(i) Is consistent with current risk-based capital principles;

(ii) Takes into account all material risks and obligations, as well as the assets, of the insurance company.

(b) An insurance company ceding risks and obligations to a special purpose financial captive insurance company shall fully disclose all material risks and obligations, as well as its assets and all affiliated captive insurance company risks. The ceding insurance company shall advise the superintendent whenever there is a material change to such risks, obligations, or assets.

(F) In determining whether to approve an application for a license, the superintendent shall consider all of the following:

(1) The character, reputation, financial standing, and purposes of the incorporators, or other founders, of the captive insurance company;

(2) The character, reputation, financial responsibility, experience relating to insurance, and business qualifications of the officers and directors of the captive insurance company;

(3) The amount of liquidity and assets of the captive insurance company relative to the risks to be assumed;	7589 7590
(4) The adequacy of the expertise, experience, and character of the person or persons who will manage the captive insurance company;	7591 7592 7593
(5) The overall soundness of the plan of operation;	7594
(6) The adequacy of the loss prevention programs of the persons that the captive insurance company insures.	7595 7596
(G) (1) Each captive insurance company that offers direct insurance to its parent shall submit to the superintendent for approval a detailed description of the coverages, deductibles, coverage limits, proposed rates or rating plans, documentation from a qualified actuary that demonstrates the actuarial soundness of the proposed rates or rating plans, and other such additional information as the superintendent may require.	7597 7598 7599 7600 7601 7602 7603
(2) (a) Any captive insurance company licensed under the provisions of this chapter that seeks to make any material change to any item described in division (G) (1) of this section shall submit to the superintendent for approval a detailed description of the revision, documentation from a qualified actuary that demonstrates the actuarial soundness of the revised rates or rating plans, and other such additional information as the superintendent may require.	7604 7605 7606 7607 7608 7609 7610 7611
(b) Each filing under division (G) (2) (a) of this section is deemed approved thirty days after the filing is received by the superintendent of insurance, unless the filing is disapproved by the superintendent during that thirty-day period.	7612 7613 7614 7615
(c) If at any time subsequent to the thirty-day review period the superintendent finds that a filing does not	7616 7617

demonstrate actuarial soundness, the superintendent shall hold a hearing requiring the captive insurance company to show cause why an order should not be made by the superintendent to disapprove the revised rates or rating plans.

(d) If, upon such a hearing, the superintendent finds that the captive insurance company failed to demonstrate the actuarial soundness of the rates or rating plans, the superintendent shall issue an order directing the captive insurance company to cease and desist from using the revised rates or rating plans and to use rates or rating plans as determined appropriate by the superintendent.

(H) Except as otherwise provided in this division, documents and information submitted by a captive insurance company pursuant to this section are not subject to section 149.43 of the Revised Code, and are confidential, and may not be disclosed by the superintendent or any employee of the department of insurance without the written consent of the company.

(1) Such documents and information may be discoverable in a civil action in which the captive insurance company filing the material is a party upon a finding by a court of competent jurisdiction that the information sought is relevant and necessary to the case and the information sought is unavailable from other, nonconfidential sources.

(2) The superintendent may, at the superintendent's sole discretion, share documents required under this section with the chief deputy rehabilitator, the chief deputy liquidator, other deputy rehabilitators and liquidators, and any other person employed by, or acting on behalf of the superintendent pursuant to Chapter 3901. or 3903. of the Revised Code, with other local,



state, federal, and international regulatory and law enforcement 7648  
agencies, with local, state, and federal prosecutors, and with 7649  
the national association of insurance commissioners and its 7650  
affiliates and subsidiaries provided that the recipient agrees 7651  
to maintain the confidential or privileged status of the 7652  
documents and has authority to do so. 7653

(I) (1) Each applicant for a license to do the business of 7654  
a captive insurance company in this state shall pay to the 7655  
superintendent a nonrefundable fee of five hundred dollars for 7656  
processing its application for a license. The superintendent is 7657  
authorized to retain legal, financial, and examination services 7658  
from outside the department, at the expense of the applicant. 7659  
Each captive insurance company shall annually pay a license 7660  
renewal fee of five hundred dollars. 7661

(2) The fees collected pursuant to division (I) (1) of this 7662  
section shall be deposited into the state treasury to the credit 7663  
of the captive insurance regulation and supervision fund created 7664  
under section 3964.15 of the Revised Code. 7665

**Sec. 3964.17.** (A) As used in sections 3964.17 to 3964.1710 7666  
of the Revised Code: 7667

(1) "Protected cell" means an incorporated cell that is 7668  
organized pursuant to Chapter 1701., 1702., ~~or 1705.~~, or 1706. 7669  
of the Revised Code and that has a separate legal identity from 7670  
the protected cell captive insurance company of which it is a 7671  
part. 7672

(2) "Protected cell captive insurance company" means a 7673  
captive insurance company that meets all of the following 7674  
requirements: 7675

(a) Is formed and licensed under the provisions of this 7676

chapter; 7677

(b) Insures or reinsures the risks of separate 7678  
participants through a participant contract; 7679

(c) Segregates each participant's liability into a 7680  
protected cell. 7681

(3) "Participant" means an individual, company, 7682  
corporation, partnership, limited liability company, and their 7683  
affiliated entities that insure or reinsure with a protected 7684  
cell. "Participant" includes an insurance agent licensed in this 7685  
state that accepts a stated percentage of risk on a pro rata 7686  
basis within a defined category of business underwritten by a 7687  
licensed insurance company that is domiciled in this state and 7688  
that is affiliated with a protected cell captive insurance 7689  
company. 7690

(4) "Participant contract" means a contract by which a 7691  
protected cell insures or reinsures the risks of a participant. 7692

(a) A participant that is not an insurance agent licensed 7693  
in this state shall insure or reinsure only its own risks 7694  
through a protected cell. 7695

(b) If the participant is an insurance agent licensed in 7696  
this state, the participant contract must define each risk 7697  
covered by the contract with fixed and certain terms. 7698

(B) A captive insurance company may be organized as a 7699  
protected cell captive insurance company and shall be permitted 7700  
to form one or more protected cells under this section to insure 7701  
or reinsure risks of one or more participants. 7702

(C) The assets and liabilities of each protected cell 7703  
shall be held separately from the assets and liabilities of all 7704

other protected cells. 7705

(D) A protected cell of a protected cell captive insurance 7706  
company shall be organized pursuant to Chapter 1701., 1702., ~~or~~ 7707  
1705., or 1706. of the Revised Code. 7708

(E) A protected cell captive insurance company shall, at 7709  
the time of paying the annual fee required under section 3964.13 7710  
of the Revised Code, pay an additional annual fee for each 7711  
protected cell in an amount to be established by the 7712  
superintendent. 7713

(F) Each protected cell of a protected cell captive 7714  
insurance company shall be treated as a captive insurance 7715  
company for purposes of this chapter. 7716

(G) Unless otherwise permitted by the articles of 7717  
incorporation, bylaws, code of regulations, or other 7718  
organizational document of a protected cell captive insurance 7719  
company, each protected cell of the protected cell captive 7720  
insurance company shall have the same directors, secretary, and 7721  
registered office as the protected cell captive insurance 7722  
company. 7723

(H) A protected cell captive insurance company may provide 7724  
in its articles of incorporation, bylaws, code of regulations, 7725  
or other organizational documents that a protected cell it 7726  
creates shall be wound up and dissolved upon any of the 7727  
following: 7728

(1) The bankruptcy, death, expulsion, insanity, 7729  
resignation, or retirement of any participant of the protected 7730  
cell; 7731

(2) The happening of some event that is not the expiration 7732  
of a fixed period of time; 7733

- (3) The expiration of a fixed period of time. 7734
- (I) (1) The articles of incorporation, bylaws, code of regulations, or other organizational documents, of a protected cell captive insurance company shall provide that a protected cell shall not own shares or membership interests in the protected cell captive insurance company of which it is a part. 7735  
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- (2) Such a document may provide that a protected cell may own shares or membership interests in any other protected cell of the protected cell captive insurance company of which it is a part. 7740  
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- (J) The name of a protected cell captive insurance company shall include the words "protected cell captive" or the abbreviation "PCC." 7744  
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- (K) A protected cell captive insurance company shall assign a distinctive name to each of its protected cells that meets all of the following: 7747  
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- (1) The name identifies the protected cell as being part of the protected cell captive insurance company. 7750  
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- (2) The name distinguishes the protected cell from any other protected cell of the protected cell captive insurance company. 7752  
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- (3) The name includes the words "protected cell" or the abbreviation "PC." 7755  
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- (L) A protected cell may enter into an agreement with its protected cell captive insurance company or with another protected cell of the same protected cell captive insurance company. 7757  
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- (M) (1) The assets of a protected cell captive insurance 7761

company shall be either cell assets or general assets. 7762

(2) The cell assets comprise the assets of the protected 7763  
cell captive insurance company that are held within or on behalf 7764  
of its protected cells. 7765

(3) The general assets of a protected cell captive 7766  
insurance company comprise the assets of the protected cell 7767  
captive insurance company that are not cell assets. 7768

(N) (1) The liabilities of a protected cell captive 7769  
insurance company shall be either cell liabilities or general 7770  
liabilities. 7771

(2) The cell liabilities comprise the obligations of the 7772  
protected cell captive insurance company attributable to its 7773  
protected cells. 7774

(3) The general liabilities of a protected cell captive 7775  
insurance company comprise the obligations of the protected cell 7776  
captive insurance company that are not cell liabilities. 7777

(O) Each protected cell insurance company shall account 7778  
separately on its books and records for each of its protected 7779  
cells to reflect the financial condition and results of 7780  
operations of the protected cell, including net income or loss, 7781  
dividends or other distributions to participants, and such other 7782  
factors as may be provided by participant contracts or required 7783  
by the superintendent. 7784

(P) Each protected cell captive insurance company shall 7785  
annually file with the superintendent such financial reports as 7786  
the superintendent requires, which shall include financial 7787  
statements detailing the financial experience of each protected 7788  
cell and a statement regarding the adequacy of reserves kept to 7789  
make full provision for the liabilities insured by each 7790

protected cell. 7791

(Q) An officer or manager of a protected cell captive 7792  
insurance company shall immediately notify the superintendent if 7793  
any protected cell of the protected cell captive insurance 7794  
company or the protected cell captive insurance company itself 7795  
is trending toward reserves that are inadequate, or if a 7796  
protected cell or the protected cell captive insurance company 7797  
becomes insolvent or is otherwise unable to meet its claims or 7798  
other obligations. 7799

(R) The duties of a director of a protected cell captive 7800  
insurance company under this chapter shall be in addition to, 7801  
and not in lieu of, those under other applicable law. 7802

**Sec. 4701.14.** (A) Except as permitted by rules adopted by 7803  
the accountancy board, no individual shall assume or use the 7804  
title or designation "certified public accountant," "certified 7805  
accountant," "chartered accountant," "enrolled accountant," 7806  
"licensed accountant," or "registered accountant," or any other 7807  
title or designation likely to be confused with "certified 7808  
public accountant," or any of the abbreviations "CPA," "PA," 7809  
"CA," "EA," "LA," or "RA," or similar abbreviations likely to be 7810  
confused with "CPA," or any other title, designation, words, 7811  
letters, abbreviation, sign, card, or device tending to indicate 7812  
that the individual is a certified public accountant, unless the 7813  
individual holds a CPA certificate and holds an Ohio permit. 7814  
However, an individual who possesses a foreign certificate, has 7815  
registered under section 4701.09 of the Revised Code, and holds 7816  
an Ohio permit may use the title permitted under the laws of the 7817  
individual's other licensing jurisdiction, followed by the name 7818  
of the jurisdiction. 7819

(B) Except as permitted by rules adopted by the board, no 7820

individual shall assume or use the title or designation "public 7821  
accountant," "certified public accountant," "certified 7822  
accountant," "chartered accountant," "enrolled accountant," 7823  
"registered accountant," or "licensed accountant," or any other 7824  
title or designation likely to be confused with "public 7825  
accountant," or any of the abbreviations "PA," "CPA," "CA," 7826  
"EA," "LA," or "RA," or similar abbreviations likely to be 7827  
confused with "PA," or any other title, designation, words, 7828  
letters, abbreviation, sign, card, or device tending to indicate 7829  
that the individual is a public accountant, unless the 7830  
individual holds a PA registration and holds an Ohio permit, or 7831  
unless the individual holds a CPA certificate. An individual who 7832  
holds a PA registration and an Ohio permit may hold self out to 7833  
the public as an "accountant" or "auditor." 7834

(C) Except as provided in divisions (C)(1), (2), (3), and 7835  
(4) of this section, no partnership, professional association, 7836  
corporation-for-profit, limited liability company, or other 7837  
business organization not addressed in this section that is 7838  
practicing public accounting in this state shall assume or use 7839  
the title or designation "certified public accountant," "public 7840  
accountant," "certified accountant," "chartered accountant," 7841  
"enrolled accountant," "licensed accountant," "registered 7842  
accountant," or any other title or designation likely to be 7843  
confused with "certified public accountant" or "public 7844  
accountant," or any of the abbreviations "CPA," "PA," "CA," 7845  
"EA," "RA," or "LA," or similar abbreviations likely to be 7846  
confused with "CPA" or "PA," or any other title, designation, 7847  
words, letters, abbreviation, sign, card, or device tending to 7848  
indicate that the business organization is a public accounting 7849  
firm. 7850

(1) (a) A partnership may assume or use the title or 7851

designation "certified public accountant," the abbreviation 7852  
"CPA," or any other title, designation, words, letters, 7853  
abbreviation, sign, card, or device tending to indicate that the 7854  
partnership is composed of certified public accountants if it is 7855  
a registered firm, if a majority of its partners who are 7856  
individuals hold a CPA certificate or a foreign certificate, and 7857  
if a majority of the owners of any qualified firm that is a 7858  
partner hold a CPA certificate or a foreign certificate. 7859

(b) A partnership may assume or use the title or 7860  
designation "public accountant," the abbreviation "PA," or any 7861  
other title, designation, words, letters, abbreviation, sign, 7862  
card, or device tending to indicate that the partnership is 7863  
composed of public accountants if it is a registered firm, if a 7864  
majority of its partners who are individuals hold a PA 7865  
registration, a CPA certificate, or a foreign certificate, and 7866  
if a majority of the owners of any qualified firm that is a 7867  
partner hold a PA registration, a CPA certificate, or a foreign 7868  
certificate. 7869

(2) (a) A professional association incorporated under 7870  
Chapter 1785. of the Revised Code may assume or use the title or 7871  
designation "certified public accountant," the abbreviation 7872  
"CPA," or any other title, designation, words, letters, 7873  
abbreviation, sign, card, or device tending to indicate that the 7874  
professional association is composed of certified public 7875  
accountants if it is a registered firm, if a majority of its 7876  
shareholders who are individuals hold a CPA certificate or a 7877  
foreign certificate, and if a majority of the owners of any 7878  
qualified firm that is a shareholder hold a CPA certificate or a 7879  
foreign certificate. 7880

(b) A professional association incorporated under Chapter 7881



1785. of the Revised Code may assume or use the title or 7882  
designation "public accountant," the abbreviation "PA," or any 7883  
other title, designation, words, letters, abbreviation, sign, 7884  
card, or device tending to indicate that the professional 7885  
association is composed of public accountants if it is a 7886  
registered firm, if a majority of its shareholders who are 7887  
individuals hold a PA registration, a CPA certificate, or a 7888  
foreign certificate, and if a majority of the owners of any 7889  
qualified firm that is a shareholder hold a PA registration, a 7890  
CPA certificate, or a foreign certificate. 7891

(3) (a) A corporation-for-profit incorporated under Chapter 7892  
1701. of the Revised Code may assume or use the title or 7893  
designation "certified public accountant," the abbreviation 7894  
"CPA," or any other title, designation, words, letters, 7895  
abbreviation, sign, card, or device tending to indicate that the 7896  
corporation is composed of certified public accountants if it is 7897  
a registered firm, if a majority of its shareholders who are 7898  
individuals hold a CPA certificate or a foreign certificate, and 7899  
if a majority of the owners of any qualified firm that is a 7900  
shareholder hold a CPA certificate or a foreign certificate. 7901

(b) A corporation incorporated under Chapter 1701. of the 7902  
Revised Code may assume or use the title or designation "public 7903  
accountant," the abbreviation "PA," or any other title, 7904  
designation, words, letters, abbreviation, sign, card, or device 7905  
tending to indicate that the corporation is composed of public 7906  
accountants if it is a registered firm, if a majority of the 7907  
shareholders who are individuals hold a PA registration, a CPA 7908  
certificate, or a foreign certificate, and if a majority of the 7909  
owners of any qualified firm that is a shareholder hold a PA 7910  
registration, a CPA certificate, or a foreign certificate. 7911

(4) (a) A limited liability company organized under Chapter 7912  
1705. or 1706. of the Revised Code may assume or use the title 7913  
or designation "certified public accountant," the abbreviation 7914  
"CPA," or any other title, designation, words, letters, 7915  
abbreviation, sign, card, or device tending to indicate that the 7916  
limited liability company is composed of certified public 7917  
accountants if it is a registered firm, if a majority of its 7918  
members who are individuals hold a CPA certificate or a foreign 7919  
certificate, and if a majority of the owners of any qualified 7920  
firm that is a member hold a CPA certificate or a foreign 7921  
certificate. 7922

(b) A limited liability company organized under Chapter 7923  
1705. or 1706. of the Revised Code may assume or use the title 7924  
or designation "public accountant," the abbreviation "PA," or 7925  
any other title, designation, words, letters, abbreviation, 7926  
sign, card, or device tending to indicate that the limited 7927  
liability company is composed of public accountants if it is a 7928  
registered firm, if a majority of the members who are 7929  
individuals hold a PA registration, CPA certificate, or a 7930  
foreign certificate, and if a majority of the owners of any 7931  
qualified firm that is a member hold a PA registration, a CPA 7932  
certificate, or a foreign certificate. 7933

(D) No individual shall sign, affix, or associate the 7934  
individual's name or any trade or assumed name used by the 7935  
individual in the individual's profession or business to any 7936  
attest report with any wording indicating that the individual is 7937  
an accountant or auditor, or with any wording accompanying or 7938  
contained in the attest report that indicates that the 7939  
individual has expert knowledge in accounting or auditing or 7940  
expert knowledge regarding compliance with conditions 7941  
established by law or contract, including, but not limited to, 7942

statutes, ordinances, regulations, grants, loans, and 7943  
appropriations, unless the individual holds an Ohio permit. 7944  
However, this division does not prohibit any officer, employee, 7945  
partner, or principal of any organization from affixing the 7946  
officer's, employee's, partner's, or principal's signature to 7947  
any statement or report in reference to the financial affairs of 7948  
that organization with any wording designating the position, 7949  
title, or office that the individual holds in that organization. 7950  
This division also does not prohibit any act of a public 7951  
official or public employee in the performance of the public 7952  
official's or public employee's duties. 7953

(E) No person shall sign, affix, or associate the name of 7954  
a partnership, limited liability company, professional 7955  
association, corporation-for-profit, or other business 7956  
organization not addressed in this section to any attest report 7957  
with any wording accompanying or contained in the attest report 7958  
that indicates that the partnership, limited liability company, 7959  
professional association, corporation-for-profit, or other 7960  
business organization is composed of or employs accountants or 7961  
auditors or persons having expert knowledge in accounting or 7962  
auditing or expert knowledge regarding compliance with 7963  
conditions established by law or contract, including, but not 7964  
limited to, statutes, ordinances, regulations, grants, loans, 7965  
and appropriations, unless the partnership, limited liability 7966  
company, professional association, corporation-for-profit, or 7967  
other business organization is a registered firm. 7968

(F) No individual who does not hold an Ohio permit shall 7969  
hold self out to the public as an "accountant" or "auditor" by 7970  
use of either or both of those words on any sign, card, or 7971  
letterhead, in any advertisement or directory, or otherwise, 7972  
without indicating on the sign, card, or letterhead, in the 7973

advertisement or directory, or in the other manner of holding 7974  
out that the person does not hold an Ohio permit. An individual 7975  
who holds a CPA certificate and an Ohio permit may hold self out 7976  
to the public as an "accountant" or "auditor." However, this 7977  
division does not prohibit any officer, employee, partner, or 7978  
principal of any organization from describing self by the 7979  
position, title, or office the person holds in that 7980  
organization. This division also does not prohibit any act of a 7981  
public official or public employee in the performance of the 7982  
public official's or public employee's duties. 7983

(G) No partnership, professional association, corporation- 7984  
for-profit, limited liability company, or other business 7985  
organization not addressed in this section that is not entitled 7986  
to assume or use the title "certified public accountant" or 7987  
"public accountant" under division (C) of this section shall 7988  
hold itself out to the public as a partnership, professional 7989  
association, corporation-for-profit, limited liability company, 7990  
or other business organization not addressed in this section as 7991  
being composed of or employing "accountants" or "auditors" by 7992  
use of either or both of those words on any sign, card, or 7993  
letterhead, in any advertisement or directory, or otherwise, 7994  
without indicating on the sign, card, or letterhead, in the 7995  
advertisement or directory, or in the other manner of holding 7996  
out that the partnership, professional association, corporation- 7997  
for-profit, limited liability company, or other business 7998  
organization is not a registered firm and is not permitted by 7999  
law to practice as a public accounting firm. 8000

(H) No person shall assume or use the title or designation 8001  
"certified public accountant" or "public accountant" in 8002  
conjunction with names indicating or implying that there is a 8003  
partnership or in conjunction with the designation "and Company" 8004

or "and Co." or a similar designation if, in any of those cases, 8005  
there is in fact no bona fide partnership entitled to designate 8006  
itself as a partnership of certified public accountants under 8007  
division (C) (1) (a) of this section or as a partnership of public 8008  
accountants under division (C) (1) (b) of this section. However, a 8009  
sole proprietor or partnership that was on October 22, 1959, or 8010  
a corporation that on or after September 30, 1974, has been, 8011  
lawfully using a title or designation of those types in 8012  
conjunction with names or designations of those types, may 8013  
continue to do so if the sole proprietor, partnership, or 8014  
corporation otherwise complies with this section. 8015

(I) (1) Notwithstanding any other provision of this 8016  
chapter, an individual whose principal place of business is not 8017  
in this state and who holds a valid foreign certificate as a 8018  
certified public accountant shall be presumed to have 8019  
qualifications substantially equivalent to this state's CPA 8020  
requirements and shall have all of the privileges of a holder of 8021  
a CPA certificate and an Ohio permit without the need to obtain 8022  
a CPA certificate and an Ohio permit if the accountancy board 8023  
has found and has specified in its rules adopted pursuant to 8024  
division (A) of section 4701.03 of the Revised Code that the CPA 8025  
requirements of the state that issued the individual's foreign 8026  
certificate are substantially equivalent to this state's CPA 8027  
requirements. 8028

(2) Any individual exercising the privilege afforded under 8029  
division (I) (1) of this section hereby consents and is subject, 8030  
as a condition of the grant of the privilege, to all of the 8031  
following: 8032

(a) The personal and subject matter jurisdiction of the 8033  
accountancy board; 8034

(b) All practice and disciplinary provisions of this 8035  
chapter and the accountancy board's rules; 8036

(c) The appointment of the board that issued the 8037  
individual's foreign certificate as the individual's agent upon 8038  
whom process may be served in any action or proceeding by the 8039  
accountancy board against the individual. 8040

(3) The holder of a CPA certificate and an Ohio permit who 8041  
offers or renders attest services or uses the holder's CPA title 8042  
in another state shall be subject to disciplinary action in this 8043  
state for an act committed in the other state for which the 8044  
holder of a foreign certificate issued by the other state would 8045  
be subject to discipline in the other state. 8046

(4) The holder of a foreign certificate who offers or 8047  
renders attest services or uses a CPA title or designation in 8048  
this state pursuant to the privilege afforded by division (I) (1) 8049  
of this section shall be subject to disciplinary action in this 8050  
state for any act that would subject the holder of a CPA 8051  
certificate and an Ohio permit to disciplinary action in this 8052  
state. 8053

**Sec. 4703.18.** (A) No person shall enter upon the practice 8054  
of architecture or hold forth as an architect or registered 8055  
architect, unless the person has complied with sections 4703.01 8056  
to 4703.19 of the Revised Code and is the holder of a 8057  
certificate of qualification to practice architecture issued or 8058  
renewed and registered under those sections. 8059

(B) Sections 4703.01 to 4703.19 of the Revised Code do not 8060  
prevent persons other than architects from filing applications 8061  
for building permits or obtaining those permits. 8062

(C) Sections 4703.01 to 4703.19 of the Revised Code do not 8063

prevent persons other than architects from preparing plans, 8064  
drawings, specifications, or data, filing applications for 8065  
building permits, or obtaining those permits for residential 8066  
buildings, as defined by section 3781.06 of the Revised Code, or 8067  
buildings erected as industrialized one-, two-, or three-family 8068  
units or structures within the meaning of the term 8069  
"industrialized unit" as provided in section 3781.06 of the 8070  
Revised Code. 8071

(D) Sections 4703.01 to 4703.19 of the Revised Code do not 8072  
prevent persons other than architects from preparing drawings or 8073  
data, from filing applications for building permits, or from 8074  
obtaining those permits for the installation of replacement 8075  
equipment or systems that are similar in type or capacity to the 8076  
equipment or systems being replaced, and for any improvement, 8077  
alteration, repair, painting, decorating, or other modification 8078  
of any buildings or structures subject to sections 3781.06 to 8079  
3781.18 and 3791.04 of the Revised Code where the building 8080  
official determines that no plans or specifications are required 8081  
for approval. 8082

(E) Sections 4703.01 to 4703.19 of the Revised Code do not 8083  
exclude a registered professional engineer from architectural 8084  
practice that may be incident to the practice of engineering or 8085  
exclude a registered architect from engineering practice that 8086  
may be incident to the practice of architecture. 8087

(F) Sections 4703.01 to 4703.19 of the Revised Code do not 8088  
prevent a firm, partnership, association, limited liability 8089  
company, or corporation of architects registered under those 8090  
sections from providing architectural services and do not 8091  
prevent an individual registered as a landscape architect under 8092  
sections 4703.30 to 4703.49 of the Revised Code or as a 8093

professional engineer under Chapter 4733. of the Revised Code 8094  
from being a member or trustee of a firm, partnership, 8095  
association, limited liability company, or corporation of that 8096  
type, but a member or trustee of that type shall not engage in 8097  
the practice of architecture or hold forth as an architect 8098  
contrary to sections 4703.01 to 4703.19 of the Revised Code and 8099  
shall not practice a profession in which the person is not 8100  
licensed. 8101

(G) A firm, partnership, association, limited liability 8102  
company, or corporation may provide architectural services in 8103  
this state as long as the services are provided only through 8104  
natural persons registered to provide those services in this 8105  
state, subject to the exemptions in section 4703.17 of the 8106  
Revised Code and subject otherwise to the requirements of 8107  
sections 4703.01 to 4703.19 of the Revised Code. 8108

(H) No firm, partnership, association, limited liability 8109  
company, or corporation shall provide architectural services, 8110  
hold itself out to the public as providing architectural 8111  
services, or use a name including the word "architect" or any 8112  
modification or derivation of the word, unless the firm, 8113  
partnership, association, limited liability company, or 8114  
corporation files all information required to be filed under 8115  
this section with the architects board and otherwise complies 8116  
with all requirements of sections 4703.01 to 4703.19 of the 8117  
Revised Code. A nonprofit membership corporation may use a name 8118  
including the word "architect" or any modification or derivation 8119  
of the word without complying with this section. 8120

(I) A corporation may be organized under Chapter 1701. of 8121  
the Revised Code, a professional association may be organized 8122  
under Chapter 1785. of the Revised Code, or a limited liability 8123



company may be formed under Chapter 1705. or 1706. of the 8124  
Revised Code for the purpose of providing professional 8125  
engineering, surveying, architectural, or landscape 8126  
architectural services, or any combination of those services. A 8127  
corporation organized under Chapter 1701. of the Revised Code 8128  
for the purpose of providing those services also may be 8129  
organized for any other purpose in accordance with that chapter. 8130

(J) No firm, partnership, association, limited liability 8131  
company, or corporation shall provide or offer to provide 8132  
architectural services in this state unless more than fifty per 8133  
cent of the partners, members, or shareholders, more than fifty 8134  
per cent of the directors in the case of a corporation or 8135  
professional association, more than fifty per cent of the 8136  
managers in the case of a limited liability company the 8137  
management of which is not reserved to its members, and more 8138  
than fifty per cent of the trustees in the case of an employee 8139  
stock ownership plan, are professional engineers, surveyors, 8140  
architects, or landscape architects or a combination of those 8141  
professions, who are registered in this or any other state and 8142  
who own more than fifty per cent of the interests in the firm, 8143  
partnership, association, limited liability company, or 8144  
corporation; unless the requirements of this division and of 8145  
section 1785.02 of the Revised Code are satisfied with respect 8146  
to any professional association organized under Chapter 1785. of 8147  
the Revised Code; or unless the requirements of this division 8148  
and of Chapter 1705. or 1706. of the Revised Code are satisfied 8149  
with respect to a limited liability company formed under that 8150  
chapter. 8151

A corporation is exempt from the requirements of division 8152  
(J) of this section if the corporation was granted a charter 8153  
prior to August 7, 1943, to engage in providing architectural 8154

services or was otherwise lawfully providing architectural 8155  
services prior to November 15, 1982, in this state. 8156

(K) Each firm, partnership, association, limited liability 8157  
company, or corporation through which architectural services are 8158  
offered or provided in this state shall designate one or more 8159  
trustees, partners, managers, members, officers, or directors as 8160  
being in responsible charge of the professional architectural 8161  
activities and decisions, and those designated persons shall be 8162  
registered in this state. In the case of a corporation holding a 8163  
certificate of authorization provided for in division (L) of 8164  
this section, at least one of the persons so designated shall be 8165  
a director of the corporation. Each firm, partnership, 8166  
association, limited liability company, or corporation of that 8167  
type shall annually file with the architects board the name and 8168  
address of each trustee, partner, manager, officer, director, 8169  
member, or shareholder, and each firm, partnership, association, 8170  
limited liability company, or corporation of that type shall 8171  
annually file with the board the name and address of all persons 8172  
designated as being in responsible charge of the professional 8173  
architectural activities and decisions and any other information 8174  
the board may require. If there is a change in any such person 8175  
in the interval between filings, the change shall be filed with 8176  
the board in the manner and within the time that the board 8177  
determines. 8178

(L) No corporation organized under Chapter 1701. of the 8179  
Revised Code shall engage in providing architectural services in 8180  
this state without obtaining a certificate of authorization from 8181  
the architects board. A corporation desiring a certificate of 8182  
authorization shall file with the board a copy of its articles 8183  
of incorporation and a listing on the form that the board 8184  
directs of the names and addresses of all trustees, officers, 8185

directors, and shareholders of the corporation, the names and 8186  
addresses of any individuals providing professional services on 8187  
behalf of the corporation who are registered to practice 8188  
architecture in this state, and any other information the board 8189  
requires. If all requirements of sections 4703.01 to 4703.19 of 8190  
the Revised Code are met, the board may issue a certificate of 8191  
authorization to the corporation. Except for a corporation that 8192  
was granted a charter prior to August 7, 1943, to engage in 8193  
providing architectural services or that was otherwise lawfully 8194  
providing architectural services prior to November 15, 1982, no 8195  
certificate of authorization shall be issued unless persons 8196  
owning more than fifty per cent of the corporation's shares and 8197  
more than fifty per cent of the interests in the corporation are 8198  
professional engineers, surveyors, architects, or landscape 8199  
architects, or a combination of those professions, who are 8200  
registered in this or any other state. Any corporation that 8201  
holds a certificate of authorization under this section and 8202  
otherwise meets the requirements of sections 4703.01 to 4703.19 8203  
of the Revised Code may be organized for any purposes for which 8204  
corporations may be organized under Chapter 1701. of the Revised 8205  
Code and shall not be limited to the purposes of providing 8206  
professional engineering, surveying, architectural, or landscape 8207  
architectural services or any combination of those professions. 8208  
The board, by rules adopted in accordance with Chapter 119. of 8209  
the Revised Code, may require any firm, partnership, 8210  
association, or limited liability company not organized under 8211  
Chapter 1701. of the Revised Code that provides architectural 8212  
services to obtain a certificate of authorization. If the board 8213  
so requires, no firm, partnership, association, or limited 8214  
liability company shall engage in providing architectural 8215  
services without obtaining the certificate and complying with 8216  
the rules. 8217

(M) This section does not modify any law applicable to the 8218  
relationship between a person furnishing a professional service 8219  
and a person receiving that service, including liability arising 8220  
out of that service. 8221

(N) Nothing in this section restricts or limits in any 8222  
manner the authority or duty of the architects board with 8223  
respect to natural persons providing professional services or 8224  
any law or rule pertaining to standards of professional conduct. 8225

**Sec. 4703.331.** (A) A firm, partnership, association, 8226  
limited liability company, or corporation may provide landscape 8227  
architectural services in this state as long as the services are 8228  
provided only through natural persons registered to provide 8229  
those services in this state and subject to the requirements of 8230  
this chapter. 8231

(B) No firm, partnership, association, limited liability 8232  
company, or corporation shall provide landscape architectural 8233  
services, hold itself out to the public as providing landscape 8234  
architectural services, or use a name including the word 8235  
"landscape architect," "professional landscape architect," or 8236  
"registered landscape architect" or any modification or 8237  
derivation of those words, unless the firm, partnership, 8238  
association, limited liability company, or corporation files all 8239  
information required to be filed under this section with the 8240  
Ohio landscape architects board and otherwise complies with all 8241  
requirements of this chapter. A nonprofit membership corporation 8242  
may use a name including the word "landscape architect," 8243  
"professional landscape architect," or "registered landscape 8244  
architect" or any modification or derivation of those words 8245  
without complying with this section. 8246

(C) A corporation may be organized under Chapter 1701. of 8247

the Revised Code, a professional association may be organized 8248  
under Chapter 1785. of the Revised Code, or a limited liability 8249  
company may be formed under Chapter 1705. or 1706. of the 8250  
Revised Code for the purpose of providing professional 8251  
engineering, surveying, architectural, or landscape 8252  
architectural services, or any combination of those services. A 8253  
corporation organized under Chapter 1701. of the Revised Code 8254  
for the purpose of providing those services also may be 8255  
organized for any other purpose in accordance with that chapter. 8256

(D) No firm, partnership, association, limited liability 8257  
company, or corporation shall provide or offer to provide 8258  
landscape architectural services in this state unless more than 8259  
fifty per cent of the partners, members, or shareholders, more 8260  
than fifty per cent of the directors in the case of a 8261  
corporation or professional association, more than fifty per 8262  
cent of the managers in the case of a limited liability company 8263  
the management of which is not reserved to its members, and more 8264  
than fifty per cent of the trustees in the case of an employee 8265  
stock ownership plan, are professional engineers, surveyors, 8266  
architects, or landscape architects or a combination of those 8267  
professions, who are registered in this or any other state and 8268  
who own more than fifty per cent of the interests in the firm, 8269  
partnership, association, limited liability company, or 8270  
corporation; unless the requirements of this division and of 8271  
section 1785.02 of the Revised Code are satisfied with respect 8272  
to any professional association organized under Chapter 1785. of 8273  
the Revised Code; or unless the requirements of this division 8274  
and of Chapter 1705. or 1706. of the Revised Code are satisfied 8275  
with respect to a limited liability company formed under that 8276  
chapter. 8277

(E) Each firm, partnership, association, limited liability 8278

company, or corporation through which landscape architectural 8279  
services are offered or provided in this state shall designate 8280  
one or more trustees, partners, managers, members, officers, or 8281  
directors as being in responsible charge of the professional 8282  
landscape architectural activities and decisions, and those 8283  
designated persons shall be registered in this state. Each firm, 8284  
partnership, association, limited liability company, or 8285  
corporation of that type shall annually file with the board the 8286  
name and address of each trustees, partner, manager, officer, 8287  
director, member, or shareholder, and each firm, partnership, 8288  
association, limited liability company, or corporation of that 8289  
type shall annually file with the board the name and address of 8290  
all persons designated as being in responsible charge of the 8291  
professional landscape architectural activities and decisions 8292  
and any other information the board may require. If there is a 8293  
change in any such person in the interval between filings, the 8294  
change shall be filed with the board in the manner and within 8295  
the time that the board determines. 8296

(F) No corporation organized under Chapter 1701. of the 8297  
Revised Code shall engage in providing landscape architectural 8298  
services in this state without obtaining a certificate of 8299  
authorization from the board. A corporation desiring a 8300  
certificate of authorization shall file with the board a copy of 8301  
its articles of incorporation and a listing on the form that the 8302  
board directs of the names and addresses of all trustees, 8303  
officers, directors, and shareholders of the corporation, the 8304  
names and addresses of any individuals providing professional 8305  
services on behalf of the corporation who are registered to 8306  
practice landscape architecture in this state, and any other 8307  
information the board requires. If all requirements of this 8308  
chapter are met, the board may issue a certificate of 8309

authorization to the corporation. No certificate of 8310  
authorization shall be issued unless persons owning more than 8311  
fifty per cent of the corporation's shares and more than fifty 8312  
per cent of the interests in the corporation are professional 8313  
engineers, surveyors, architects, or landscape architects, or a 8314  
combination of those professions, who are registered in this or 8315  
any other state. Any corporation that holds a certificate of 8316  
authorization under this section and otherwise meets the 8317  
requirements of this chapter may be organized for any purposes 8318  
for which corporations may be organized under Chapter 1701. of 8319  
the Revised Code and shall not be limited to the purposes of 8320  
providing professional engineering, surveying, architectural, or 8321  
landscape architectural services or any combination of those 8322  
services. The board, by rules adopted in accordance with Chapter 8323  
119. of the Revised Code, may require any firm, partnership, 8324  
association, or limited liability company not organized under 8325  
Chapter 1701. of the Revised Code that provides landscape 8326  
architectural services to obtain a certificate of authorization. 8327  
If the board so requires, no firm, partnership, association, or 8328  
limited liability company shall engage in providing landscape 8329  
architectural services without obtaining the certificate and 8330  
complying with the rules. 8331

(G) This section does not modify any law applicable to the 8332  
relationship between a person furnishing a professional service 8333  
and a person receiving that service, including liability arising 8334  
out of that service. 8335

(H) Nothing in this section shall restrict or limit in any 8336  
manner the authority or duty of the board with respect to 8337  
natural persons providing professional services or any law or 8338  
rule pertaining to standards of professional conduct. 8339

**Sec. 4715.18.** (A) No person shall practice or offer to practice dentistry or dental surgery under the name of any company, association, corporation, or other entity other than one of the following:

(1) A corporation-for-profit formed under Chapter 1701. of the Revised Code;

(2) A professional association established under Chapter 1785. of the Revised Code;

(3) A limited liability company formed under Chapter 1705. or 1706. of the Revised Code;

(4) A federally qualified health center, federally qualified health center look-alike, free clinic, nonprofit shelter or health care facility, or nonprofit clinic that provides health care services or dental services to indigent and uninsured persons.

(B) Any person practicing or offering to practice dentistry or dental surgery shall do so under the person's name, the name of a professional association, professional partnership, corporation-for-profit, or limited liability company that includes the person's name, or the name of an organization specified in division (A)(4) of this section.

(C) As used in this section:

(1) "Federally qualified health center" and "federally qualified health center look-alike" have the same meanings as in section 3701.047 of the Revised Code.

(2) "Free clinic" and "nonprofit shelter or health care facility" have the same meanings as in section 3701.071 of the Revised Code.



(3) "Nonprofit clinic" has the same meaning as in section 3715.87 of the Revised Code. 8368  
8369

(4) "Indigent and uninsured person" has the same meaning as in section 2305.234 of the Revised Code. 8370  
8371

**Sec. 4715.22.** (A) (1) This section applies only when a licensed dental hygienist is not practicing in accordance with either of the following: 8372  
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(a) A permit issued pursuant to section 4715.363 of the Revised Code authorizing practice under the oral health access supervision of a dentist; 8375  
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8377

(b) Section 4715.431 of the Revised Code. 8378

(2) As used in this section, "health care facility" means either of the following: 8379  
8380

(a) A hospital registered under section 3701.07 of the Revised Code; 8381  
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(b) A home, as defined in section 3721.01 of the Revised Code. 8383  
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(B) A licensed dental hygienist shall practice under the supervision, order, control, and full responsibility of a dentist licensed under this chapter. A dental hygienist may practice in a dental office, public or private school, health care facility, dispensary, or public institution. Except as provided in divisions (C) to (E) of this section, a dental hygienist may not provide dental hygiene services to a patient when the supervising dentist is not physically present at the location where the dental hygienist is practicing. 8385  
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(C) A dental hygienist may provide, for not more than fifteen consecutive business days, dental hygiene services to a 8394  
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patient when the supervising dentist is not physically present 8396  
at the location where the services are provided if all of the 8397  
following requirements are met: 8398

(1) The dental hygienist has at least one year and a 8399  
minimum of one thousand five hundred hours of experience in the 8400  
practice of dental hygiene. 8401

(2) The dental hygienist has successfully completed a 8402  
course approved by the state dental board in the identification 8403  
and prevention of potential medical emergencies. 8404

(3) The dental hygienist does not perform, while the 8405  
supervising dentist is absent from the location, procedures 8406  
while the patient is anesthetized, definitive root planing, 8407  
definitive subgingival curettage, or other procedures identified 8408  
in rules the state dental board adopts. 8409

(4) The supervising dentist has evaluated the dental 8410  
hygienist's skills. 8411

(5) The supervising dentist examined the patient not more 8412  
than one year prior to the date the dental hygienist provides 8413  
the dental hygiene services to the patient. 8414

(6) The dental hygienist complies with written protocols 8415  
or written standing orders that the supervising dentist 8416  
establishes, including those established for emergencies. 8417

(7) The supervising dentist completed and evaluated a 8418  
medical and dental history of the patient not more than one year 8419  
prior to the date the dental hygienist provides dental hygiene 8420  
services to the patient and, except when the dental hygiene 8421  
services are provided in a health care facility, the supervising 8422  
dentist determines that the patient is in a medically stable 8423  
condition. 8424

(8) If the dental hygiene services are provided in a health care facility, a doctor of medicine and surgery or osteopathic medicine and surgery licensed under Chapter 4731. of the Revised Code or a registered nurse licensed under Chapter 4723. of the Revised Code is present in the health care facility when the services are provided.

(9) In advance of the appointment for dental hygiene services, the patient is notified that the supervising dentist will be absent from the location and that the dental hygienist cannot diagnose the patient's dental health care status.

(10) The dental hygienist is employed by, or under contract with, one of the following:

(a) The supervising dentist;

(b) A dentist licensed under this chapter who is one of the following:

(i) The employer of the supervising dentist;

(ii) A shareholder in a professional association formed under Chapter 1785. of the Revised Code of which the supervising dentist is a shareholder;

(iii) A member or manager of a limited liability company formed under Chapter 1705. or 1706. of the Revised Code of which the supervising dentist is a member or manager;

(iv) A shareholder in a corporation formed under division (B) of section 1701.03 of the Revised Code of which the supervising dentist is a shareholder;

(v) A partner or employee of a partnership or a limited liability partnership formed under Chapter 1775. or 1776. of the Revised Code of which the supervising dentist is a partner or

employee. 8453

(c) A government entity that employs the dental hygienist 8454  
to provide dental hygiene services in a public school or in 8455  
connection with other programs the government entity 8456  
administers. 8457

(D) A dental hygienist may provide dental hygiene services 8458  
to a patient when the supervising dentist is not physically 8459  
present at the location where the services are provided if the 8460  
services are provided as part of a dental hygiene program that 8461  
is approved by the state dental board and all of the following 8462  
requirements are met: 8463

(1) The program is operated through a school district 8464  
board of education or the governing board of an educational 8465  
service center; the board of health of a city or general health 8466  
district or the authority having the duties of a board of health 8467  
under section 3709.05 of the Revised Code; a national, state, 8468  
district, or local dental association; or any other public or 8469  
private entity recognized by the state dental board. 8470

(2) The supervising dentist is employed by or a volunteer 8471  
for, and the patients are referred by, the entity through which 8472  
the program is operated. 8473

(3) (a) Except as provided in division (D) (3) (b) of this 8474  
section, the services are performed after examination and 8475  
diagnosis by the dentist and in accordance with the dentist's 8476  
written treatment plan. 8477

(b) The requirement in division (D) (3) (a) of this section 8478  
does not apply when the only services to be provided by the 8479  
dental hygienist are the placement of pit and fissure sealants 8480  
and the application of fluoride varnish. 8481

(E) A dental hygienist may do any of the following when 8482  
the supervising dentist is not physically present at the 8483  
location where the services are provided, regardless of whether 8484  
the dentist has examined the patient, if the dental hygienist is 8485  
employed by, or under contract with, the supervising dentist or 8486  
another person or government entity specified in division (C) 8487  
(10) (b) or (c) of this section: 8488

(1) Apply fluoride varnish; 8489

(2) Apply desensitizing agents, excluding silver diamine 8490  
fluoride; 8491

(3) Apply disclosing solutions; 8492

(4) Apply pit and fissure sealants; 8493

(5) Recement temporary crowns or recement crowns with 8494  
temporary cement; 8495

(6) Conduct caries susceptibility testing; 8496

(7) Provide instruction on oral hygiene home care, 8497  
including the use of toothbrushes and dental floss; 8498

(8) Discuss general nonmedical nutrition information for 8499  
the purpose of maintaining good oral health. 8500

As used in division (E) (8) of this section, "general 8501  
nonmedical nutrition information" means information on the 8502  
following: principles of good nutrition and food preparation, 8503  
food to be included in the normal daily diet, the essential 8504  
nutrients needed by the body, recommended amounts of the 8505  
essential nutrients, the actions of nutrients on the body, the 8506  
effects of deficiencies or excesses of nutrients, or food and 8507  
supplements that are good sources of essential nutrients. 8508

(F) No person shall do either of the following:	8509
(1) Practice dental hygiene in a manner that is separate	8510
or otherwise independent from the dental practice of a	8511
supervising dentist;	8512
(2) Establish or maintain an office or practice that is	8513
primarily devoted to the provision of dental hygiene services.	8514
(G) The state dental board shall adopt rules under	8515
division (C) of section 4715.03 of the Revised Code identifying	8516
procedures a dental hygienist may not perform when practicing in	8517
the absence of the supervising dentist pursuant to division (C)	8518
or (D) of this section.	8519
<b>Sec. 4715.365.</b> (A) A dentist who holds a current, valid	8520
oral health access supervision permit issued under section	8521
4715.362 of the Revised Code may authorize a dental hygienist	8522
who holds a current, valid permit issued under section 4715.363	8523
of the Revised Code to perform dental hygiene services at a	8524
facility when no dentist is physically present if all of the	8525
following conditions are met:	8526
(1) The authorizing dentist's authorization is in writing	8527
and includes, at a minimum, all of the following:	8528
(a) The authorizing dentist's name and permit number;	8529
(b) The dental hygienist's name and permit number;	8530
(c) The patient's name;	8531
(d) The name and address of the location where the dental	8532
hygiene services are to be provided;	8533
(e) The date of authorization;	8534
(f) A statement, signed by the dental hygienist, that the	8535

hygienist agrees to comply with section 4715.366 of the Revised Code. 8536  
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(2) The authorizing dentist has personally evaluated the dental hygienist's skills prior to authorizing the dental hygienist to provide the dental hygiene services. 8538  
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(3) Prior to authorizing the dental hygienist to perform the dental hygiene services, the patient's medical and dental history is made available to the authorizing dentist and the authorizing dentist reviews and evaluates the history and determines that the patient may safely receive dental hygiene services. 8541  
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(4) Immediately prior to the provision of dental hygiene services, the patient or patient's representative verifies, by the signature or mark of the patient or representative, that no medically significant changes to the patient's medical or dental history have occurred since the authorizing dentist most recently reviewed and evaluated the history and determined that the patient could safely receive dental hygiene services. The signature or mark may be provided through reasonable accommodation, including the use of assistive technology or augmentative devices. 8547  
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(5) Prior to receiving dental hygiene services, the patient and the operator of the facility where the dental hygiene services are to be provided are notified that no dentist will be present at the location and that the dental hygienist is prohibited from doing either of the following: 8557  
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(a) Diagnosing the patient's oral health care status; 8562

(b) Providing dental hygiene services to the same patient on a subsequent occasion until the patient has received a 8563  
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clinical evaluation performed by a dentist, except in instances 8565  
described in division (D) (2) of this section. 8566

(6) The dental hygienist is employed by, or under contract 8567  
with, one of the following: 8568

(a) The authorizing dentist; 8569

(b) A dentist who is any of the following: 8570

(i) The authorizing dentist's employer; 8571

(ii) A shareholder in a professional association, formed 8572  
under Chapter 1785. of the Revised Code, of which the 8573  
authorizing dentist is a shareholder; 8574

(iii) A member or manager of a limited liability company, 8575  
formed under Chapter 1705. or 1706. of the Revised Code, of 8576  
which the authorizing dentist is a member or manager; 8577

(iv) A shareholder in a corporation, formed under division 8578  
(B) of section 1701.03 of the Revised Code, of which the 8579  
authorizing dentist is a shareholder; 8580

(v) A partner or employee of a partnership, formed under 8581  
Chapter 1775. of the Revised Code, of which the authorizing 8582  
dentist is a partner or employee; 8583

(vi) A partner or employee of a limited liability 8584  
partnership, formed under Chapter 1775. of the Revised Code, of 8585  
which the authorizing dentist is a partner or employee. 8586

(c) A government entity that employs the dental hygienist 8587  
to provide dental hygiene services; 8588

(d) An entity that employs the authorizing dentist so long 8589  
as the dentist's practice is not in violation of section 4715.18 8590  
of the Revised Code. 8591



(7) If the patient to whom the services are to be provided 8592  
previously received dental hygiene services under this section, 8593  
there is written evidence that the patient received a clinical 8594  
evaluation after the most recent provision of those services. 8595

(B) No dentist shall authorize a dental hygienist to 8596  
perform, and no dental hygienist shall perform, dental hygiene 8597  
services on a patient under this section unless all of the 8598  
conditions in division (A) of this section are met. 8599

(C) If a patient or patient's representative indicates, 8600  
under division (A) (4) of this section, that a medically 8601  
significant change has occurred in the patient's medical or 8602  
dental history since the authorizing dentist's most recent 8603  
review and evaluation of the medical and dental history required 8604  
by division (A) (3) of this section, no dental hygiene services 8605  
shall be provided under this section until the authorizing 8606  
dentist completes another review and evaluation of the patient's 8607  
medical and dental history. The authorizing dentist may complete 8608  
the subsequent review and evaluation of the patient's medical 8609  
and dental history by telephone, facsimile, electronic mail, 8610  
video, or any other means of electronic communication. 8611

(D) (1) Except as provided in division (D) (2) of this 8612  
section, no dentist shall authorize a dental hygienist to 8613  
provide, and no dental hygienist shall provide, dental hygiene 8614  
services under this section to the same patient on a subsequent 8615  
occasion until the patient has received a clinical evaluation 8616  
performed by a dentist. 8617

(2) Division (D) (1) of this section does not apply if the 8618  
patient requires multiple visits to complete one or more 8619  
procedures that could not be completed during the visit in which 8620  
dental hygiene services were commenced. If the patient requires 8621

multiple visits to complete the one or more procedures that 8622  
could not be completed during the visit in which dental hygiene 8623  
services were commenced, the one or more procedures shall be 8624  
completed not later than eight weeks after the visit in which 8625  
the dental hygiene services were commenced. 8626

(E) No authorizing dentist shall authorize a dental 8627  
hygienist to diagnose a patient's oral health care status. No 8628  
dental hygienist practicing under a permit issued under section 8629  
4715.363 of the Revised Code to practice under the oral health 8630  
access supervision of a dentist shall diagnose a patient's oral 8631  
health care status. 8632

**Sec. 4715.431.** (A) If all of the conditions in division 8633  
(B) of this section are met, an authorizing dentist may do 8634  
either of the following under a teledentistry permit without 8635  
examining a patient in person: 8636

(1) Authorize a dental hygienist or expanded function 8637  
dental auxiliary to perform services as set forth in division 8638  
(E) or (F) of this section, as applicable, at a location where 8639  
no dentist is physically present; 8640

(2) Prescribe a drug that is not a controlled substance 8641  
for a patient who is at a location where no dentist is 8642  
physically present. 8643

(B) The conditions that must be met under division (A) of 8644  
this section are the following: 8645

(1) The authorizing dentist must prepare a written 8646  
authorization that includes all of the following: 8647

(a) The authorizing dentist's name and permit number; 8648

(b) The name of the dental hygienist or expanded function 8649

dental auxiliary; 8650

(c) The patient's name; 8651

(d) The name and address of the location where the 8652  
services are to be provided; 8653

(e) The date of the authorization; 8654

(f) A statement signed by the dental hygienist or expanded 8655  
function dental auxiliary agreeing to comply with the written 8656  
protocols or written standing orders the authorizing dentist 8657  
establishes, including those for dealing with emergencies; 8658

(g) Any other information the dentist considers 8659  
appropriate. 8660

(2) Before any dental services are provided all of the 8661  
following must occur: 8662

(a) The patient is notified that an authorizing dentist 8663  
will perform a clinical evaluation through teledentistry. 8664

(b) The patient is given an explanation of alternatives 8665  
to, and the capabilities and limitations of, teledentistry. 8666

(c) (i) Subject to division (B) (2) (c) (ii) of this section, 8667  
the patient consents to the provision of services through 8668  
teledentistry and the consent is documented in the patient's 8669  
record. 8670

(ii) If the services to be provided are the placement of 8671  
interim therapeutic restorations or the application of silver 8672  
diamine fluoride, the requirements for informed consent in rules 8673  
adopted under division (C) of section 4715.436 of the Revised 8674  
Code have been met. 8675

(3) The authorizing dentist establishes the patient's 8676

identity and physical location through synchronous, real-time 8677  
communication. 8678

(4) The authorizing dentist provides dental services 8679  
through teledentistry only as is appropriate for the patient and 8680  
in accordance with appropriate standards of care. 8681

(5) The authorizing dentist establishes a diagnosis and 8682  
treatment plan and documents it in the patient's record. 8683

(6) The authorizing dentist specifies the services the 8684  
dental hygienist or expanded function dental auxiliary is 8685  
authorized to provide to the patient. 8686

(7) The dental hygienist or expanded function dental 8687  
auxiliary is employed by, or under contract with, one of the 8688  
following: 8689

(a) The authorizing dentist; 8690

(b) A dentist who is any of the following: 8691

(i) The authorizing dentist's employer; 8692

(ii) A shareholder in a professional association formed 8693  
under Chapter 1785. of the Revised Code of which the authorizing 8694  
dentist is a shareholder; 8695

(iii) A member or manager of a limited liability company 8696  
formed under Chapter 1705. or 1706. of the Revised Code of which 8697  
the authorizing dentist is a member or manager; 8698

(iv) A shareholder in a corporation formed under division 8699  
(B) of section 1701.03 of the Revised Code of which the 8700  
authorizing dentist is a shareholder; 8701

(v) A partner or employee of a partnership, formed under 8702  
Chapter 1775. of the Revised Code, of which the authorizing 8703

dentist is a partner or employee; 8704

(vi) A partner or employee of a limited liability 8705  
partnership, formed under Chapter 1775. of the Revised Code, of 8706  
which the authorizing dentist is a partner or employee. 8707

(C) A dentist retains responsibility for ensuring the 8708  
safety and quality of services provided to patients through 8709  
teledentistry. Services delivered through teledentistry must be 8710  
consistent with in-person services. Persons involved with 8711  
providing services through teledentistry must abide by laws 8712  
addressing the privacy and security of the patient's dental and 8713  
medical information. 8714

(D) An authorizing dentist may not have more than a total 8715  
of three dental hygienists and expanded ~~dental~~-function dental 8716  
auxiliaries working under the dentist's authorization pursuant 8717  
to this section at any time. 8718

(E) (1) If authorized to do so by an authorizing dentist in 8719  
accordance with this section, a dental hygienist may provide 8720  
dental hygiene services at a location where no dentist is 8721  
physically present if all of the following requirements are met: 8722

(a) The dental hygienist has at least one year and a 8723  
minimum of one thousand five hundred hours of experience in the 8724  
practice of dental hygiene. 8725

(b) The dental hygienist has completed a course described 8726  
in division (C) (2) of section 4715.22 of the Revised Code on the 8727  
identification and prevention of potential medical emergencies. 8728

(c) The authorizing dentist has evaluated the dental 8729  
hygienist's skills. 8730

(d) The dental hygienist complies with written protocols 8731

or written standing orders established by the authorizing 8732  
dentist, including written protocols established for 8733  
emergencies. 8734

(2) If authorized to do so by an authorizing dentist in 8735  
accordance with this section, a dental hygienist may place 8736  
interim therapeutic restorations when a dentist is not 8737  
physically present at the location where the dental hygienist is 8738  
practicing if the requirements of division (E)(1) of this 8739  
section are met and the dental hygienist has successfully 8740  
completed a state dental board-approved course in the proper 8741  
placement of interim therapeutic restorations. 8742

(3) If authorized to do so by an authorizing dentist in 8743  
accordance with this section, a dental hygienist may apply 8744  
silver diamine fluoride when a dentist is not physically present 8745  
at the location where the dental hygienist is practicing if the 8746  
requirements of division (E)(1) of this section are met and the 8747  
dental hygienist has successfully completed a state dental 8748  
board-approved course in the application of silver diamine 8749  
fluoride. 8750

(F)(1) If authorized to do so by an authorizing dentist in 8751  
accordance with this section, an expanded function dental 8752  
auxiliary may provide the services listed in divisions (A)(2) to 8753  
(10) of section 4715.64 of the Revised Code, and any additional 8754  
procedures authorized pursuant to division (A)(11) of that 8755  
section, when a dentist is not physically present at the 8756  
location where the expanded function dental auxiliary is 8757  
practicing if all of the following requirements are met: 8758

(a) The expanded function dental auxiliary has at least 8759  
one year and a minimum of one thousand five hundred hours of 8760  
experience practicing as an expanded function dental auxiliary. 8761

(b) The expanded function dental auxiliary has completed a course described in division (C) (2) of section 4715.64 of the Revised Code on the identification and prevention of potential medical emergencies.

(c) The authorizing dentist has evaluated the expanded function dental auxiliary's skills.

(d) The expanded function dental auxiliary complies with written protocols or written standing orders established by the authorizing dentist, including written protocols for emergencies.

(2) If authorized to do so by an authorizing dentist in accordance with this section, an expanded function dental auxiliary who meets the requirements of division (F) (1) of this section and has successfully completed a state dental board-approved course in the proper placement of interim therapeutic restorations may place interim therapeutic restorations when a dentist is not physically present at the location where the expanded function dental auxiliary is practicing.

(3) If authorized to do so by an authorizing dentist in accordance with this section, an expanded function dental auxiliary who meets the requirements of division (F) (1) of this section and has successfully completed a state dental board-approved course in the application of silver diamine fluoride may apply silver diamine fluoride when a dentist is not physically present at the location where the expanded function dental auxiliary is practicing.

(4) If authorized to do so by an authorizing dentist in accordance with this section, an expanded function dental auxiliary who meets the requirements of division (F) (1) of this

section and holds a current, valid dental x-ray machine operator 8791  
certificate issued by the board pursuant to section 4715.53 of 8792  
the Revised Code may perform, for the purpose of contributing to 8793  
the provision of dental care to a dental patient, standard, 8794  
diagnostic radiologic procedures when a dentist is not 8795  
physically present at the location where the expanded function 8796  
dental auxiliary is practicing. 8797

**Sec. 4717.06.** (A) (1) A licensed funeral director who 8798  
desires to obtain a license to operate a funeral home, a 8799  
licensed embalmer who desires to obtain a license to operate an 8800  
embalming facility, or a holder of a crematory operator permit 8801  
who desires to obtain a license to operate a crematory facility 8802  
shall apply to the board of embalmers and funeral directors on a 8803  
form prescribed by the board. The application shall include the 8804  
initial license application fee set forth in section 4717.07 of 8805  
the Revised Code and proof satisfactory to the board that the 8806  
funeral home, embalming facility, or crematory facility is in 8807  
compliance with rules adopted by the board under section 4717.04 8808  
of the Revised Code, rules adopted by the board of building 8809  
standards under Chapter 3781. of the Revised Code, and all other 8810  
federal, state, and local requirements relating to the safety of 8811  
the premises. 8812

(2) If the funeral home, embalming facility, or crematory 8813  
facility to which the license application pertains is owned by a 8814  
corporation or limited liability company, the application shall 8815  
include the name and address of the corporation's or limited 8816  
liability company's statutory agent appointed under section 8817  
1701.07-~~or~~, 1705.06, or 1706.09 of the Revised Code or, in the 8818  
case of a foreign corporation, the corporation's designated 8819  
agent appointed under section 1703.041 of the Revised Code. If 8820  
the funeral home, embalming facility, or crematory facility to 8821



which the application pertains is owned by a partnership, the 8822  
application shall include the name and address of each of the 8823  
partners. If, at any time after the submission of a license 8824  
application or issuance of a license, the statutory or 8825  
designated agent of a corporation or limited liability company 8826  
owning a funeral home, embalming facility, or crematory facility 8827  
or the address of the statutory or designated agent changes or, 8828  
in the case of a partnership, any of the partners of the funeral 8829  
home, embalming facility, or crematory facility or the address 8830  
of any of the partners changes, the applicant for or holder of 8831  
the license to operate the funeral home, embalming facility, or 8832  
crematory facility shall submit written notice to the board, 8833  
within thirty days after the change, informing the board of the 8834  
change and of any name or address of a statutory or designated 8835  
agent or partner that has changed from that contained in the 8836  
application for the license or the most recent notice submitted 8837  
under division (A) (2) of this section. 8838

(B) (1) The board of embalmers and funeral directors shall 8839  
issue a license to operate a funeral home only to a licensed 8840  
funeral director who is named in the application as the funeral 8841  
director actually in charge and ultimately responsible for the 8842  
funeral home. The board shall issue the license only for the 8843  
address at which the funeral home is physically located and 8844  
operated. The funeral home license and licenses of the embalmers 8845  
and funeral directors employed by the funeral home shall be 8846  
displayed in a conspicuous place within the funeral home. The 8847  
name of the funeral director to whom the funeral home license 8848  
has been issued shall be conspicuously displayed immediately on 8849  
the outside or the inside of the primary entrance to the funeral 8850  
home that is used by the public. 8851

(2) The funeral home shall have on the premises one of the 8852

following: 8853

(a) If embalming will take place at the funeral home, an 8854  
embalming room that is adequately equipped and maintained. The 8855  
embalming room shall be kept in a clean and sanitary manner and 8856  
used only for the embalming, preparation, or holding of dead 8857  
human bodies. The embalming room shall contain only the 8858  
articles, facilities, and instruments necessary for those 8859  
purposes. 8860

(b) If embalming will not take place at the funeral home, 8861  
a holding room that is adequately equipped and maintained. The 8862  
holding room shall be kept in a clean and sanitary manner and 8863  
used only for the preparation, other than embalming, and holding 8864  
of dead human bodies. The holding room shall contain only the 8865  
articles and facilities necessary for those purposes. 8866

(3) Each funeral home shall be directly supervised by a 8867  
funeral director licensed under this chapter, who may supervise 8868  
more than one funeral home. 8869

(C) (1) The board shall issue a license to operate an 8870  
embalming facility only to a licensed embalmer who is actually 8871  
in charge of and ultimately responsible for the embalming 8872  
facility. The board shall issue the license only for the address 8873  
at which the embalming facility is physically located and 8874  
operated. The license shall be displayed in a conspicuous place 8875  
within the facility. The name of the embalmer to whom the 8876  
embalming facility license has been issued shall be 8877  
conspicuously displayed on the outside or inside of the primary 8878  
entrance to the embalming facility. 8879

(2) The embalming facility shall be adequately equipped 8880  
and maintained in a sanitary manner. The embalming room at such 8881

a facility shall contain only the articles, facilities, and 8882  
instruments necessary for its stated purpose. The embalming room 8883  
shall be kept in a clean and sanitary condition and used only 8884  
for the care and preparation of dead human bodies. 8885

(D) (1) The board shall issue a license to operate a 8886  
crematory facility only to a crematory operator who is actually 8887  
in charge and ultimately responsible for the crematory facility. 8888  
The board shall issue the license only for the address at which 8889  
the crematory facility is physically located and operated. The 8890  
license shall be displayed in a conspicuous place within the 8891  
crematory facility. The name of the crematory operator to whom 8892  
the crematory facility license has been issued shall be 8893  
conspicuously displayed on the outside or inside of the primary 8894  
entrance to the crematory facility. 8895

(2) The crematory facility shall be adequately equipped 8896  
and maintained in a clean and sanitary manner. The crematory 8897  
facility may be located in a funeral home, embalming facility, 8898  
cemetery building, or other building in which the crematory 8899  
facility may lawfully operate. If a crematory facility engages 8900  
in the cremation of animals, the crematory facility shall 8901  
cremate animals in a cremation chamber that also is not used to 8902  
cremate dead human bodies or human body parts and shall not 8903  
cremate animals in a cremation chamber used for the cremation of 8904  
dead human bodies and human body parts. Cremation chambers that 8905  
are used for the cremation of dead human bodies or human body 8906  
parts and cremation chambers used for the cremation of animals 8907  
may be located in the same area. Cremation chambers used for the 8908  
cremation of animals shall have conspicuously displayed on the 8909  
unit a notice that the unit is to be used for animals only. 8910

(3) A license to operate a crematory facility shall be 8911

issued to the person actually in charge of the crematory 8912  
facility. This section does not require the individual who is 8913  
actually in charge of the crematory facility to be an embalmer 8914  
or funeral director licensed under this chapter. 8915

(4) Nothing in this section or rules adopted under section 8916  
4717.04 of the Revised Code precludes the establishment and 8917  
operation of a crematory facility on or adjacent to the property 8918  
on which a cemetery, funeral home, or embalming facility is 8919  
located. 8920

**Sec. 4723.16.** (A) An individual whom the board of nursing 8921  
licenses or otherwise legally authorizes to engage in the 8922  
practice of nursing as a registered nurse, advanced practice 8923  
registered nurse, or licensed practical nurse may render the 8924  
professional services of a registered, advanced practice 8925  
registered, or licensed practical nurse within this state 8926  
through a corporation formed under division (B) of section 8927  
1701.03 of the Revised Code, a limited liability company formed 8928  
under Chapter 1705. or 1706. of the Revised Code, a partnership, 8929  
or a professional association formed under Chapter 1785. of the 8930  
Revised Code. This division does not preclude an individual of 8931  
that nature from rendering professional services as a 8932  
registered, advanced practice registered, or licensed practical 8933  
nurse through another form of business entity, including, but 8934  
not limited to, a nonprofit corporation or foundation, or in 8935  
another manner that is authorized by or in accordance with this 8936  
chapter, another chapter of the Revised Code, or rules of the 8937  
board of nursing adopted pursuant to this chapter. 8938

(B) A corporation, limited liability company, partnership, 8939  
or professional association described in division (A) of this 8940  
section may be formed for the purpose of providing a combination 8941

of the professional services of the following individuals who 8942  
are licensed, certificated, or otherwise legally authorized to 8943  
practice their respective professions: 8944

(1) Optometrists who are authorized to practice optometry 8945  
under Chapter 4725. of the Revised Code; 8946

(2) Chiropractors who are authorized to practice 8947  
chiropractic or acupuncture under Chapter 4734. of the Revised 8948  
Code; 8949

(3) Psychologists who are authorized to practice 8950  
psychology under Chapter 4732. of the Revised Code; 8951

(4) Registered, advanced practice registered, or licensed 8952  
practical nurses who are authorized to practice nursing as 8953  
registered nurses, advanced practice registered nurses, or 8954  
licensed practical nurses under this chapter; 8955

(5) Pharmacists who are authorized to practice pharmacy 8956  
under Chapter 4729. of the Revised Code; 8957

(6) Physical therapists who are authorized to practice 8958  
physical therapy under sections 4755.40 to 4755.56 of the 8959  
Revised Code; 8960

(7) Occupational therapists who are licensed to practice 8961  
occupational therapy under sections 4755.04 to 4755.13 of the 8962  
Revised Code; 8963

(8) Mechanotherapists who are authorized to practice 8964  
mechanotherapy under section 4731.151 of the Revised Code; 8965

(9) Doctors of medicine and surgery, osteopathic medicine 8966  
and surgery, or podiatric medicine and surgery who are licensed, 8967  
certificated, or otherwise legally authorized for their 8968  
respective practices under Chapter 4731. of the Revised Code; 8969

(10) Licensed professional clinical counselors, licensed 8970  
professional counselors, independent social workers, social 8971  
workers, independent marriage and family therapists, or marriage 8972  
and family therapists who are authorized for their respective 8973  
practices under Chapter 4757. of the Revised Code. 8974

This division shall apply notwithstanding a provision of a 8975  
code of ethics applicable to a nurse that prohibits a 8976  
registered, advanced practice registered, or licensed practical 8977  
nurse from engaging in the practice of nursing as a registered 8978  
nurse, advanced practice registered nurse, or licensed practical 8979  
nurse in combination with a person who is licensed, 8980  
certificated, or otherwise legally authorized to practice 8981  
optometry, chiropractic, acupuncture through the state 8982  
chiropractic board, psychology, pharmacy, physical therapy, 8983  
occupational therapy, mechanotherapy, medicine and surgery, 8984  
osteopathic medicine and surgery, podiatric medicine and 8985  
surgery, professional counseling, social work, or marriage and 8986  
family therapy, but who is not also licensed, certificated, or 8987  
otherwise legally authorized to engage in the practice of 8988  
nursing as a registered nurse, advanced practice registered 8989  
nurse, or licensed practical nurse. 8990

**Sec. 4725.33.** (A) An individual whom the state vision 8991  
professionals board licenses to engage in the practice of 8992  
optometry may render the professional services of an optometrist 8993  
within this state through a corporation formed under division 8994  
(B) of section 1701.03 of the Revised Code, a limited liability 8995  
company formed under Chapter 1705. or 1706. of the Revised Code, 8996  
a partnership, or a professional association formed under 8997  
Chapter 1785. of the Revised Code. This division does not 8998  
preclude an optometrist from rendering professional services as 8999  
an optometrist through another form of business entity, 9000

including, but not limited to, a nonprofit corporation or 9001  
foundation, or in another manner that is authorized by or in 9002  
accordance with this chapter, another chapter of the Revised 9003  
Code, or rules of the state vision professionals board adopted 9004  
pursuant to this chapter. 9005

(B) A corporation, limited liability company, partnership, 9006  
or professional association described in division (A) of this 9007  
section may be formed for the purpose of providing a combination 9008  
of the professional services of the following individuals who 9009  
are licensed, certificated, or otherwise legally authorized to 9010  
practice their respective professions: 9011

(1) Optometrists who are authorized to practice optometry 9012  
under Chapter 4725. of the Revised Code; 9013

(2) Chiropractors who are authorized to practice 9014  
chiropractic or acupuncture under Chapter 4734. of the Revised 9015  
Code; 9016

(3) Psychologists who are authorized to practice 9017  
psychology under Chapter 4732. of the Revised Code; 9018

(4) Registered or licensed practical nurses who are 9019  
authorized to practice nursing as registered nurses or as 9020  
licensed practical nurses under Chapter 4723. of the Revised 9021  
Code; 9022

(5) Pharmacists who are authorized to practice pharmacy 9023  
under Chapter 4729. of the Revised Code; 9024

(6) Physical therapists who are authorized to practice 9025  
physical therapy under sections 4755.40 to 4755.56 of the 9026  
Revised Code; 9027

(7) Occupational therapists who are authorized to practice 9028

occupational therapy under sections 4755.04 to 4755.13 of the Revised Code; 9029  
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(8) Mechanotherapists who are authorized to practice mechanotherapy under section 4731.151 of the Revised Code; 9031  
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(9) Doctors of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery who are authorized for their respective practices under Chapter 4731. of the Revised Code; 9033  
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(10) Licensed professional clinical counselors, licensed professional counselors, independent social workers, social workers, independent marriage and family therapists, or marriage and family therapists who are authorized for their respective practices under Chapter 4757. of the Revised Code. 9037  
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This division shall apply notwithstanding a provision of a code of ethics applicable to an optometrist that prohibits an optometrist from engaging in the practice of optometry in combination with a person who is licensed, certificated, or otherwise legally authorized to practice chiropractic, acupuncture through the state chiropractic board, psychology, nursing, pharmacy, physical therapy, occupational therapy, mechanotherapy, medicine and surgery, osteopathic medicine and surgery, podiatric medicine and surgery, professional counseling, social work, or marriage and family therapy, but who is not also licensed, certificated, or otherwise legally authorized to engage in the practice of optometry. 9042  
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**Sec. 4729.161.** (A) An individual registered with the state board of pharmacy to engage in the practice of pharmacy may render the professional services of a pharmacist within this state through a corporation formed under division (B) of section 9054  
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1701.03 of the Revised Code, a limited liability company formed 9058  
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9059  
or a professional association formed under Chapter 1785. of the 9060  
Revised Code. This division does not preclude an individual of 9061  
that nature from rendering professional services as a pharmacist 9062  
through another form of business entity, including, but not 9063  
limited to, a nonprofit corporation or foundation, or in another 9064  
manner that is authorized by or in accordance with this chapter, 9065  
another chapter of the Revised Code, or rules of the state board 9066  
of pharmacy adopted pursuant to this chapter. 9067

(B) A corporation, limited liability company, partnership, 9068  
or professional association described in division (A) of this 9069  
section may be formed for the purpose of providing a combination 9070  
of the professional services of the following individuals who 9071  
are licensed, certificated, or otherwise legally authorized to 9072  
practice their respective professions: 9073

(1) Optometrists who are authorized to practice optometry 9074  
under Chapter 4725. of the Revised Code; 9075

(2) Chiropractors who are authorized to practice 9076  
chiropractic or acupuncture under Chapter 4734. of the Revised 9077  
Code; 9078

(3) Psychologists who are authorized to practice 9079  
psychology under Chapter 4732. of the Revised Code; 9080

(4) Registered or licensed practical nurses who are 9081  
authorized to practice nursing as registered nurses or as 9082  
licensed practical nurses under Chapter 4723. of the Revised 9083  
Code; 9084

(5) Pharmacists who are authorized to practice pharmacy 9085  
under Chapter 4729. of the Revised Code; 9086

(6) Physical therapists who are authorized to practice physical therapy under sections 4755.40 to 4755.56 of the Revised Code;	9087 9088 9089
(7) Occupational therapists who are authorized to practice occupational therapy under sections 4755.04 to 4755.13 of the Revised Code;	9090 9091 9092
(8) Mechanotherapists who are authorized to practice mechanotherapy under section 4731.151 of the Revised Code;	9093 9094
(9) Doctors of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery who are authorized for their respective practices under Chapter 4731. of the Revised Code;	9095 9096 9097 9098
(10) Licensed professional clinical counselors, licensed professional counselors, independent social workers, social workers, independent marriage and family therapists, or marriage and family therapists who are authorized for their respective practices under Chapter 4757. of the Revised Code.	9099 9100 9101 9102 9103
This division shall apply notwithstanding a provision of a code of ethics applicable to a pharmacist that prohibits a pharmacist from engaging in the practice of pharmacy in combination with a person who is licensed, certificated, or otherwise legally authorized to practice optometry, chiropractic, acupuncture through the state chiropractic board, psychology, nursing, physical therapy, occupational therapy, mechanotherapy, medicine and surgery, osteopathic medicine and surgery, podiatric medicine and surgery, professional counseling, social work, or marriage and family therapy, but who is not also licensed, certificated, or otherwise legally authorized to engage in the practice of pharmacy.	9104 9105 9106 9107 9108 9109 9110 9111 9112 9113 9114 9115

**Sec. 4729.541.** (A) Except as provided in divisions (B) to 9116  
(D) of this section, all of the following are exempt from 9117  
licensure as a terminal distributor of dangerous drugs: 9118

(1) A licensed health professional authorized to prescribe 9119  
drugs; 9120

(2) A business entity that is a corporation formed under 9121  
division (B) of section 1701.03 of the Revised Code, a limited 9122  
liability company formed under Chapter 1705. or 1706. of the 9123  
Revised Code, or a professional association formed under Chapter 9124  
1785. of the Revised Code if the entity has a sole shareholder 9125  
who is a prescriber and is authorized to provide the 9126  
professional services being offered by the entity; 9127

(3) A business entity that is a corporation formed under 9128  
division (B) of section 1701.03 of the Revised Code, a limited 9129  
liability company formed under Chapter 1705. or 1706. of the 9130  
Revised Code, a partnership or a limited liability partnership 9131  
formed under Chapter 1775. of the Revised Code, or a 9132  
professional association formed under Chapter 1785. of the 9133  
Revised Code, if, to be a shareholder, member, or partner, an 9134  
individual is required to be licensed, certified, or otherwise 9135  
legally authorized under Title XLVII of the Revised Code to 9136  
perform the professional service provided by the entity and each 9137  
such individual is a prescriber; 9138

(4) An individual who holds a current license, 9139  
certificate, or registration issued under Title XLVII of the 9140  
Revised Code and has been certified to conduct diabetes 9141  
education by a national certifying body specified in rules 9142  
adopted by the state board of pharmacy under section 4729.68 of 9143  
the Revised Code, but only with respect to insulin that will be 9144  
used for the purpose of diabetes education and only if diabetes 9145

education is within the individual's scope of practice under 9146  
statutes and rules regulating the individual's profession; 9147

(5) An individual who holds a valid certificate issued by 9148  
a nationally recognized S.C.U.B.A. diving certifying 9149  
organization approved by the state board of pharmacy under rules 9150  
adopted by the board, but only with respect to medical oxygen 9151  
that will be used for the purpose of emergency care or treatment 9152  
at the scene of a diving emergency; 9153

(6) With respect to epinephrine autoinjectors that may be 9154  
possessed under section 3313.7110, 3313.7111, 3314.143, 3326.28, 9155  
or 3328.29 of the Revised Code, any of the following: the board 9156  
of education of a city, local, exempted village, or joint 9157  
vocational school district; a chartered or nonchartered 9158  
nonpublic school; a community school established under Chapter 9159  
3314. of the Revised Code; a STEM school established under 9160  
Chapter 3326. of the Revised Code; or a college-preparatory 9161  
boarding school established under Chapter 3328. of the Revised 9162  
Code; 9163

(7) With respect to epinephrine autoinjectors that may be 9164  
possessed under section 5101.76 of the Revised Code, any of the 9165  
following: a residential camp, as defined in section 2151.011 of 9166  
the Revised Code; a child day camp, as defined in section 9167  
5104.01 of the Revised Code; or a child day camp operated by any 9168  
county, township, municipal corporation, township park district 9169  
created under section 511.18 of the Revised Code, park district 9170  
created under section 1545.04 of the Revised Code, or joint 9171  
recreation district established under section 755.14 of the 9172  
Revised Code; 9173

(8) With respect to epinephrine autoinjectors that may be 9174  
possessed under Chapter 3728. of the Revised Code, a qualified 9175

entity, as defined in section 3728.01 of the Revised Code; 9176

(9) With respect to inhalers that may be possessed under 9177  
section 3313.7113, 3313.7114, 3314.144, 3326.30, or 3328.30 of 9178  
the Revised Code, any of the following: the board of education 9179  
of a city, local, exempted village, or joint vocational school 9180  
district; a chartered or nonchartered nonpublic school; a 9181  
community school established under Chapter 3314. of the Revised 9182  
Code; a STEM school established under Chapter 3326. of the 9183  
Revised Code; or a college-preparatory boarding school 9184  
established under Chapter 3328. of the Revised Code; 9185

(10) With respect to inhalers that may be possessed under 9186  
section 5101.77 of the Revised Code, any of the following: a 9187  
residential camp, as defined in section 2151.011 of the Revised 9188  
Code; a child day camp, as defined in section 5104.01 of the 9189  
Revised Code; or a child day camp operated by any county, 9190  
township, municipal corporation, township park district created 9191  
under section 511.18 of the Revised Code, park district created 9192  
under section 1545.04 of the Revised Code, or joint recreation 9193  
district established under section 755.14 of the Revised Code; 9194

(11) With respect to naloxone that may be possessed under 9195  
section 2925.61 of the Revised Code, a law enforcement agency 9196  
and its peace officers; 9197

(12) With respect to naloxone that may be possessed under 9198  
section 4729.514 of the Revised Code, a service entity, as 9199  
defined in that section; 9200

(13) A facility that is owned and operated by the United 9201  
States department of defense, the United States department of 9202  
veterans affairs, or any other federal agency. 9203

(B) If a person described in division (A) of this section 9204

is a pain management clinic or is operating a pain management 9205  
clinic, the person shall hold a license as a terminal 9206  
distributor of dangerous drugs with a pain management clinic 9207  
classification issued under section 4729.552 of the Revised 9208  
Code. 9209

(C) If a person described in division (A) of this section 9210  
is operating a facility, clinic, or other location described in 9211  
division (B) of section 4729.553 of the Revised Code that must 9212  
hold a category III terminal distributor of dangerous drugs 9213  
license with an office-based opioid treatment classification, 9214  
the person shall hold a license with that classification. 9215

(D) Any of the persons described in divisions (A) (1) to 9216  
(12) of this section shall hold a license as a terminal 9217  
distributor of dangerous drugs in order to possess, have custody 9218  
or control of, and distribute any of the following: 9219

(1) Dangerous drugs that are compounded or used for the 9220  
purpose of compounding; 9221

(2) A schedule I, II, III, IV, or V controlled substance, 9222  
as defined in section 3719.01 of the Revised Code. 9223

**Sec. 4731.226.** (A) (1) An individual whom the state medical 9224  
board licenses, certificates, or otherwise legally authorizes to 9225  
engage in the practice of medicine and surgery, osteopathic 9226  
medicine and surgery, or podiatric medicine and surgery may 9227  
render the professional services of a doctor of medicine and 9228  
surgery, osteopathic medicine and surgery, or podiatric medicine 9229  
and surgery within this state through a corporation formed under 9230  
division (B) of section 1701.03 of the Revised Code, a limited 9231  
liability company formed under Chapter 1705. or 1706. of the 9232  
Revised Code, a partnership, or a professional association 9233

formed under Chapter 1785. of the Revised Code. Division (A) (1) 9234  
of this section does not preclude an individual of that nature 9235  
from rendering professional services as a doctor of medicine and 9236  
surgery, osteopathic medicine and surgery, or podiatric medicine 9237  
and surgery through another form of business entity, including, 9238  
but not limited to, a nonprofit corporation or foundation, or in 9239  
another manner that is authorized by or in accordance with this 9240  
chapter, another chapter of the Revised Code, or rules of the 9241  
state medical board adopted pursuant to this chapter. 9242

(2) An individual whom the state medical board authorizes 9243  
to engage in the practice of mechanotherapy may render the 9244  
professional services of a mechanotherapist within this state 9245  
through a corporation formed under division (B) of section 9246  
1701.03 of the Revised Code, a limited liability company formed 9247  
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9248  
or a professional association formed under Chapter 1785. of the 9249  
Revised Code. Division (A) (2) of this section does not preclude 9250  
an individual of that nature from rendering professional 9251  
services as a mechanotherapist through another form of business 9252  
entity, including, but not limited to, a nonprofit corporation 9253  
or foundation, or in another manner that is authorized by or in 9254  
accordance with this chapter, another chapter of the Revised 9255  
Code, or rules of the state medical board adopted pursuant to 9256  
this chapter. 9257

(B) A corporation, limited liability company, partnership, 9258  
or professional association described in division (A) of this 9259  
section may be formed for the purpose of providing a combination 9260  
of the professional services of the following individuals who 9261  
are licensed, certificated, or otherwise legally authorized to 9262  
practice their respective professions: 9263

(1) Optometrists who are authorized to practice optometry under Chapter 4725. of the Revised Code;	9264 9265
(2) Chiropractors who are authorized to practice chiropractic or acupuncture under Chapter 4734. of the Revised Code;	9266 9267 9268
(3) Psychologists who are authorized to practice psychology under Chapter 4732. of the Revised Code;	9269 9270
(4) Registered or licensed practical nurses who are authorized to practice nursing as registered nurses or as licensed practical nurses under Chapter 4723. of the Revised Code;	9271 9272 9273 9274
(5) Pharmacists who are authorized to practice pharmacy under Chapter 4729. of the Revised Code;	9275 9276
(6) Physical therapists who are authorized to practice physical therapy under sections 4755.40 to 4755.56 of the Revised Code;	9277 9278 9279
(7) Occupational therapists who are authorized to practice occupational therapy under sections 4755.04 to 4755.13 of the Revised Code;	9280 9281 9282
(8) Mechanotherapists who are authorized to practice mechanotherapy under section 4731.151 of the Revised Code;	9283 9284
(9) Doctors of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery who are authorized for their respective practices under this chapter;	9285 9286 9287
(10) Licensed professional clinical counselors, licensed professional counselors, independent social workers, social workers, independent marriage and family therapists, or marriage and family therapists who are authorized for their respective	9288 9289 9290 9291



practices under Chapter 4757. of the Revised Code. 9292

(C) Division (B) of this section shall apply 9293  
notwithstanding a provision of a code of ethics described in 9294  
division (B)(18) of section 4731.22 of the Revised Code that 9295  
prohibits either of the following: 9296

(1) A doctor of medicine and surgery, osteopathic medicine 9297  
and surgery, or podiatric medicine and surgery from engaging in 9298  
the doctor's authorized practice in combination with a person 9299  
who is licensed, certificated, or otherwise legally authorized 9300  
to engage in the practice of optometry, chiropractic, 9301  
acupuncture through the state chiropractic board, psychology, 9302  
nursing, pharmacy, physical therapy, occupational therapy, 9303  
mechanotherapy, professional counseling, social work, or 9304  
marriage and family therapy, but who is not also licensed, 9305  
certificated, or otherwise legally authorized to practice 9306  
medicine and surgery, osteopathic medicine and surgery, or 9307  
podiatric medicine and surgery. 9308

(2) A mechanotherapist from engaging in the practice of 9309  
mechanotherapy in combination with a person who is licensed, 9310  
certificated, or otherwise legally authorized to engage in the 9311  
practice of optometry, chiropractic, acupuncture through the 9312  
state chiropractic board, psychology, nursing, pharmacy, 9313  
physical therapy, occupational therapy, medicine and surgery, 9314  
osteopathic medicine and surgery, podiatric medicine and 9315  
surgery, professional counseling, social work, or marriage and 9316  
family therapy, but who is not also licensed, certificated, or 9317  
otherwise legally authorized to engage in the practice of 9318  
mechanotherapy. 9319

**Sec. 4731.228.** (A) As used in this section: 9320

- (1) "Federally qualified health center" has the same meaning as in section 3701.047 of the Revised Code. 9321  
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- (2) "Federally qualified health center look-alike" has the same meaning as in section 3701.047 of the Revised Code. 9323  
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- (3) "Health care entity" means any of the following that employs a physician to provide physician services: 9325  
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- (a) A hospital registered with the department of health under section 3701.07 of the Revised Code; 9327  
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- (b) A corporation formed under division (B) of section 1701.03 of the Revised Code; 9329  
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- (c) A corporation formed under Chapter 1702. of the Revised Code; 9331  
9332
- (d) A limited liability company formed under Chapter 1705. or 1706. of the Revised Code; 9333  
9334
- (e) A health insuring corporation holding a certificate of authority under Chapter 1751. of the Revised Code; 9335  
9336
- (f) A partnership; 9337
- (g) A professional association formed under Chapter 1785. of the Revised Code. 9338  
9339
- (4) "Physician" means an individual authorized under this chapter to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery. 9340  
9341  
9342
- (5) "Physician services" means direct patient care services provided by a physician. 9343  
9344
- (6) "Termination" means the end of a physician's employment with a health care entity for any reason. 9345  
9346

(B) This section applies when a physician's employment 9347  
with a health care entity to provide physician services is 9348  
terminated for any reason, unless the physician continues to 9349  
provide medical services for patients of the health care entity 9350  
on an independent contractor basis. 9351

(C) (1) Except as provided in division (C) (2) of this 9352  
section, a health care entity shall send notice of the 9353  
termination of a physician's employment to each patient who 9354  
received physician services from the physician in the two-year 9355  
period immediately preceding the date of employment termination. 9356  
Only patients of the health care entity who received services 9357  
from the physician are to receive the notice. 9358

(2) If the health care entity provides to the physician a 9359  
list of patients treated and patient contact information, the 9360  
health care entity may require the physician to send the notice 9361  
required by this section. 9362

(D) The notice provided under division (C) of this section 9363  
shall be provided not later than the date of termination or 9364  
thirty days after the health care entity has actual knowledge of 9365  
termination or resignation of the physician, whichever is later. 9366  
The notice shall be provided in accordance with rules adopted by 9367  
the state medical board under section 4731.05 of the Revised 9368  
Code. The notice shall include at least all of the following: 9369

(1) A notice to the patient that the physician will no 9370  
longer be practicing medicine as an employee of the health care 9371  
entity; 9372

(2) Except in situations in which the health care entity 9373  
has a good faith concern that the physician's conduct or the 9374  
medical care provided by the physician would jeopardize the 9375

health and safety of patients, the physician's name and, if 9376  
known by the health care entity, information provided by the 9377  
physician that the patient may use to contact the physician; 9378

(3) The date on which the physician ceased or will cease 9379  
to practice as an employee of the health care entity; 9380

(4) Contact information for an alternative physician or 9381  
physicians employed by the health care entity or contact 9382  
information for a group practice that can provide care for the 9383  
patient; 9384

(5) Contact information that enables the patient to obtain 9385  
information on the patient's medical records. 9386

(E) The requirements of this section do not apply to any 9387  
of the following: 9388

(1) A physician rendering services to a patient on an 9389  
episodic basis or in an emergency department or urgent care 9390  
center, when it should not be reasonably expected that related 9391  
medical services will be rendered by the physician to the 9392  
patient in the future; 9393

(2) A medical director or other physician providing 9394  
services in a similar capacity to a medical director to patients 9395  
through a hospice care program licensed pursuant to section 9396  
3712.04 of the Revised Code. 9397

(3) Medical residents, interns, and fellows who work in 9398  
hospitals, health systems, federally qualified health centers, 9399  
and federally qualified health center look-alikes as part of 9400  
their medical education and training. 9401

(4) A physician providing services to a patient through a 9402  
community mental health services provider certified by the 9403

director of mental health and addiction services under section 9404  
5119.36 of the Revised Code or a community addiction services 9405  
provider certified by the director under that section. 9406

(5) A physician providing services to a patient through a 9407  
federally qualified health center or a federally qualified 9408  
health center look-alike. 9409

**Sec. 4732.28.** (A) An individual whom the state board of 9410  
psychology licenses, certificates, or otherwise legally 9411  
authorizes to engage in the practice of psychology may render 9412  
the professional services of a psychologist within this state 9413  
through a corporation formed under division (B) of section 9414  
1701.03 of the Revised Code, a limited liability company formed 9415  
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9416  
or a professional association formed under Chapter 1785. of the 9417  
Revised Code. This division does not preclude an individual of 9418  
that nature from rendering professional services as a 9419  
psychologist through another form of business entity, including, 9420  
but not limited to, a nonprofit corporation or foundation, or in 9421  
another manner that is authorized by or in accordance with this 9422  
chapter, another chapter of the Revised Code, or rules of the 9423  
state board of psychology adopted pursuant to this chapter. 9424

(B) A corporation, limited liability company, partnership, 9425  
or professional association described in division (A) of this 9426  
section may be formed for the purpose of providing a combination 9427  
of the professional services of the following individuals who 9428  
are licensed, certificated, or otherwise legally authorized to 9429  
practice their respective professions: 9430

(1) Optometrists who are authorized to practice optometry 9431  
under Chapter 4725. of the Revised Code; 9432

(2) Chiropractors who are authorized to practice	9433
chiropractic or acupuncture under Chapter 4734. of the Revised	9434
Code;	9435
(3) Psychologists who are authorized to practice	9436
psychology under this chapter;	9437
(4) Registered or licensed practical nurses who are	9438
authorized to practice nursing as registered nurses or as	9439
licensed practical nurses under Chapter 4723. of the Revised	9440
Code;	9441
(5) Pharmacists who are authorized to practice pharmacy	9442
under Chapter 4729. of the Revised Code;	9443
(6) Physical therapists who are authorized to practice	9444
physical therapy under sections 4755.40 to 4755.56 of the	9445
Revised Code;	9446
(7) Occupational therapists who are authorized to practice	9447
occupational therapy under sections 4755.04 to 4755.13 of the	9448
Revised Code;	9449
(8) Mechanotherapists who are authorized to practice	9450
mechanotherapy under section 4731.151 of the Revised Code;	9451
(9) Doctors of medicine and surgery, osteopathic medicine	9452
and surgery, or podiatric medicine and surgery who are	9453
authorized for their respective practices under Chapter 4731. of	9454
the Revised Code;	9455
(10) Licensed professional clinical counselors, licensed	9456
professional counselors, independent social workers, social	9457
workers, independent marriage and family therapists, or marriage	9458
and family therapists who are authorized for their respective	9459
practices under Chapter 4757. of the Revised Code.	9460

This division shall apply notwithstanding a provision of a 9461  
code of ethics applicable to a psychologist that prohibits a 9462  
psychologist from engaging in the practice of psychology in 9463  
combination with a person who is licensed, certificated, or 9464  
otherwise legally authorized to practice optometry, 9465  
chiropractic, acupuncture through the state chiropractic board, 9466  
nursing, pharmacy, physical therapy, occupational therapy, 9467  
mechanotherapy, medicine and surgery, osteopathic medicine and 9468  
surgery, podiatric medicine and surgery, professional 9469  
counseling, social work, or marriage and family therapy, but who 9470  
is not also licensed, certificated, or otherwise legally 9471  
authorized to engage in the practice of psychology. 9472

**Sec. 4733.16.** (A) A firm, partnership, association, 9473  
limited liability company, or corporation may provide 9474  
professional engineering or professional surveying services in 9475  
this state as long as the services are provided only through 9476  
natural persons registered to provide those services in the 9477  
state, subject to the exemptions in sections 4733.17 and 4733.18 9478  
of the Revised Code and subject otherwise to the requirements of 9479  
this chapter. 9480

(B) No firm, partnership, association, limited liability 9481  
company, or corporation, except a corporation that was granted a 9482  
charter prior to August 7, 1943, to engage in providing 9483  
professional engineering or professional surveying services in 9484  
this state or that was otherwise lawfully providing engineering 9485  
services in this state prior to November 15, 1982, shall engage 9486  
in providing professional engineering or professional surveying 9487  
services, hold itself out to the public as being engaged in 9488  
providing professional engineering or professional surveying 9489  
services, or use a name including one or more of the words 9490  
"engineer," "engineering," "surveyor," or "surveying" or any 9491

modification or derivation of those words, unless the firm, 9492  
partnership, association, limited liability company, or 9493  
corporation obtains a certificate of authorization from the 9494  
state board of registration for professional engineers and 9495  
surveyors and files all information required to be filed under 9496  
this section with the state board of registration for 9497  
professional engineers and surveyors and otherwise complies with 9498  
all requirements of this chapter. A nonprofit membership 9499  
corporation may use a name including one or more of the words 9500  
"engineer," "engineering," "surveyor," or "surveying" or any 9501  
modification or derivation of those words without complying with 9502  
this section. 9503

(C) A corporation may be organized under Chapter 1701. of 9504  
the Revised Code, a professional association may be organized 9505  
under Chapter 1785. of the Revised Code, or a limited liability 9506  
company may be formed under Chapter 1705. or 1706. of the 9507  
Revised Code for the purpose of providing professional 9508  
engineering, professional surveying, architectural, or landscape 9509  
architectural services or any combination of those services. A 9510  
corporation organized under Chapter 1701. of the Revised Code 9511  
for the purpose of providing those services also may be 9512  
organized for any other purpose in accordance with that chapter. 9513

(D) Each firm, partnership, association, limited liability 9514  
company, or corporation through which professional engineering 9515  
or professional surveying services are offered or provided in 9516  
this state shall designate one or more full-time partners, 9517  
managers, members, officers, or directors as being responsible 9518  
for and in responsible charge of the professional engineering or 9519  
professional surveying activities and decisions, and those 9520  
designated persons shall be registered in this state. Each firm, 9521  
partnership, association, limited liability company, or 9522



corporation shall annually file with the state board of 9523  
registration for professional engineers and surveyors the name 9524  
and address of all owners and all persons designated as being in 9525  
responsible charge of the professional engineering or 9526  
professional surveying activities and decisions and any other 9527  
information the board may require. 9528

(E) The state board of registration for professional 9529  
engineers and surveyors shall issue a certificate of 9530  
authorization to each firm, partnership, association, limited 9531  
liability company, or corporation that satisfies the 9532  
requirements of this chapter, including providing information 9533  
that the board may require pursuant to division (D) of this 9534  
section. 9535

(F) This section does not modify any law applicable to the 9536  
relationship between a person furnishing a professional service 9537  
and a person receiving that service, including liability arising 9538  
out of that service. 9539

(G) Nothing in this section shall restrict or limit in any 9540  
manner the authority or duty of the state board of registration 9541  
for professional engineers and surveyors with respect to natural 9542  
persons providing professional services or any law or rule 9543  
pertaining to standards of professional conduct. 9544

(H) Corporations, partnerships, associations, limited 9545  
liability companies, or firms organized under the laws of 9546  
another state or country wishing to provide professional 9547  
engineering or professional surveying services shall obtain a 9548  
certificate of authorization and meet the applicable 9549  
requirements of this section. 9550

**Sec. 4734.17.** (A) An individual whom the state 9551

chiropractic board licenses to engage in the practice of 9552  
chiropractic or certifies to practice acupuncture may render the 9553  
professional services of a chiropractor or chiropractor 9554  
certified to practice acupuncture within this state through a 9555  
corporation formed under division (B) of section 1701.03 of the 9556  
Revised Code, a limited liability company formed under Chapter 9557  
1705. or 1706. of the Revised Code, a partnership, or a 9558  
professional association formed under Chapter 1785. of the 9559  
Revised Code. This division does not preclude a chiropractor 9560  
from rendering professional services as a chiropractor or 9561  
chiropractor certified to practice acupuncture through another 9562  
form of business entity, including, but not limited to, a 9563  
nonprofit corporation or foundation, or in another manner that 9564  
is authorized by or in accordance with this chapter, another 9565  
chapter of the Revised Code, or rules of the state chiropractic 9566  
board adopted pursuant to this chapter. 9567

(B) A corporation, limited liability company, partnership, 9568  
or professional association described in division (A) of this 9569  
section may be formed for the purpose of providing a combination 9570  
of the professional services of the following individuals who 9571  
are licensed, certificated, or otherwise legally authorized to 9572  
practice their respective professions: 9573

(1) Optometrists who are authorized to practice optometry, 9574  
under Chapter 4725. of the Revised Code; 9575

(2) Chiropractors who are authorized to practice 9576  
chiropractic or acupuncture under this chapter; 9577

(3) Psychologists who are authorized to practice 9578  
psychology under Chapter 4732. of the Revised Code; 9579

(4) Registered or licensed practical nurses who are 9580

authorized to practice nursing as registered nurses or as 9581  
licensed practical nurses under Chapter 4723. of the Revised 9582  
Code; 9583

(5) Pharmacists who are authorized to practice pharmacy 9584  
under Chapter 4729. of the Revised Code; 9585

(6) Physical therapists who are authorized to practice 9586  
physical therapy under sections 4755.40 to 4755.56 of the 9587  
Revised Code; 9588

(7) Occupational therapists who are authorized to practice 9589  
occupational therapy under sections 4755.04 to 4755.13 of the 9590  
Revised Code; 9591

(8) Mechanotherapists who are authorized to practice 9592  
mechanotherapy under section 4731.151 of the Revised Code; 9593

(9) Doctors of medicine and surgery, osteopathic medicine 9594  
and surgery, or podiatric medicine and surgery who are 9595  
authorized for their respective practices under Chapter 4731. of 9596  
the Revised Code; 9597

(10) Licensed professional clinical counselors, licensed 9598  
professional counselors, independent social workers, social 9599  
workers, independent marriage and family therapists, or marriage 9600  
and family therapists who are authorized for their respective 9601  
practices under Chapter 4757. of the Revised Code. 9602

This division shall apply notwithstanding a provision of 9603  
any code of ethics established or adopted under section 4734.16 9604  
of the Revised Code that prohibits an individual from engaging 9605  
in the practice of chiropractic or acupuncture in combination 9606  
with an individual who is licensed, certificated, or otherwise 9607  
authorized for the practice of optometry, psychology, nursing, 9608  
pharmacy, physical therapy, occupational therapy, 9609

mechanotherapy, medicine and surgery, osteopathic medicine and 9610  
surgery, podiatric medicine and surgery, professional 9611  
counseling, social work, or marriage and family therapy, but who 9612  
is not also licensed under this chapter to engage in the 9613  
practice of chiropractic. 9614

**Sec. 4755.111.** (A) An individual whom the occupational 9615  
therapy section of the Ohio occupational therapy, physical 9616  
therapy, and athletic trainers board licenses, certificates, or 9617  
otherwise legally authorizes to engage in the practice of 9618  
occupational therapy may render the professional services of an 9619  
occupational therapist within this state through a corporation 9620  
formed under division (B) of section 1701.03 of the Revised 9621  
Code, a limited liability company formed under Chapter 1705. or 9622  
1706. of the Revised Code, a partnership, or a professional 9623  
association formed under Chapter 1785. of the Revised Code. This 9624  
division does not preclude an individual of that nature from 9625  
rendering professional services as an occupational therapist 9626  
through another form of business entity, including, but not 9627  
limited to, a nonprofit corporation or foundation, or in another 9628  
manner that is authorized by or in accordance with sections 9629  
4755.04 to 4755.13 of the Revised Code, another chapter of the 9630  
Revised Code, or rules of the Ohio occupational therapy, 9631  
physical therapy, and athletic trainers board adopted pursuant 9632  
to sections 4755.04 to 4755.13 of the Revised Code. 9633

(B) A corporation, limited liability company, partnership, 9634  
or professional association described in division (A) of this 9635  
section may be formed for the purpose of providing a combination 9636  
of the professional services of the following individuals who 9637  
are licensed, certificated, or otherwise legally authorized to 9638  
practice their respective professions: 9639

(1) Optometrists who are authorized to practice optometry	9640
under Chapter 4725. of the Revised Code;	9641
(2) Chiropractors who are authorized to practice	9642
chiropractic or acupuncture under Chapter 4734. of the Revised	9643
Code;	9644
(3) Psychologists who are authorized to practice	9645
psychology under Chapter 4732. of the Revised Code;	9646
(4) Registered or licensed practical nurses who are	9647
authorized to practice nursing as registered nurses or as	9648
licensed practical nurses under Chapter 4723. of the Revised	9649
Code;	9650
(5) Pharmacists who are authorized to practice pharmacy	9651
under Chapter 4729. of the Revised Code;	9652
(6) Physical therapists who are authorized to practice	9653
physical therapy under sections 4755.40 to 4755.56 of the	9654
Revised Code;	9655
(7) Occupational therapists who are authorized to practice	9656
occupational therapy under sections 4755.04 to 4755.13 of the	9657
Revised Code;	9658
(8) Mechanotherapists who are authorized to practice	9659
mechanotherapy under section 4731.151 of the Revised Code;	9660
(9) Doctors of medicine and surgery, osteopathic medicine	9661
and surgery, or podiatric medicine and surgery who are	9662
authorized for their respective practices under Chapter 4731. of	9663
the Revised Code;	9664
(10) Licensed professional clinical counselors, licensed	9665
professional counselors, independent social workers, social	9666
workers, independent marriage and family therapists, or marriage	9667

and family therapists who are authorized for their respective 9668  
practices under Chapter 4757. of the Revised Code. 9669

This division shall apply notwithstanding a provision of a 9670  
code of ethics applicable to an occupational therapist that 9671  
prohibits an occupational therapist from engaging in the 9672  
practice of occupational therapy in combination with a person 9673  
who is licensed, certificated, or otherwise legally authorized 9674  
to practice optometry, chiropractic, acupuncture through the 9675  
state chiropractic board, psychology, nursing, pharmacy, 9676  
physical therapy, mechanotherapy, medicine and surgery, 9677  
osteopathic medicine and surgery, podiatric medicine and 9678  
surgery, professional counseling, social work, or marriage and 9679  
family therapy but who is not also licensed, certificated, or 9680  
otherwise legally authorized to engage in the practice of 9681  
occupational therapy. 9682

**Sec. 4755.471.** (A) An individual whom the physical therapy 9683  
section of the Ohio occupational therapy, physical therapy, and 9684  
athletic trainers board licenses, certificates, or otherwise 9685  
legally authorizes to engage in the practice of physical therapy 9686  
may render the professional services of a physical therapist 9687  
within this state through a corporation formed under division 9688  
(B) of section 1701.03 of the Revised Code, a limited liability 9689  
company formed under Chapter 1705. or 1706. of the Revised Code, 9690  
a partnership, or a professional association formed under 9691  
Chapter 1785. of the Revised Code. This division does not 9692  
preclude an individual of that nature from rendering 9693  
professional services as a physical therapist through another 9694  
form of business entity, including, but not limited to, a 9695  
nonprofit corporation or foundation, or in another manner that 9696  
is authorized by or in accordance with sections 4755.40 to 9697  
4755.53 of the Revised Code, another chapter of the Revised 9698

Code, or rules of the Ohio occupational therapy, physical 9699  
therapy, and athletic trainers board adopted pursuant to 9700  
sections 4755.40 to 4755.53 of the Revised Code. 9701

(B) A corporation, limited liability company, partnership, 9702  
or professional association described in division (A) of this 9703  
section may be formed for the purpose of providing a combination 9704  
of the professional services of the following individuals who 9705  
are licensed, certificated, or otherwise legally authorized to 9706  
practice their respective professions: 9707

(1) Optometrists who are authorized to practice optometry 9708  
under Chapter 4725. of the Revised Code; 9709

(2) Chiropractors who are authorized to practice 9710  
chiropractic or acupuncture under Chapter 4734. of the Revised 9711  
Code; 9712

(3) Psychologists who are authorized to practice 9713  
psychology under Chapter 4732. of the Revised Code; 9714

(4) Registered or licensed practical nurses who are 9715  
authorized to practice nursing as registered nurses or as 9716  
licensed practical nurses under Chapter 4723. of the Revised 9717  
Code; 9718

(5) Pharmacists who are authorized to practice pharmacy 9719  
under Chapter 4729. of the Revised Code; 9720

(6) Physical therapists who are authorized to practice 9721  
physical therapy under sections 4755.40 to 4755.56 of the 9722  
Revised Code; 9723

(7) Occupational therapists who are authorized to practice 9724  
occupational therapy under sections 4755.04 to 4755.13 of the 9725  
Revised Code; 9726

(8) Mechanotherapists who are authorized to practice 9727  
mechanotherapy under section 4731.151 of the Revised Code; 9728

(9) Doctors of medicine and surgery, osteopathic medicine 9729  
and surgery, or podiatric medicine and surgery who are 9730  
authorized for their respective practices under Chapter 4731. of 9731  
the Revised Code; 9732

(10) Licensed professional clinical counselors, licensed 9733  
professional counselors, independent social workers, social 9734  
workers, independent marriage and family therapists, or marriage 9735  
and family therapists who are authorized for their respective 9736  
practices under Chapter 4757. of the Revised Code. 9737

This division shall apply notwithstanding a provision of a 9738  
code of ethics applicable to a physical therapist that prohibits 9739  
a physical therapist from engaging in the practice of physical 9740  
therapy in combination with a person who is licensed, 9741  
certificated, or otherwise legally authorized to practice 9742  
optometry, chiropractic, acupuncture through the state 9743  
chiropractic board, psychology, nursing, pharmacy, occupational 9744  
therapy, mechanotherapy, medicine and surgery, osteopathic 9745  
medicine and surgery, podiatric medicine and surgery, 9746  
professional counseling, social work, or marriage and family 9747  
therapy, but who is not also licensed, certificated, or 9748  
otherwise legally authorized to engage in the practice of 9749  
physical therapy. 9750

**Sec. 4757.37.** (A) An individual whom the counselor, social 9751  
worker, and marriage and family therapist board licenses, 9752  
certificates, or otherwise legally authorizes to engage in the 9753  
practice of professional counseling, social work, or marriage 9754  
and family therapy may render the professional services of a 9755  
licensed professional clinical counselor, licensed professional 9756



counselor, independent social worker, social worker, independent 9757  
marriage and family therapist, or marriage and family therapist 9758  
within this state through a corporation formed under division 9759  
(B) of section 1701.03 of the Revised Code, a limited liability 9760  
company formed under Chapter 1705. or 1706. of the Revised Code, 9761  
a partnership, or a professional association formed under 9762  
Chapter 1785. of the Revised Code. This division does not 9763  
preclude such an individual from rendering professional services 9764  
as a licensed professional clinical counselor, licensed 9765  
professional counselor, independent social worker, social 9766  
worker, independent marriage and family therapist, or marriage 9767  
and family therapist through another form of business entity, 9768  
including, but not limited to, a nonprofit corporation or 9769  
foundation, or in another manner that is authorized by or in 9770  
accordance with this chapter, another chapter of the Revised 9771  
Code, or rules of the counselor, social worker, and marriage and 9772  
family therapist board adopted pursuant to this chapter. 9773

(B) A corporation, limited liability company, partnership, 9774  
or professional association described in division (A) of this 9775  
section may be formed for the purpose of providing a combination 9776  
of the professional services of the following individuals who 9777  
are licensed, certificated, or otherwise legally authorized to 9778  
practice their respective professions: 9779

(1) Optometrists who are authorized to practice optometry 9780  
under Chapter 4725. of the Revised Code; 9781

(2) Chiropractors who are authorized to practice 9782  
chiropractic or acupuncture under Chapter 4734. of the Revised 9783  
Code; 9784

(3) Psychologists who are authorized to practice 9785  
psychology under Chapter 4732. of the Revised Code; 9786

(4) Registered or licensed practical nurses who are	9787
authorized to practice nursing as registered nurses or as	9788
licensed practical nurses under Chapter 4723. of the Revised	9789
Code;	9790
(5) Pharmacists who are authorized to practice pharmacy	9791
under Chapter 4729. of the Revised Code;	9792
(6) Physical therapists who are authorized to practice	9793
physical therapy under sections 4755.40 to 4755.56 of the	9794
Revised Code;	9795
(7) Occupational therapists who are authorized to practice	9796
occupational therapy under sections 4755.04 to 4755.13 of the	9797
Revised Code;	9798
(8) Mechanotherapists who are authorized to practice	9799
mechanotherapy under section 4731.151 of the Revised Code;	9800
(9) Doctors of medicine and surgery, osteopathic medicine	9801
and surgery, or podiatric medicine and surgery who are	9802
authorized for their respective practices under Chapter 4731. of	9803
the Revised Code;	9804
(10) Licensed professional clinical counselors, licensed	9805
professional counselors, independent social workers, social	9806
workers, independent marriage and family therapists, or marriage	9807
and family therapists who are authorized for their respective	9808
practices under this chapter.	9809
This division applies notwithstanding a provision of a	9810
code of ethics applicable to an individual who is a licensed	9811
professional clinical counselor, licensed professional	9812
counselor, independent social worker, social worker, independent	9813
marriage and family therapist, or marriage and family therapist	9814
that prohibits the individual from engaging in the individual's	9815

practice in combination with a person who is licensed, 9816  
certificated, or otherwise legally authorized to practice 9817  
optometry, chiropractic, acupuncture through the state 9818  
chiropractic board, psychology, nursing, pharmacy, physical 9819  
therapy, occupational therapy, mechanotherapy, medicine and 9820  
surgery, osteopathic medicine and surgery, or podiatric medicine 9821  
and surgery, but who is not also licensed, certificated, or 9822  
otherwise legally authorized to engage in the practice of 9823  
professional counseling, social work, or marriage and family 9824  
therapy. 9825

**Sec. 5701.14.** For purposes of Title LVII of the Revised 9826  
Code: 9827

(A) In order to determine a limited liability company's 9828  
nonprofit status, an entity is operating with a nonprofit 9829  
purpose under section 1705.02 of the Revised Code or carrying on 9830  
any nonprofit activity under section 1706.05 of the Revised Code 9831  
if that entity is organized other than for the pecuniary gain or 9832  
profit of, and its net earnings or any part of its net earnings 9833  
are not distributable to, its members, its directors, its 9834  
officers, or other private persons, except that the payment of 9835  
reasonable compensation for services rendered, payments and 9836  
distributions in furtherance of its nonprofit purpose, and the 9837  
distribution of assets on dissolution permitted by section 9838  
1702.49 of the Revised Code are not pecuniary gain or profit or 9839  
distribution of net earnings. In no event shall payments and 9840  
distributions in furtherance of an entity's nonprofit purpose 9841  
deprive the entity of its nonprofit status as long as all of the 9842  
members of that entity are operating with a nonprofit purpose. 9843

(B) A single member limited liability company that 9844  
operates with a nonprofit purpose, as described in division (A) 9845

of this section, shall be treated as part of the same legal 9846  
entity as its nonprofit member, and all assets and liabilities 9847  
of that single member limited liability company shall be 9848  
considered to be that of the nonprofit member. Filings or 9849  
applications for exemptions or other tax purposes may be made 9850  
either by the single member limited liability company or its 9851  
nonprofit member. 9852

**Sec. 5715.19.** (A) As used in this section, "member" has 9853  
the same meaning as in section 1705.01 or 1706.01 of the Revised 9854  
Code, as applicable, and "internet identifier of record" has the 9855  
same meaning as in section 9.312 of the Revised Code. 9856

(1) Subject to division (A)(2) of this section, a 9857  
complaint against any of the following determinations for the 9858  
current tax year shall be filed with the county auditor on or 9859  
before the thirty-first day of March of the ensuing tax year or 9860  
the date of closing of the collection for the first half of real 9861  
and public utility property taxes for the current tax year, 9862  
whichever is later: 9863

(a) Any classification made under section 5713.041 of the 9864  
Revised Code; 9865

(b) Any determination made under section 5713.32 or 9866  
5713.35 of the Revised Code; 9867

(c) Any recoupment charge levied under section 5713.35 of 9868  
the Revised Code; 9869

(d) The determination of the total valuation or assessment 9870  
of any parcel that appears on the tax list, except parcels 9871  
assessed by the tax commissioner pursuant to section 5727.06 of 9872  
the Revised Code; 9873

(e) The determination of the total valuation of any parcel 9874

that appears on the agricultural land tax list, except parcels 9875  
assessed by the tax commissioner pursuant to section 5727.06 of 9876  
the Revised Code; 9877

(f) Any determination made under division (A) of section 9878  
319.302 of the Revised Code. 9879

If such a complaint is filed by mail or certified mail, 9880  
the date of the United States postmark placed on the envelope or 9881  
sender's receipt by the postal service shall be treated as the 9882  
date of filing. A private meter postmark on an envelope is not a 9883  
valid postmark for purposes of establishing the filing date. 9884

Any person owning taxable real property in the county or 9885  
in a taxing district with territory in the county; such a 9886  
person's spouse; an individual who is retained by such a person 9887  
and who holds a designation from a professional assessment 9888  
organization, such as the institute for professionals in 9889  
taxation, the national council of property taxation, or the 9890  
international association of assessing officers; a public 9891  
accountant who holds a permit under section 4701.10 of the 9892  
Revised Code, a general or residential real estate appraiser 9893  
licensed or certified under Chapter 4763. of the Revised Code, 9894  
or a real estate broker licensed under Chapter 4735. of the 9895  
Revised Code, who is retained by such a person; if the person is 9896  
a firm, company, association, partnership, limited liability 9897  
company, or corporation, an officer, a salaried employee, a 9898  
partner, or a member of that person; if the person is a trust, a 9899  
trustee of the trust; the board of county commissioners; the 9900  
prosecuting attorney or treasurer of the county; the board of 9901  
township trustees of any township with territory within the 9902  
county; the board of education of any school district with any 9903  
territory in the county; or the mayor or legislative authority 9904

of any municipal corporation with any territory in the county 9905  
may file such a complaint regarding any such determination 9906  
affecting any real property in the county, except that a person 9907  
owning taxable real property in another county may file such a 9908  
complaint only with regard to any such determination affecting 9909  
real property in the county that is located in the same taxing 9910  
district as that person's real property is located. The county 9911  
auditor shall present to the county board of revision all 9912  
complaints filed with the auditor. 9913

(2) As used in division (A)(2) of this section, "interim 9914  
period" means, for each county, the tax year to which section 9915  
5715.24 of the Revised Code applies and each subsequent tax year 9916  
until the tax year in which that section applies again. 9917

No person, board, or officer shall file a complaint 9918  
against the valuation or assessment of any parcel that appears 9919  
on the tax list if it filed a complaint against the valuation or 9920  
assessment of that parcel for any prior tax year in the same 9921  
interim period, unless the person, board, or officer alleges 9922  
that the valuation or assessment should be changed due to one or 9923  
more of the following circumstances that occurred after the tax 9924  
lien date for the tax year for which the prior complaint was 9925  
filed and that the circumstances were not taken into 9926  
consideration with respect to the prior complaint: 9927

(a) The property was sold in an arm's length transaction, 9928  
as described in section 5713.03 of the Revised Code; 9929

(b) The property lost value due to some casualty; 9930

(c) Substantial improvement was added to the property; 9931

(d) An increase or decrease of at least fifteen per cent 9932  
in the property's occupancy has had a substantial economic 9933

impact on the property. 9934

(3) If a county board of revision, the board of tax 9935  
appeals, or any court dismisses a complaint filed under this 9936  
section or section 5715.13 of the Revised Code for the reason 9937  
that the act of filing the complaint was the unauthorized 9938  
practice of law or the person filing the complaint was engaged 9939  
in the unauthorized practice of law, the party affected by a 9940  
decrease in valuation or the party's agent, or the person owning 9941  
taxable real property in the county or in a taxing district with 9942  
territory in the county, may refile the complaint, 9943  
notwithstanding division (A)(2) of this section. 9944

(4) (a) No complaint filed under this section or section 9945  
5715.13 of the Revised Code shall be dismissed for the reason 9946  
that the complaint fails to accurately identify the owner of the 9947  
property that is the subject of the complaint. 9948

(b) If a complaint fails to accurately identify the owner 9949  
of the property that is the subject of the complaint, the board 9950  
of revision shall exercise due diligence to ensure the correct 9951  
property owner is notified as required by divisions (B) and (C) 9952  
of this section. 9953

(5) Notwithstanding division (A)(2) of this section, a 9954  
person, board, or officer may file a complaint against the 9955  
valuation or assessment of any parcel that appears on the tax 9956  
list if it filed a complaint against the valuation or assessment 9957  
of that parcel for any prior tax year in the same interim period 9958  
if the person, board, or officer withdrew the complaint before 9959  
the complaint was heard by the board. 9960

(B) Within thirty days after the last date such complaints 9961  
may be filed, the auditor shall give notice of each complaint in 9962

which the stated amount of overvaluation, undervaluation, 9963  
discriminatory valuation, illegal valuation, or incorrect 9964  
determination is at least seventeen thousand five hundred 9965  
dollars to each property owner whose property is the subject of 9966  
the complaint, if the complaint was not filed by the owner or 9967  
the owner's spouse, and to each board of education whose school 9968  
district may be affected by the complaint. Within thirty days 9969  
after receiving such notice, a board of education; a property 9970  
owner; the owner's spouse; an individual who is retained by such 9971  
an owner and who holds a designation from a professional 9972  
assessment organization, such as the institute for professionals 9973  
in taxation, the national council of property taxation, or the 9974  
international association of assessing officers; a public 9975  
accountant who holds a permit under section 4701.10 of the 9976  
Revised Code, a general or residential real estate appraiser 9977  
licensed or certified under Chapter 4763. of the Revised Code, 9978  
or a real estate broker licensed under Chapter 4735. of the 9979  
Revised Code, who is retained by such a person; or, if the 9980  
property owner is a firm, company, association, partnership, 9981  
limited liability company, corporation, or trust, an officer, a 9982  
salaried employee, a partner, a member, or trustee of that 9983  
property owner, may file a complaint in support of or objecting 9984  
to the amount of alleged overvaluation, undervaluation, 9985  
discriminatory valuation, illegal valuation, or incorrect 9986  
determination stated in a previously filed complaint or 9987  
objecting to the current valuation. Upon the filing of a 9988  
complaint under this division, the board of education or the 9989  
property owner shall be made a party to the action. 9990

(C) Each board of revision shall notify any complainant 9991  
and also the property owner, if the property owner's address is 9992  
known, when a complaint is filed by one other than the property 9993



owner, not less than ten days prior to the hearing, either by 9994  
certified mail or, if the board has record of an internet 9995  
identifier of record associated with the owner, by ordinary mail 9996  
and by that internet identifier of record of the time and place 9997  
the same will be heard. The board of revision shall hear and 9998  
render its decision on a complaint within ninety days after the 9999  
filing thereof with the board, except that if a complaint is 10000  
filed within thirty days after receiving notice from the auditor 10001  
as provided in division (B) of this section, the board shall 10002  
hear and render its decision within ninety days after such 10003  
filing. 10004

(D) The determination of any such complaint shall relate 10005  
back to the date when the lien for taxes or recoupment charges 10006  
for the current year attached or the date as of which liability 10007  
for such year was determined. Liability for taxes and recoupment 10008  
charges for such year and each succeeding year until the 10009  
complaint is finally determined and for any penalty and interest 10010  
for nonpayment thereof within the time required by law shall be 10011  
based upon the determination, valuation, or assessment as 10012  
finally determined. Each complaint shall state the amount of 10013  
overvaluation, undervaluation, discriminatory valuation, illegal 10014  
valuation, or incorrect classification or determination upon 10015  
which the complaint is based. The treasurer shall accept any 10016  
amount tendered as taxes or recoupment charge upon property 10017  
concerning which a complaint is then pending, computed upon the 10018  
claimed valuation as set forth in the complaint. If a complaint 10019  
filed under this section for the current year is not determined 10020  
by the board within the time prescribed for such determination, 10021  
the complaint and any proceedings in relation thereto shall be 10022  
continued by the board as a valid complaint for any ensuing year 10023  
until such complaint is finally determined by the board or upon 10024

any appeal from a decision of the board. In such case, the 10025  
original complaint shall continue in effect without further 10026  
filing by the original taxpayer, the original taxpayer's 10027  
assignee, or any other person or entity authorized to file a 10028  
complaint under this section. 10029

(E) If a taxpayer files a complaint as to the 10030  
classification, valuation, assessment, or any determination 10031  
affecting the taxpayer's own property and tenders less than the 10032  
full amount of taxes or recoupment charges as finally 10033  
determined, an interest charge shall accrue as follows: 10034

(1) If the amount finally determined is less than the 10035  
amount billed but more than the amount tendered, the taxpayer 10036  
shall pay interest at the rate per annum prescribed by section 10037  
5703.47 of the Revised Code, computed from the date that the 10038  
taxes were due on the difference between the amount finally 10039  
determined and the amount tendered. This interest charge shall 10040  
be in lieu of any penalty or interest charge under section 10041  
323.121 of the Revised Code unless the taxpayer failed to file a 10042  
complaint and tender an amount as taxes or recoupment charges 10043  
within the time required by this section, in which case section 10044  
323.121 of the Revised Code applies. 10045

(2) If the amount of taxes finally determined is equal to 10046  
or greater than the amount billed and more than the amount 10047  
tendered, the taxpayer shall pay interest at the rate prescribed 10048  
by section 5703.47 of the Revised Code from the date the taxes 10049  
were due on the difference between the amount finally determined 10050  
and the amount tendered, such interest to be in lieu of any 10051  
interest charge but in addition to any penalty prescribed by 10052  
section 323.121 of the Revised Code. 10053

(F) Upon request of a complainant, the tax commissioner 10054

shall determine the common level of assessment of real property 10055  
in the county for the year stated in the request that is not 10056  
valued under section 5713.31 of the Revised Code, which common 10057  
level of assessment shall be expressed as a percentage of true 10058  
value and the common level of assessment of lands valued under 10059  
such section, which common level of assessment shall also be 10060  
expressed as a percentage of the current agricultural use value 10061  
of such lands. Such determination shall be made on the basis of 10062  
the most recent available sales ratio studies of the 10063  
commissioner and such other factual data as the commissioner 10064  
deems pertinent. 10065

(G) A complainant shall provide to the board of revision 10066  
all information or evidence within the complainant's knowledge 10067  
or possession that affects the real property that is the subject 10068  
of the complaint. A complainant who fails to provide such 10069  
information or evidence is precluded from introducing it on 10070  
appeal to the board of tax appeals or the court of common pleas, 10071  
except that the board of tax appeals or court may admit and 10072  
consider the evidence if the complainant shows good cause for 10073  
the complainant's failure to provide the information or evidence 10074  
to the board of revision. 10075

(H) In case of the pendency of any proceeding in court 10076  
based upon an alleged excessive, discriminatory, or illegal 10077  
valuation or incorrect classification or determination, the 10078  
taxpayer may tender to the treasurer an amount as taxes upon 10079  
property computed upon the claimed valuation as set forth in the 10080  
complaint to the court. The treasurer may accept the tender. If 10081  
the tender is not accepted, no penalty shall be assessed because 10082  
of the nonpayment of the full taxes assessed. 10083

**Sec. 5733.04.** As used in this chapter: 10084

(A) "Issued and outstanding shares of stock" applies to 10085  
nonprofit corporations, as provided in section 5733.01 of the 10086  
Revised Code, and includes, but is not limited to, membership 10087  
certificates and other instruments evidencing ownership of an 10088  
interest in such nonprofit corporations, and with respect to a 10089  
financial institution that does not have capital stock, "issued 10090  
and outstanding shares of stock" includes, but is not limited 10091  
to, ownership interests of depositors in the capital employed in 10092  
such an institution. 10093

(B) "Taxpayer" means a corporation subject to the tax 10094  
imposed by section 5733.06 of the Revised Code. 10095

(C) "Resident" means a corporation organized under the 10096  
laws of this state. 10097

(D) "Commercial domicile" means the principal place from 10098  
which the trade or business of the taxpayer is directed or 10099  
managed. 10100

(E) "Taxable year" means the period prescribed by division 10101  
(A) of section 5733.031 of the Revised Code upon the net income 10102  
of which the value of the taxpayer's issued and outstanding 10103  
shares of stock is determined under division (B) of section 10104  
5733.05 of the Revised Code or the period prescribed by division 10105  
(A) of section 5733.031 of the Revised Code that immediately 10106  
precedes the date as of which the total value of the corporation 10107  
is determined under division (A) or (C) of section 5733.05 of 10108  
the Revised Code. 10109

(F) "Tax year" means the calendar year in and for which 10110  
the tax imposed by section 5733.06 of the Revised Code is 10111  
required to be paid. 10112

(G) "Internal Revenue Code" means the "Internal Revenue 10113

Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 10114

(H) "Federal income tax" means the income tax imposed by 10115  
the Internal Revenue Code. 10116

(I) Except as provided in section 5733.058 of the Revised 10117  
Code, "net income" means the taxpayer's taxable income before 10118  
operating loss deduction and special deductions, as required to 10119  
be reported for the taxpayer's taxable year under the Internal 10120  
Revenue Code, subject to the following adjustments: 10121

(1) (a) Deduct any net operating loss incurred in any 10122  
taxable years ending in 1971 or thereafter, but exclusive of any 10123  
net operating loss incurred in taxable years ending prior to 10124  
January 1, 1971. This deduction shall not be allowed in any tax 10125  
year commencing before December 31, 1973, but shall be carried 10126  
over and allowed in tax years commencing after December 31, 10127  
1973, until fully utilized in the next succeeding taxable year 10128  
or years in which the taxpayer has net income, but in no case 10129  
for more than the designated carryover period as described in 10130  
division (I) (1) (b) of this section. The amount of such net 10131  
operating loss, as determined under the allocation and 10132  
apportionment provisions of section 5733.051 and division (B) of 10133  
section 5733.05 of the Revised Code for the year in which the 10134  
net operating loss occurs, shall be deducted from net income, as 10135  
determined under the allocation and apportionment provisions of 10136  
section 5733.051 and division (B) of section 5733.05 of the 10137  
Revised Code, to the extent necessary to reduce net income to 10138  
zero with the remaining unused portion of the deduction, if any, 10139  
carried forward to the remaining years of the designated 10140  
carryover period as described in division (I) (1) (b) of this 10141  
section, or until fully utilized, whichever occurs first. 10142

(b) For losses incurred in taxable years ending on or 10143

before December 31, 1981, the designated carryover period shall 10144  
be the five consecutive taxable years after the taxable year in 10145  
which the net operating loss occurred. For losses incurred in 10146  
taxable years ending on or after January 1, 1982, and beginning 10147  
before August 6, 1997, the designated carryover period shall be 10148  
the fifteen consecutive taxable years after the taxable year in 10149  
which the net operating loss occurs. For losses incurred in 10150  
taxable years beginning on or after August 6, 1997, the 10151  
designated carryover period shall be the twenty consecutive 10152  
taxable years after the taxable year in which the net operating 10153  
loss occurs. 10154

(c) The tax commissioner may require a taxpayer to furnish 10155  
any information necessary to support a claim for deduction under 10156  
division (I)(1)(a) of this section and no deduction shall be 10157  
allowed unless the information is furnished. 10158

(2) Deduct any amount included in net income by 10159  
application of section 78 or 951 of the Internal Revenue Code, 10160  
amounts received for royalties, technical or other services 10161  
derived from sources outside the United States, and dividends 10162  
received from a subsidiary, associate, or affiliated corporation 10163  
that neither transacts any substantial portion of its business 10164  
nor regularly maintains any substantial portion of its assets 10165  
within the United States. For purposes of determining net 10166  
foreign source income deductible under division (I)(2) of this 10167  
section, the amount of gross income from all such sources other 10168  
than dividend income and income derived by application of 10169  
section 78 or 951 of the Internal Revenue Code shall be reduced 10170  
by: 10171

(a) The amount of any reimbursed expenses for personal 10172  
services performed by employees of the taxpayer for the 10173

subsidiary, associate, or affiliated corporation; 10174

(b) Ten per cent of the amount of royalty income and 10175  
technical assistance fees; 10176

(c) Fifteen per cent of the amount of all other income. 10177

The amounts described in divisions (I) (2) (a) to (c) of 10178  
this section are deemed to be the expenses attributable to the 10179  
production of deductible foreign source income unless the 10180  
taxpayer shows, by clear and convincing evidence, less actual 10181  
expenses, or the tax commissioner shows, by clear and convincing 10182  
evidence, more actual expenses. 10183

(3) Add any loss or deduct any gain resulting from the 10184  
sale, exchange, or other disposition of a capital asset, or an 10185  
asset described in section 1231 of the Internal Revenue Code, to 10186  
the extent that such loss or gain occurred prior to the first 10187  
taxable year on which the tax provided for in section 5733.06 of 10188  
the Revised Code is computed on the corporation's net income. 10189  
For purposes of division (I) (3) of this section, the amount of 10190  
the prior loss or gain shall be measured by the difference 10191  
between the original cost or other basis of the asset and the 10192  
fair market value as of the beginning of the first taxable year 10193  
on which the tax provided for in section 5733.06 of the Revised 10194  
Code is computed on the corporation's net income. At the option 10195  
of the taxpayer, the amount of the prior loss or gain may be a 10196  
percentage of the gain or loss, which percentage shall be 10197  
determined by multiplying the gain or loss by a fraction, the 10198  
numerator of which is the number of months from the acquisition 10199  
of the asset to the beginning of the first taxable year on which 10200  
the fee provided in section 5733.06 of the Revised Code is 10201  
computed on the corporation's net income, and the denominator of 10202  
which is the number of months from the acquisition of the asset 10203

to the sale, exchange, or other disposition of the asset. The 10204  
adjustments described in this division do not apply to any gain 10205  
or loss where the gain or loss is recognized by a qualifying 10206  
taxpayer, as defined in section 5733.0510 of the Revised Code, 10207  
with respect to a qualifying taxable event, as defined in that 10208  
section. 10209

(4) Deduct the dividend received deduction provided by 10210  
section 243 of the Internal Revenue Code. 10211

(5) Deduct any interest or interest equivalent on public 10212  
obligations and purchase obligations to the extent included in 10213  
federal taxable income. As used in divisions (I) (5) and (6) of 10214  
this section, "public obligations," "purchase obligations," and 10215  
"interest or interest equivalent" have the same meanings as in 10216  
section 5709.76 of the Revised Code. 10217

(6) Add any loss or deduct any gain resulting from the 10218  
sale, exchange, or other disposition of public obligations to 10219  
the extent included in federal taxable income. 10220

(7) To the extent not otherwise allowed, deduct any 10221  
dividends or distributions received by a taxpayer from a public 10222  
utility, excluding an electric company and a combined company, 10223  
and, for tax years 2005 and thereafter, a telephone company, if 10224  
the taxpayer owns at least eighty per cent of the issued and 10225  
outstanding common stock of the public utility. As used in 10226  
division (I) (7) of this section, "public utility" means a public 10227  
utility as defined in Chapter 5727. of the Revised Code, whether 10228  
or not the public utility is doing business in the state. 10229

(8) To the extent not otherwise allowed, deduct any 10230  
dividends received by a taxpayer from an insurance company, if 10231  
the taxpayer owns at least eighty per cent of the issued and 10232



outstanding common stock of the insurance company. As used in 10233  
division (I)(8) of this section, "insurance company" means an 10234  
insurance company that is taxable under Chapter 5725. or 5729. 10235  
of the Revised Code. 10236

(9) Deduct expenditures for modifying existing buildings 10237  
or structures to meet American national standards institute 10238  
standard A-117.1-1961 (R-1971), as amended; provided, that no 10239  
deduction shall be allowed to the extent that such deduction is 10240  
not permitted under federal law or under rules of the tax 10241  
commissioner. Those deductions as are allowed may be taken over 10242  
a period of five years. The tax commissioner shall adopt rules 10243  
under Chapter 119. of the Revised Code establishing reasonable 10244  
limitations on the extent that expenditures for modifying 10245  
existing buildings or structures are attributable to the purpose 10246  
of making the buildings or structures accessible to and usable 10247  
by physically handicapped persons. 10248

(10) Deduct the amount of wages and salaries, if any, not 10249  
otherwise allowable as a deduction but that would have been 10250  
allowable as a deduction in computing federal taxable income 10251  
before operating loss deduction and special deductions for the 10252  
taxable year, had the targeted jobs credit allowed and 10253  
determined under sections 38, 51, and 52 of the Internal Revenue 10254  
Code not been in effect. 10255

(11) Deduct net interest income on obligations of the 10256  
United States and its territories and possessions or of any 10257  
authority, commission, or instrumentality of the United States 10258  
to the extent the laws of the United States prohibit inclusion 10259  
of the net interest for purposes of determining the value of the 10260  
taxpayer's issued and outstanding shares of stock under division 10261  
(B) of section 5733.05 of the Revised Code. As used in division 10262

(I) (11) of this section, "net interest" means interest net of 10263  
any expenses taken on the federal income tax return that would 10264  
not have been allowed under section 265 of the Internal Revenue 10265  
Code if the interest were exempt from federal income tax. 10266

(12) (a) Except as set forth in division (I) (12) (d) of this 10267  
section, to the extent not included in computing the taxpayer's 10268  
federal taxable income before operating loss deduction and 10269  
special deductions, add gains and deduct losses from direct or 10270  
indirect sales, exchanges, or other dispositions, made by a 10271  
related entity who is not a taxpayer, of the taxpayer's 10272  
indirect, beneficial, or constructive investment in the stock or 10273  
debt of another entity, unless the gain or loss has been 10274  
included in computing the federal taxable income before 10275  
operating loss deduction and special deductions of another 10276  
taxpayer with a more closely related investment in the stock or 10277  
debt of the other entity. The amount of gain added or loss 10278  
deducted shall not exceed the product obtained by multiplying 10279  
such gain or loss by the taxpayer's proportionate share, 10280  
directly, indirectly, beneficially, or constructively, of the 10281  
outstanding stock of the related entity immediately prior to the 10282  
direct or indirect sale, exchange, or other disposition. 10283

(b) Except as set forth in division (I) (12) (e) of this 10284  
section, to the extent not included in computing the taxpayer's 10285  
federal taxable income before operating loss deduction and 10286  
special deductions, add gains and deduct losses from direct or 10287  
indirect sales, exchanges, or other dispositions made by a 10288  
related entity who is not a taxpayer, of intangible property 10289  
other than stock, securities, and debt, if such property was 10290  
owned, or used in whole or in part, at any time prior to or at 10291  
the time of the sale, exchange, or disposition by either the 10292  
taxpayer or by a related entity that was a taxpayer at any time 10293

during the related entity's ownership or use of such property, 10294  
unless the gain or loss has been included in computing the 10295  
federal taxable income before operating loss deduction and 10296  
special deductions of another taxpayer with a more closely 10297  
related ownership or use of such intangible property. The amount 10298  
of gain added or loss deducted shall not exceed the product 10299  
obtained by multiplying such gain or loss by the taxpayer's 10300  
proportionate share, directly, indirectly, beneficially, or 10301  
constructively, of the outstanding stock of the related entity 10302  
immediately prior to the direct or indirect sale, exchange, or 10303  
other disposition. 10304

(c) As used in division (I)(12) of this section, "related 10305  
entity" means those entities described in divisions (I)(12)(c) 10306  
(i) to (iii) of this section: 10307

(i) An individual stockholder, or a member of the 10308  
stockholder's family enumerated in section 318 of the Internal 10309  
Revenue Code, if the stockholder and the members of the 10310  
stockholder's family own, directly, indirectly, beneficially, or 10311  
constructively, in the aggregate, at least fifty per cent of the 10312  
value of the taxpayer's outstanding stock; 10313

(ii) A stockholder, or a stockholder's partnership, 10314  
estate, trust, or corporation, if the stockholder and the 10315  
stockholder's partnerships, estates, trusts, and corporations 10316  
own directly, indirectly, beneficially, or constructively, in 10317  
the aggregate, at least fifty per cent of the value of the 10318  
taxpayer's outstanding stock; 10319

(iii) A corporation, or a party related to the corporation 10320  
in a manner that would require an attribution of stock from the 10321  
corporation to the party or from the party to the corporation 10322  
under division (I)(12)(c)(iv) of this section, if the taxpayer 10323

owns, directly, indirectly, beneficially, or constructively, at 10324  
least fifty per cent of the value of the corporation's 10325  
outstanding stock. 10326

(iv) The attribution rules of section 318 of the Internal 10327  
Revenue Code apply for purposes of determining whether the 10328  
ownership requirements in divisions (I) (12) (c) (i) to (iii) of 10329  
this section have been met. 10330

(d) For purposes of the adjustments required by division 10331  
(I) (12) (a) of this section, the term "investment in the stock or 10332  
debt of another entity" means only those investments where the 10333  
taxpayer and the taxpayer's related entities directly, 10334  
indirectly, beneficially, or constructively own, in the 10335  
aggregate, at any time during the twenty-four month period 10336  
commencing one year prior to the direct or indirect sale, 10337  
exchange, or other disposition of such investment at least fifty 10338  
per cent or more of the value of either the outstanding stock or 10339  
such debt of such other entity. 10340

(e) For purposes of the adjustments required by division 10341  
(I) (12) (b) of this section, the term "related entity" excludes 10342  
all of the following: 10343

(i) Foreign corporations as defined in section 7701 of the 10344  
Internal Revenue Code; 10345

(ii) Foreign partnerships as defined in section 7701 of 10346  
the Internal Revenue Code; 10347

(iii) Corporations, partnerships, estates, and trusts 10348  
created or organized in or under the laws of the Commonwealth of 10349  
Puerto Rico or any possession of the United States; 10350

(iv) Foreign estates and foreign trusts as defined in 10351  
section 7701 of the Internal Revenue Code. 10352

The exclusions described in divisions (I) (12) (e) (i) to 10353  
(iv) of this section do not apply if the corporation, 10354  
partnership, estate, or trust is described in any one of 10355  
divisions (C) (1) to (5) of section 5733.042 of the Revised Code. 10356

(f) Nothing in division (I) (12) of this section shall 10357  
require or permit a taxpayer to add any gains or deduct any 10358  
losses described in divisions (I) (12) (f) (i) and (ii) of this 10359  
section: 10360

(i) Gains or losses recognized for federal income tax 10361  
purposes by an individual, estate, or trust without regard to 10362  
the attribution rules described in division (I) (12) (c) of this 10363  
section; 10364

(ii) A related entity's gains or losses described in 10365  
division (I) (12) (b) of this section if the taxpayer's ownership 10366  
of or use of such intangible property was limited to a period 10367  
not exceeding nine months and was attributable to a transaction 10368  
or a series of transactions executed in accordance with the 10369  
election or elections made by the taxpayer or a related entity 10370  
pursuant to section 338 of the Internal Revenue Code. 10371

(13) Any adjustment required by section 5733.042 of the 10372  
Revised Code. 10373

(14) Add any amount claimed as a credit under section 10374  
5733.0611 of the Revised Code to the extent that such amount 10375  
satisfies either of the following: 10376

(a) It was deducted or excluded from the computation of 10377  
the corporation's taxable income before operating loss deduction 10378  
and special deductions as required to be reported for the 10379  
corporation's taxable year under the Internal Revenue Code; 10380

(b) It resulted in a reduction of the corporation's 10381

taxable income before operating loss deduction and special 10382  
deductions as required to be reported for any of the 10383  
corporation's taxable years under the Internal Revenue Code. 10384

(15) Deduct the amount contributed by the taxpayer to an 10385  
individual development account program established by a county 10386  
department of job and family services pursuant to sections 10387  
329.11 to 329.14 of the Revised Code for the purpose of matching 10388  
funds deposited by program participants. On request of the tax 10389  
commissioner, the taxpayer shall provide any information that, 10390  
in the tax commissioner's opinion, is necessary to establish the 10391  
amount deducted under division (I) (15) of this section. 10392

(16) Any adjustment required by section 5733.0510 or 10393  
5733.0511 of the Revised Code. 10394

(17) (a) (i) Add five-sixths of the amount of depreciation 10395  
expense allowed under subsection (k) of section 168 of the 10396  
Internal Revenue Code, including a person's proportionate or 10397  
distributive share of the amount of depreciation expense allowed 10398  
by that subsection to any pass-through entity in which the 10399  
person has direct or indirect ownership. 10400

(ii) Add five-sixths of the amount of qualifying section 10401  
179 depreciation expense, including a person's proportionate or 10402  
distributive share of the amount of qualifying section 179 10403  
depreciation expense allowed to any pass-through entity in which 10404  
the person has a direct or indirect ownership. For the purposes 10405  
of this division, "qualifying section 179 depreciation expense" 10406  
means the difference between (I) the amount of depreciation 10407  
expense directly or indirectly allowed to the taxpayer under 10408  
section 179 of the Internal Revenue Code, and (II) the amount of 10409  
depreciation expense directly or indirectly allowed to the 10410  
taxpayer under section 179 of the Internal Revenue Code as that 10411

section existed on December 31, 2002. 10412

The tax commissioner, under procedures established by the 10413  
commissioner, may waive the add-backs related to a pass-through 10414  
entity if the person owns, directly or indirectly, less than 10415  
five per cent of the pass-through entity. 10416

(b) Nothing in division (I) (17) of this section shall be 10417  
construed to adjust or modify the adjusted basis of any asset. 10418

(c) To the extent the add-back is attributable to property 10419  
generating income or loss allocable under section 5733.051 of 10420  
the Revised Code, the add-back shall be allocated to the same 10421  
location as the income or loss generated by that property. 10422  
Otherwise, the add-back shall be apportioned, subject to 10423  
division (B) (2) (d) of section 5733.05 of the Revised Code. 10424

(18) (a) If a person is required to make the add-back under 10425  
division (I) (17) (a) of this section for a tax year, the person 10426  
shall deduct one-fifth of the amount added back for each of the 10427  
succeeding five tax years. 10428

(b) If the amount deducted under division (I) (18) (a) of 10429  
this section is attributable to an add-back allocated under 10430  
division (I) (17) (c) of this section, the amount deducted shall 10431  
be allocated to the same location. Otherwise, the amount shall 10432  
be apportioned using the apportionment factors for the taxable 10433  
year in which the deduction is taken, subject to division (B) (2) 10434  
(d) of section 5733.05 of the Revised Code. 10435

(J) Except as otherwise expressly provided or clearly 10436  
appearing from the context, any term used in this chapter has 10437  
the same meaning as when used in a comparable context in the 10438  
laws of the United States relating to federal income taxes. Any 10439  
reference in this chapter to the Internal Revenue Code includes 10440

other laws of the United States relating to federal income 10441  
taxes. 10442

(K) "Financial institution" has the meaning given by 10443  
section 5725.01 of the Revised Code but does not include a 10444  
production credit association as described in 85 Stat. 597, 12 10445  
U.S.C.A. 2091. 10446

(L) (1) A "qualifying holding company" is any corporation 10447  
satisfying all of the following requirements: 10448

(a) Subject to divisions (L) (2) and (3) of this section, 10449  
the net book value of the corporation's intangible assets is 10450  
greater than or equal to ninety per cent of the net book value 10451  
of all of its assets and at least fifty per cent of the net book 10452  
value of all of its assets represents direct or indirect 10453  
investments in the equity of, loans and advances to, and 10454  
accounts receivable due from related members; 10455

(b) At least ninety per cent of the corporation's gross 10456  
income for the taxable year is attributable to the following: 10457

(i) The maintenance, management, ownership, acquisition, 10458  
use, and disposition of its intangible property, its aircraft 10459  
the use of which is not subject to regulation under 14 C.F.R. 10460  
part 121 or part 135, and any real property described in 10461  
division (L) (2) (c) of this section; 10462

(ii) The collection and distribution of income from such 10463  
property. 10464

(c) The corporation is not a financial institution on the 10465  
last day of the taxable year ending prior to the first day of 10466  
the tax year; 10467

(d) The corporation's related members make a good faith 10468



and reasonable effort to make timely and fully the adjustments 10469  
required by division (D) of section 5733.05 of the Revised Code 10470  
and to pay timely and fully all uncontested taxes, interest, 10471  
penalties, and other fees and charges imposed under this 10472  
chapter; 10473

(e) Subject to division (L)(4) of this section, the 10474  
corporation elects to be treated as a qualifying holding company 10475  
for the tax year. 10476

A corporation otherwise satisfying divisions (L)(1)(a) to 10477  
(e) of this section that does not elect to be a qualifying 10478  
holding company is not a qualifying holding company for the 10479  
purposes of this chapter. 10480

(2)(a)(i) For purposes of making the ninety per cent 10481  
computation under division (L)(1)(a) of this section, the net 10482  
book value of the corporation's assets shall not include the net 10483  
book value of aircraft or real property described in division 10484  
(L)(1)(b)(i) of this section. 10485

(ii) For purposes of making the fifty per cent computation 10486  
under division (L)(1)(a) of this section, the net book value of 10487  
assets shall include the net book value of aircraft or real 10488  
property described in division (L)(1)(b)(i) of this section. 10489

(b)(i) As used in division (L) of this section, 10490  
"intangible asset" includes, but is not limited to, the 10491  
corporation's direct interest in each pass-through entity only 10492  
if at all times during the corporation's taxable year ending 10493  
prior to the first day of the tax year the corporation's and the 10494  
corporation's related members' combined direct and indirect 10495  
interests in the capital or profits of such pass-through entity 10496  
do not exceed fifty per cent. If the corporation's interest in 10497

the pass-through entity is an intangible asset for that taxable 10498  
year, then the distributive share of any income from the pass- 10499  
through entity shall be income from an intangible asset for that 10500  
taxable year. 10501

(ii) If a corporation's and the corporation's related 10502  
members' combined direct and indirect interests in the capital 10503  
or profits of a pass-through entity exceed fifty per cent at any 10504  
time during the corporation's taxable year ending prior to the 10505  
first day of the tax year, "intangible asset" does not include 10506  
the corporation's direct interest in the pass-through entity, 10507  
and the corporation shall include in its assets its 10508  
proportionate share of the assets of any such pass-through 10509  
entity and shall include in its gross income its distributive 10510  
share of the gross income of such pass-through entity in the 10511  
same form as was earned by the pass-through entity. 10512

(iii) A pass-through entity's direct or indirect 10513  
proportionate share of any other pass-through entity's assets 10514  
shall be included for the purpose of computing the corporation's 10515  
proportionate share of the pass-through entity's assets under 10516  
division (L) (2) (b) (ii) of this section, and such pass-through 10517  
entity's distributive share of any other pass-through entity's 10518  
gross income shall be included for purposes of computing the 10519  
corporation's distributive share of the pass-through entity's 10520  
gross income under division (L) (2) (b) (ii) of this section. 10521

(c) For the purposes of divisions (L) (1) (b) (i), (1) (b) 10522  
(ii), (2) (a) (i), and (2) (a) (ii) of this section, real property 10523  
is described in division (L) (2) (c) of this section only if all 10524  
of the following conditions are present at all times during the 10525  
taxable year ending prior to the first day of the tax year: 10526

(i) The real property serves as the headquarters of the 10527

corporation's trade or business, or is the place from which the 10528  
corporation's trade or business is principally managed or 10529  
directed; 10530

(ii) Not more than ten per cent of the value of the real 10531  
property and not more than ten per cent of the square footage of 10532  
the building or buildings that are part of the real property is 10533  
used, made available, or occupied for the purpose of providing, 10534  
acquiring, transferring, selling, or disposing of tangible 10535  
property or services in the normal course of business to persons 10536  
other than related members, the corporation's employees and 10537  
their families, and such related members' employees and their 10538  
families. 10539

(d) As used in division (L) of this section, "related 10540  
member" has the same meaning as in division (A)(6) of section 10541  
5733.042 of the Revised Code without regard to division (B) of 10542  
that section. 10543

(3) The percentages described in division (L)(1)(a) of 10544  
this section shall be equal to the quarterly average of those 10545  
percentages as calculated during the corporation's taxable year 10546  
ending prior to the first day of the tax year. 10547

(4) With respect to the election described in division (L) 10548  
(1)(e) of this section: 10549

(a) The election need not accompany a timely filed report; 10550

(b) The election need not accompany the report; rather, 10551  
the election may accompany a subsequently filed but timely 10552  
application for refund and timely amended report, or a 10553  
subsequently filed but timely petition for reassessment; 10554

(c) The election is not irrevocable; 10555

(d) The election applies only to the tax year specified by the corporation; 10556  
10557

(e) The corporation's related members comply with division (L) (1) (d) of this section. 10558  
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Nothing in division (L) (4) of this section shall be construed to extend any statute of limitations set forth in this chapter. 10560  
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(M) "Qualifying controlled group" means two or more corporations that satisfy the ownership and control requirements of division (A) of section 5733.052 of the Revised Code. 10563  
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(N) "Limited liability company" means any limited liability company formed under Chapter 1705. or 1706. of the Revised Code or under the laws of any other state. 10566  
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(O) "Pass-through entity" means a corporation that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year under that code, or a partnership, limited liability company, or any other person, other than an individual, trust, or estate, if the partnership, limited liability company, or other person is not classified for federal income tax purposes as an association taxed as a corporation. 10569  
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(P) "Electric company," "combined company," and "telephone company" have the same meanings as in section 5727.01 of the Revised Code. 10577  
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10579

(Q) "Business income" means income arising from transactions, activities, and sources in the regular course of a trade or business and includes income from real property, tangible personal property, and intangible personal property if the acquisition, rental, management, and disposition of the 10580  
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property constitute integral parts of the regular course of a 10585  
trade or business operation. "Business income" includes income, 10586  
including gain or loss, from a partial or complete liquidation 10587  
of a business, including, but not limited to, gain or loss from 10588  
the sale or other disposition of goodwill. 10589

(R) "Nonbusiness income" means all income other than 10590  
business income. 10591

**Sec. 5733.33.** (A) As used in this section: 10592

(1) "Manufacturing machinery and equipment" means engines 10593  
and machinery, and tools and implements, of every kind used, or 10594  
designed to be used, in refining and manufacturing. 10595  
"Manufacturing machinery and equipment" does not include 10596  
property acquired after December 31, 1999, that is used: 10597

(a) For the transmission and distribution of electricity; 10598

(b) For the generation of electricity, if fifty per cent 10599  
or more of the electricity that the property generates is 10600  
consumed, during the one-hundred-twenty-month period commencing 10601  
with the date the property is placed in service, by persons that 10602  
are not related members to the person who generates the 10603  
electricity. 10604

(2) "New manufacturing machinery and equipment" means 10605  
manufacturing machinery and equipment, the original use in this 10606  
state of which commences with the taxpayer or with a partnership 10607  
of which the taxpayer is a partner. "New manufacturing machinery 10608  
and equipment" does not include property acquired after December 10609  
31, 1999, that is used: 10610

(a) For the transmission and distribution of electricity; 10611

(b) For the generation of electricity, if fifty per cent 10612

or more of the electricity that the property generates is 10613  
consumed, during the one-hundred-twenty-month period commencing 10614  
with the date the property is placed in service, by persons that 10615  
are not related members to the person who generates the 10616  
electricity. 10617

(3) (a) "Purchase" has the same meaning as in section 10618  
179(d) (2) of the Internal Revenue Code. 10619

(b) For purposes of this section, any property that is not 10620  
manufactured or assembled primarily by the taxpayer is 10621  
considered purchased at the time the agreement to acquire the 10622  
property becomes binding. Any property that is manufactured or 10623  
assembled primarily by the taxpayer is considered purchased at 10624  
the time the taxpayer places the property in service in the 10625  
county for which the taxpayer will calculate the county excess 10626  
amount. 10627

(c) Notwithstanding section 179(d) of the Internal Revenue 10628  
Code, a taxpayer's direct or indirect acquisition of new 10629  
manufacturing machinery and equipment is not purchased on or 10630  
after July 1, 1995, if the taxpayer, or a person whose 10631  
relationship to the taxpayer is described in subparagraphs (A), 10632  
(B), or (C) of section 179(d) (2) of the Internal Revenue Code, 10633  
had directly or indirectly entered into a binding agreement to 10634  
acquire the property at any time prior to July 1, 1995. 10635

(4) "Qualifying period" means the period that begins July 10636  
1, 1995, and ends June 30, 2005. 10637

(5) "County average new manufacturing machinery and 10638  
equipment investment" means either of the following: 10639

(a) The average annual cost of new manufacturing machinery 10640  
and equipment purchased for use in the county during baseline 10641

years, in the case of a taxpayer that was in existence for more than one year during baseline years. 10642  
10643

(b) Zero, in the case of a taxpayer that was not in existence for more than one year during baseline years. 10644  
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(6) "Partnership" includes a limited liability company formed under Chapter 1705. or 1706. of the Revised Code or under the laws of any other state, provided that the company is not classified for federal income tax purposes as an association taxable as a corporation. 10646  
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(7) "Partner" includes a member of a limited liability company formed under Chapter 1705. or 1706. of the Revised Code or under the laws of any other state, provided that the company is not classified for federal income tax purposes as an association taxable as a corporation. 10651  
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(8) "Distressed area" means either a municipal corporation that has a population of at least fifty thousand or a county that meets two of the following criteria of economic distress, or a municipal corporation the majority of the population of which is situated in such a county: 10656  
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(a) Its average rate of unemployment, during the most recent five-year 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 United States for the same period; 10661  
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(b) It has a per capita income equal to or below eighty per cent of the median county per capita income of the United States as determined by the most recently available figures from the United States census bureau; 10665  
10666  
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(c) (i) In the case of a municipal corporation, at least twenty per cent of the residents have a total income for the 10669  
10670

most recent census year that is below the official poverty line; 10671

(ii) In the case of a county, in intercensal years, the 10672  
county has a ratio of transfer payment income to total county 10673  
income equal to or greater than twenty-five per cent. 10674

(9) "Eligible area" means a distressed area, a labor 10675  
surplus area, an inner city area, or a situational distress 10676  
area. 10677

(10) "Inner city area" means, in a municipal corporation 10678  
that has a population of at least one hundred thousand and does 10679  
not meet the criteria of a labor surplus area or a distressed 10680  
area, targeted investment areas established by the municipal 10681  
corporation within its boundaries that are comprised of the most 10682  
recent census block tracts that individually have at least 10683  
twenty per cent of their population at or below the state 10684  
poverty level or other census block tracts contiguous to such 10685  
census block tracts. 10686

(11) "Labor surplus area" means an area designated as a 10687  
labor surplus area by the United States department of labor. 10688

(12) "Official poverty line" has the same meaning as in 10689  
division (A) of section 3923.51 of the Revised Code. 10690

(13) "Situational distress area" means a county or a 10691  
municipal corporation that has experienced or is experiencing a 10692  
closing or downsizing of a major employer, that will adversely 10693  
affect the county's or municipal corporation's economy. In order 10694  
to be designated as a situational distress area for a period not 10695  
to exceed thirty-six months, the county or municipal corporation 10696  
may petition the director of development. The petition shall 10697  
include written documentation that demonstrates all of the 10698  
following adverse effects on the local economy: 10699



(a) The number of jobs lost by the closing or downsizing;	10700
(b) The impact that the job loss has on the county's or municipal corporation's unemployment rate as measured by the state director of job and family services;	10701 10702 10703
(c) The annual payroll associated with the job loss;	10704
(d) The amount of state and local taxes associated with the job loss;	10705 10706
(e) The impact that the closing or downsizing has on the suppliers located in the county or municipal corporation.	10707 10708
(14) "Cost" has the same meaning and limitation as in section 179(d) (3) of the Internal Revenue Code.	10709 10710
(15) "Baseline years" means:	10711
(a) Calendar years 1992, 1993, and 1994, with regard to a credit claimed for the purchase during calendar year 1995, 1996, 1997, or 1998 of new manufacturing machinery and equipment;	10712 10713 10714
(b) Calendar years 1993, 1994, and 1995, with regard to a credit claimed for the purchase during calendar year 1999 of new manufacturing machinery and equipment;	10715 10716 10717
(c) Calendar years 1994, 1995, and 1996, with regard to a credit claimed for the purchase during calendar year 2000 of new manufacturing machinery and equipment;	10718 10719 10720
(d) Calendar years 1995, 1996, and 1997, with regard to a credit claimed for the purchase during calendar year 2001 of new manufacturing machinery and equipment;	10721 10722 10723
(e) Calendar years 1996, 1997, and 1998, with regard to a credit claimed for the purchase during calendar year 2002 of new manufacturing machinery and equipment;	10724 10725 10726

(f) Calendar years 1997, 1998, and 1999, with regard to a 10727  
credit claimed for the purchase during calendar year 2003 of new 10728  
manufacturing machinery and equipment; 10729

(g) Calendar years 1998, 1999, and 2000, with regard to a 10730  
credit claimed for the purchase during calendar year 2004 of new 10731  
manufacturing machinery and equipment; 10732

(h) Calendar years 1999, 2000, and 2001, with regard to a 10733  
credit claimed for the purchase on or after January 1, 2005, and 10734  
on or before June 30, 2005, of new manufacturing machinery and 10735  
equipment. 10736

(16) "Related member" has the same meaning as in section 10737  
5733.042 of the Revised Code. 10738

(B)(1) Subject to division (I) of this section, a 10739  
nonrefundable credit is allowed against the tax imposed by 10740  
section 5733.06 of the Revised Code for a taxpayer that 10741  
purchases new manufacturing machinery and equipment during the 10742  
qualifying period, provided that the new manufacturing machinery 10743  
and equipment are installed in this state no later than June 30, 10744  
2006. No credit shall be allowed under this section for taxable 10745  
years ending on or after July 1, 2005. The elimination of the 10746  
credit for those taxable years includes the elimination of any 10747  
remaining one-sevenths of credit amounts for which a portion was 10748  
allowed for prior taxable years and the elimination of any 10749  
credit carry-forward, but the purchases on which the credits 10750  
were based remain subject to grants under section 122.173 of the 10751  
Revised Code for those remaining one-seventh amounts or carry- 10752  
forward amounts. 10753

(2)(a) Except as otherwise provided in division (B)(2)(b) 10754  
of this section, a credit may be claimed under this section in 10755

excess of one million dollars only if the cost of all 10756  
manufacturing machinery and equipment owned in this state by the 10757  
taxpayer claiming the credit on the last day of the calendar 10758  
year exceeds the cost of all manufacturing machinery and 10759  
equipment owned in this state by the taxpayer on the first day 10760  
of that calendar year. 10761

As used in division (B) (2) (a) of this section, "calendar 10762  
year" means the calendar year in which the machinery and 10763  
equipment for which the credit is claimed was purchased. 10764

(b) Division (B) (2) (a) of this section does not apply if 10765  
the taxpayer claiming the credit applies for and is issued a 10766  
waiver of the requirement of that division. A taxpayer may apply 10767  
to the director of development for such a waiver in the manner 10768  
prescribed by the director, and the director may issue such a 10769  
waiver if the director determines that granting the credit is 10770  
necessary to increase or retain employees in this state, and 10771  
that the credit has not caused relocation of manufacturing 10772  
machinery and equipment among counties within this state for the 10773  
primary purpose of qualifying for the credit. 10774

(C) (1) Except as otherwise provided in division (C) (2) and 10775  
division (I) of this section, the credit amount is equal to 10776  
seven and one-half per cent of the excess of the cost of the new 10777  
manufacturing machinery and equipment purchased during the 10778  
calendar year for use in a county over the county average new 10779  
manufacturing machinery and equipment investment for that 10780  
county. 10781

(2) Subject to division (I) of this section, as used in 10782  
division (C) (2) of this section "county excess" means the 10783  
taxpayer's excess cost for a county as computed under division 10784  
(C) (1) of this section. 10785

Subject to division (I) of this section, a taxpayer with a county excess, whose purchases included purchases for use in any eligible area in the county, the credit amount is equal to thirteen and one-half per cent of the cost of the new manufacturing machinery and equipment purchased during the calendar year for use in the eligible areas in the county, provided that the cost subject to the thirteen and one-half per cent rate shall not exceed the county excess. If the county excess is greater than the cost of the new manufacturing machinery and equipment purchased during the calendar year for use in eligible areas in the county, the credit amount also shall include an amount equal to seven and one-half per cent of the amount of the difference.

(3) If a taxpayer is allowed a credit for purchases of new manufacturing machinery and equipment in more than one county or eligible area, it shall aggregate the amount of those credits each year.

(4) The taxpayer shall claim one-seventh of the credit amount for the tax year immediately following the calendar year in which the new manufacturing machinery and equipment is purchased for use in the county by the taxpayer or partnership. One-seventh of the taxpayer credit amount is allowed for each of the six ensuing tax years. Except for carried-forward amounts, the taxpayer is not allowed any credit amount remaining if the new manufacturing machinery and equipment is sold by the taxpayer or partnership or is transferred by the taxpayer or partnership out of the county before the end of the seven-year period unless, at the time of the sale or transfer, the new manufacturing machinery and equipment has been fully depreciated for federal income tax purposes.

(5) (a) A taxpayer that acquires manufacturing machinery and equipment as a result of a merger with the taxpayer with whom commenced the original use in this state of the manufacturing machinery and equipment, or with a taxpayer that was a partner in a partnership with whom commenced the original use in this state of the manufacturing machinery and equipment, is entitled to any remaining or carried-forward credit amounts to which the taxpayer was entitled.

(b) A taxpayer that enters into an agreement under division (C) (3) of section 5709.62 of the Revised Code and that acquires manufacturing machinery or equipment as a result of purchasing a large manufacturing facility, as defined in section 5709.61 of the Revised Code, from another taxpayer with whom commenced the original use in this state of the manufacturing machinery or equipment, and that operates the large manufacturing facility so purchased, is entitled to any remaining or carried-forward credit amounts to which the other taxpayer who sold the facility would have been entitled under this section had the other taxpayer not sold the manufacturing facility or equipment.

(c) New manufacturing machinery and equipment is not considered sold if a pass-through entity transfers to another pass-through entity substantially all of its assets as part of a plan of reorganization under which substantially all gain and loss is not recognized by the pass-through entity that is transferring the new manufacturing machinery and equipment to the transferee and under which the transferee's basis in the new manufacturing machinery and equipment is determined, in whole or in part, by reference to the basis of the pass-through entity which transferred the new manufacturing machinery and equipment to the transferee.

(d) Division (C) (5) of this section shall apply only if 10847  
the acquiring taxpayer or transferee does not sell the new 10848  
manufacturing machinery and equipment or transfer the new 10849  
manufacturing machinery and equipment out of the county before 10850  
the end of the seven-year period to which division (C) (4) of 10851  
this section refers. 10852

(e) Division (C) (5) (b) of this section applies only to the 10853  
extent that the taxpayer that sold the manufacturing machinery 10854  
or equipment, upon request, timely provides to the tax 10855  
commissioner any information that the tax commissioner considers 10856  
to be necessary to ascertain any remaining or carried-forward 10857  
amounts to which the taxpayer that sold the facility would have 10858  
been entitled under this section had the taxpayer not sold the 10859  
manufacturing machinery or equipment. Nothing in division (C) (5) 10860  
(b) or (e) of this section shall be construed to allow a 10861  
taxpayer to claim any credit amount with respect to the acquired 10862  
manufacturing machinery or equipment that is greater than the 10863  
amount that would have been available to the other taxpayer that 10864  
sold the manufacturing machinery or equipment had the other 10865  
taxpayer not sold the manufacturing machinery or equipment. 10866

(D) The taxpayer shall claim the credit in the order 10867  
required under section 5733.98 of the Revised Code. Each year, 10868  
any credit amount in excess of the tax due under section 5733.06 10869  
of the Revised Code after allowing for any other credits that 10870  
precede the credit under this section in that order may be 10871  
carried forward for three tax years. 10872

(E) A taxpayer purchasing new manufacturing machinery and 10873  
equipment and intending to claim the credit shall file, with the 10874  
department of development, a notice of intent to claim the 10875  
credit on a form prescribed by the department of development. 10876

The department of development shall inform the tax commissioner 10877  
of the notice of intent to claim the credit. No credit may be 10878  
claimed under this section for any manufacturing machinery and 10879  
equipment with respect to which a notice was not filed by the 10880  
date of a timely filed return, including extensions, for the 10881  
taxable year that includes September 30, 2005. 10882

(F) The director of development shall annually certify, by 10883  
the first day of January of each year during the qualifying 10884  
period, the eligible areas for the tax credit for the calendar 10885  
year that includes that first day of January. The director shall 10886  
send a copy of the certification to the tax commissioner. 10887

(G) New manufacturing machinery and equipment for which a 10888  
taxpayer claims the credit under section 5733.31 or 5733.311 of 10889  
the Revised Code shall not be considered new manufacturing 10890  
machinery and equipment for purposes of the credit under this 10891  
section. 10892

(H) (1) Notwithstanding sections 5733.11 and 5747.13 of the 10893  
Revised Code, but subject to division (H) (2) of this section, 10894  
the tax commissioner may issue an assessment against a person 10895  
with respect to a credit claimed under this section for new 10896  
manufacturing machinery and equipment described in division (A) 10897  
(1) (b) or (2) (b) of this section, if the machinery or equipment 10898  
subsequently does not qualify for the credit. 10899

(2) Division (H) (1) of this section shall not apply after 10900  
the twenty-fourth month following the last day of the period 10901  
described in divisions (A) (1) (b) and (2) (b) of this section. 10902

(I) Notwithstanding any other provision of this section to 10903  
the contrary, in the case of a qualifying controlled group, the 10904  
credit available under this section to a taxpayer or taxpayers 10905

in the qualifying controlled group shall be computed as if all 10906  
corporations in the group were a single corporation. The credit 10907  
shall be allocated to such a taxpayer or taxpayers in the group 10908  
in any amount elected for the taxable year by the group. Such 10909  
election shall be revocable and amendable during the period 10910  
described in division (B) of section 5733.12 of the Revised 10911  
Code. 10912

This division applies to all purchases of new 10913  
manufacturing machinery and equipment made on or after January 10914  
1, 2001, and to all baseline years used to compute any credit 10915  
attributable to such purchases; provided, that this division may 10916  
be applied solely at the election of the qualifying controlled 10917  
group with respect to all purchases of new manufacturing 10918  
machinery and equipment made before that date, and to all 10919  
baseline years used to compute any credit attributable to such 10920  
purchases. The qualifying controlled group at any time may elect 10921  
to apply this division to purchases made prior to January 1, 10922  
2001, subject to the following: 10923

(1) The election is irrevocable; 10924

(2) The election need not accompany a timely filed report, 10925  
but the election may accompany a subsequently filed but timely 10926  
application for refund, a subsequently filed but timely amended 10927  
report, or a subsequently filed but timely petition for 10928  
reassessment. 10929

**Sec. 5733.42.** (A) As used in this section: 10930

(1) "Eligible training program" means a program to provide 10931  
job skills to eligible employees who are unable effectively to 10932  
function on the job due to skill deficiencies or who would 10933  
otherwise be displaced because of their skill deficiencies or 10934



inability to use new technology, or to provide job skills to 10935  
eligible employees that enable them to perform other job duties 10936  
for the taxpayer. Eligible training programs do not include 10937  
executive, management, or personal enrichment training programs, 10938  
or training programs intended exclusively for personal career 10939  
development. 10940

(2) "Eligible employee" means an individual who is 10941  
employed in this state by a taxpayer and has been so employed by 10942  
the same taxpayer for at least one hundred eighty consecutive 10943  
days before the day an application for the credit is filed under 10944  
this section. "Eligible employee" does not include any employee 10945  
for which a credit is claimed pursuant to division (A) (5) of 10946  
section 5709.65 of the Revised Code for all or any part of the 10947  
same year, an employee who is not a full-time employee, or 10948  
executive or managerial personnel, except for the immediate 10949  
supervisors of nonexecutive, nonmanagerial personnel. 10950

(3) "Eligible training costs" means: 10951

(a) Direct instructional costs, such as instructor 10952  
salaries, materials and supplies, textbooks and manuals, 10953  
videotapes, and other instructional media and training equipment 10954  
used exclusively for the purpose of training eligible employees; 10955

(b) Wages paid to eligible employees for time devoted 10956  
exclusively to an eligible training program during normal paid 10957  
working hours. 10958

(4) "Full-time employee" means an individual who is 10959  
employed for consideration for at least thirty-five hours per 10960  
week, or who renders any other standard of service generally 10961  
accepted by custom or specified by contract as full-time 10962  
employment. 10963

(5) "Partnership" includes a limited liability company 10964  
formed under Chapter 1705. or 1706. of the Revised Code or under 10965  
the laws of another state, provided that the company is not 10966  
classified for federal income tax purposes as an association 10967  
taxable as a corporation. 10968

(B) There is hereby allowed a nonrefundable credit against 10969  
the tax imposed by section 5733.06 of the Revised Code for 10970  
taxpayers for which a tax credit certificate is issued under 10971  
division (C) of this section. The credit may be claimed for tax 10972  
years 2004, 2005, 2006, 2007, and 2008. The amount of the credit 10973  
for tax year 2004 shall equal one-half of the average of the 10974  
eligible training costs paid or incurred by the taxpayer during 10975  
calendar years 1999, 2000, and 2001, not to exceed one thousand 10976  
dollars for each eligible employee on account of whom eligible 10977  
training costs were paid or incurred by the taxpayer during 10978  
those calendar years. The amount of the credit for tax year 2005 10979  
shall equal one-half of the average of the eligible training 10980  
costs paid or incurred by the taxpayer during calendar years 10981  
2002, 2003, and 2004, not to exceed one thousand dollars for 10982  
each eligible employee on account of whom eligible training 10983  
costs were paid or incurred by the taxpayer during those 10984  
calendar years. The amount of the credit for tax year 2006 shall 10985  
equal one-half of the average of the eligible training costs 10986  
paid or incurred by the taxpayer during calendar years 2003, 10987  
2004, and 2005, not to exceed one thousand dollars for each 10988  
eligible employee on account of whom eligible training costs 10989  
were paid or incurred by the taxpayer during those calendar 10990  
years. The amount of the credit for tax year 2007 shall equal 10991  
one-half of the average of the eligible training costs paid or 10992  
incurred by the taxpayer during calendar years 2004, 2005, and 10993  
2006, not to exceed one thousand dollars for each eligible 10994

employee on account of whom eligible training costs were paid or 10995  
incurred by the taxpayer during those calendar years. The amount 10996  
of the credit for tax year 2008 shall equal one-half of the 10997  
average of the eligible training costs paid or incurred by the 10998  
taxpayer during calendar years 2005, 2006, and 2007, not to 10999  
exceed one thousand dollars for each eligible employee on 11000  
account of whom eligible training costs were paid or incurred by 11001  
the taxpayer during those calendar years. 11002

The credit claimed by a taxpayer each tax year shall not 11003  
exceed one hundred thousand dollars. 11004

(C) A taxpayer who proposes to conduct an eligible 11005  
training program may apply to the director of job and family 11006  
services for a tax credit certificate under this section. The 11007  
taxpayer may apply for such a certificate for tax years 2004, 11008  
2005, 2006, 2007, and 2008 subject to division (L) of this 11009  
section. The director shall prescribe the form of the 11010  
application, which shall require a detailed description of the 11011  
proposed training program. The director may require applicants 11012  
to remit an application fee with each application filed with the 11013  
director. The fee shall not exceed the reasonable and necessary 11014  
expenses incurred by the director in receiving, reviewing, and 11015  
approving such applications and issuing tax credit certificates. 11016  
Proceeds from fees shall be used solely for the purpose of 11017  
receiving, reviewing, and approving such applications and 11018  
issuing such certificates. 11019

After receipt of an application, the director shall 11020  
authorize a credit under this section by issuing a tax credit 11021  
certificate, in the form prescribed by the director, if the 11022  
director determines all of the following: 11023

(1) The proposed training program is an eligible training 11024

program under this section; 11025

(2) The proposed training program is economically sound 11026  
and will benefit the people of this state by improving workforce 11027  
skills and strengthening the economy of this state; 11028

(3) Receiving the tax credit is a major factor in the 11029  
taxpayer's decision to go forward with the training program; 11030

(4) Authorization of the credit is consistent with 11031  
division (H) of this section. 11032

The credit also is allowed for a taxpayer that is a 11033  
partner in a partnership that pays or incurs eligible training 11034  
costs. Such a taxpayer shall determine the taxpayer's credit 11035  
amount in the manner prescribed by division (K) of this section. 11036

(D) If the director of job and family services denies an 11037  
application for a tax credit certificate, the director shall 11038  
send notice of the denial and the reason for denial to the 11039  
applicant by certified mail, return receipt requested. If the 11040  
director determines that an authorized training program, as 11041  
actually conducted, fails to meet the requirements of this 11042  
section or to comply with any condition set forth in the 11043  
authorization, the director may reduce the amount of the tax 11044  
credit previously granted. If the director reduces a tax credit, 11045  
the director shall send notice of the reduction and the reason 11046  
for the reduction to the taxpayer by certified mail, return 11047  
receipt requested, and shall certify the reduction to the tax 11048  
commissioner or, in the case of the reduction of a credit 11049  
claimed by an insurance company, the superintendent of 11050  
insurance. The tax commissioner or superintendent of insurance 11051  
shall reduce the credit that may be claimed by the taxpayer 11052  
accordingly. Within sixty days after receiving a notice of 11053

denial or notice of reduction of the tax credit, an applicant or taxpayer may request, in writing, a hearing before the director to review the denial or reduction. Within sixty days after receiving a request that is filed within the prescribed time, the director shall hold such a hearing at a location to be determined by the director. Within thirty days after the hearing is adjourned, the director shall issue a redetermination affirming, reversing, or modifying the denial or reduction of the tax credit and send notice of the redetermination to the applicant or taxpayer by certified mail, return receipt requested, and shall issue a notice of the redetermination to the tax commissioner or superintendent of insurance. If an applicant or taxpayer is aggrieved by the director's redetermination, the applicant or taxpayer may appeal the redetermination to the board of tax appeals in the manner prescribed by section 5717.02 of the Revised Code.

(E) A taxpayer to which a tax credit certificate is issued shall retain records indicating the eligible training costs it pays or incurs for the eligible training program for which the certificate is issued for four years following the end of the tax year for which the credit is claimed. Such records shall be open to inspection by the director of job and family services upon the director's request during business hours.

Financial statements and other information submitted by an applicant to the director of job and family services for a tax credit under this section, and any information taken for any purpose from such statements or information, are not public records subject to section 149.43 of the Revised Code. However, the director of job and family services, the tax commissioner, or superintendent of insurance may make use of the statements and other information for purposes of issuing public reports or

in connection with court proceedings concerning tax credits 11085  
allowed under this section and sections 5725.31 and 5729.07 of 11086  
the Revised Code. 11087

(F) The director of job and family services, in accordance 11088  
with Chapter 119. of the Revised Code, shall adopt rules 11089  
necessary to implement this section and sections 5725.31 and 11090  
5729.07 of the Revised Code. The rules shall be adopted after 11091  
consultation with the tax commissioner and the superintendent of 11092  
insurance. The rules shall require that if a taxpayer to which a 11093  
tax credit certificate is issued under any of those sections 11094  
permanently relocates or transfers employees trained under the 11095  
tax credit certificate to another state or country within two 11096  
years of receiving the certificate, the taxpayer shall repay the 11097  
total amount of the tax credit received by the taxpayer for any 11098  
employees permanently relocated or transferred. At the time the 11099  
director gives public notice under division (A) of section 11100  
119.03 of the Revised Code of the adoption of the rules, the 11101  
director shall submit copies of the proposed rules to the 11102  
chairpersons and ranking minority members of the standing 11103  
committees in the senate and the house of representatives to 11104  
which legislation on economic development matters are 11105  
customarily referred. 11106

(G) On or before the thirtieth day of September of 2001, 11107  
2003, 2004, 2005, 2006, 2007, and 2008 the director of job and 11108  
family services shall submit a report to the governor, the 11109  
president of the senate, and the speaker of the house of 11110  
representatives on the tax credit program under this section and 11111  
sections 5725.31 and 5729.07 of the Revised Code. The report 11112  
shall include information on the number of training programs 11113  
that were authorized under those sections during the preceding 11114  
calendar year, a description of each authorized training 11115

program, the dollar amounts of the credits granted, and an 11116  
estimate of the impact of the credits on the economy of this 11117  
state. 11118

(H) The aggregate amount of credits authorized under this 11119  
section and sections 5725.31 and 5729.07 of the Revised Code 11120  
shall not exceed twenty million dollars per calendar year. No 11121  
more than ten million dollars in credits per calendar year shall 11122  
be authorized for persons engaged primarily in manufacturing. No 11123  
less than five million dollars in credits per calendar year 11124  
shall be set aside for persons engaged primarily in activities 11125  
other than manufacturing and having fewer than five hundred 11126  
employees. Subject to such limits, the director of job and 11127  
family services shall adopt a rule under division (F) of this 11128  
section that establishes criteria and procedures for 11129  
distribution of the credits. 11130

(I) A nonrefundable credit allowed under this section 11131  
shall be claimed in the order required under section 5733.98 of 11132  
the Revised Code. 11133

(J) The taxpayer may carry forward any credit amount in 11134  
excess of its tax due after allowing for any other credits that 11135  
precede the credit under this section in the order required 11136  
under section 5733.98 of the Revised Code. The excess credit may 11137  
be carried forward for three years following the tax year for 11138  
which it is first claimed under this section. 11139

(K) A taxpayer that is a partner in a partnership on the 11140  
last day of the third calendar year of the three-year period 11141  
during which the partnership pays or incurs eligible training 11142  
costs may claim a credit under this section for the tax year 11143  
immediately following that calendar year. The amount of a 11144  
partner's credit equals the partner's interest in the 11145

partnership on the last day of such calendar year multiplied by 11146  
the credit available to the partnership as computed by the 11147  
partnership. 11148

(L) The director of job and family services shall not 11149  
authorize any credits under this section and sections 5725.31 11150  
and 5729.07 of the Revised Code for eligible training costs paid 11151  
or incurred after December 31, 2007. 11152

**Sec. 5747.01.** Except as otherwise expressly provided or 11153  
clearly appearing from the context, any term used in this 11154  
chapter that is not otherwise defined in this section has the 11155  
same meaning as when used in a comparable context in the laws of 11156  
the United States relating to federal income taxes or if not 11157  
used in a comparable context in those laws, has the same meaning 11158  
as in section 5733.40 of the Revised Code. Any reference in this 11159  
chapter to the Internal Revenue Code includes other laws of the 11160  
United States relating to federal income taxes. 11161

As used in this chapter: 11162

(A) "Adjusted gross income" or "Ohio adjusted gross 11163  
income" means federal adjusted gross income, as defined and used 11164  
in the Internal Revenue Code, adjusted as provided in this 11165  
section: 11166

(1) Add interest or dividends on obligations or securities 11167  
of any state or of any political subdivision or authority of any 11168  
state, other than this state and its subdivisions and 11169  
authorities. 11170

(2) Add interest or dividends on obligations of any 11171  
authority, commission, instrumentality, territory, or possession 11172  
of the United States to the extent that the interest or 11173  
dividends are exempt from federal income taxes but not from 11174



state income taxes. 11175

(3) Deduct interest or dividends on obligations of the 11176  
United States and its territories and possessions or of any 11177  
authority, commission, or instrumentality of the United States 11178  
to the extent that the interest or dividends are included in 11179  
federal adjusted gross income but exempt from state income taxes 11180  
under the laws of the United States. 11181

(4) Deduct disability and survivor's benefits to the 11182  
extent included in federal adjusted gross income. 11183

(5) Deduct benefits under Title II of the Social Security 11184  
Act and tier 1 railroad retirement benefits to the extent 11185  
included in federal adjusted gross income under section 86 of 11186  
the Internal Revenue Code. 11187

(6) In the case of a taxpayer who is a beneficiary of a 11188  
trust that makes an accumulation distribution as defined in 11189  
section 665 of the Internal Revenue Code, add, for the 11190  
beneficiary's taxable years beginning before 2002, the portion, 11191  
if any, of such distribution that does not exceed the 11192  
undistributed net income of the trust for the three taxable 11193  
years preceding the taxable year in which the distribution is 11194  
made to the extent that the portion was not included in the 11195  
trust's taxable income for any of the trust's taxable years 11196  
beginning in 2002 or thereafter. "Undistributed net income of a 11197  
trust" means the taxable income of the trust increased by (a) (i) 11198  
the additions to adjusted gross income required under division 11199  
(A) of this section and (ii) the personal exemptions allowed to 11200  
the trust pursuant to section 642(b) of the Internal Revenue 11201  
Code, and decreased by (b) (i) the deductions to adjusted gross 11202  
income required under division (A) of this section, (ii) the 11203  
amount of federal income taxes attributable to such income, and 11204

(iii) the amount of taxable income that has been included in the 11205  
adjusted gross income of a beneficiary by reason of a prior 11206  
accumulation distribution. Any undistributed net income included 11207  
in the adjusted gross income of a beneficiary shall reduce the 11208  
undistributed net income of the trust commencing with the 11209  
earliest years of the accumulation period. 11210

(7) Deduct the amount of wages and salaries, if any, not 11211  
otherwise allowable as a deduction but that would have been 11212  
allowable as a deduction in computing federal adjusted gross 11213  
income for the taxable year, had the targeted jobs credit 11214  
allowed and determined under sections 38, 51, and 52 of the 11215  
Internal Revenue Code not been in effect. 11216

(8) Deduct any interest or interest equivalent on public 11217  
obligations and purchase obligations to the extent that the 11218  
interest or interest equivalent is included in federal adjusted 11219  
gross income. 11220

(9) Add any loss or deduct any gain resulting from the 11221  
sale, exchange, or other disposition of public obligations to 11222  
the extent that the loss has been deducted or the gain has been 11223  
included in computing federal adjusted gross income. 11224

(10) Deduct or add amounts, as provided under section 11225  
5747.70 of the Revised Code, related to contributions to 11226  
variable college savings program accounts made or tuition units 11227  
purchased pursuant to Chapter 3334. of the Revised Code. 11228

(11) (a) Deduct, to the extent not otherwise allowable as a 11229  
deduction or exclusion in computing federal or Ohio adjusted 11230  
gross income for the taxable year, the amount the taxpayer paid 11231  
during the taxable year for medical care insurance and qualified 11232  
long-term care insurance for the taxpayer, the taxpayer's 11233

spouse, and dependents. No deduction for medical care insurance 11234  
under division (A) (11) (a) of this section shall be allowed 11235  
either to any taxpayer who is eligible to participate in any 11236  
subsidized health plan maintained by any employer of the 11237  
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 11238  
entitled to, or on application would be entitled to, benefits 11239  
under part A of Title XVIII of the "Social Security Act," 49 11240  
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 11241  
division (A) (11) (a) of this section, "subsidized health plan" 11242  
means a health plan for which the employer pays any portion of 11243  
the plan's cost. The deduction allowed under division (A) (11) (a) 11244  
of this section shall be the net of any related premium refunds, 11245  
related premium reimbursements, or related insurance premium 11246  
dividends received during the taxable year. 11247

(b) Deduct, to the extent not otherwise deducted or 11248  
excluded in computing federal or Ohio adjusted gross income 11249  
during the taxable year, the amount the taxpayer paid during the 11250  
taxable year, not compensated for by any insurance or otherwise, 11251  
for medical care of the taxpayer, the taxpayer's spouse, and 11252  
dependents, to the extent the expenses exceed seven and one-half 11253  
per cent of the taxpayer's federal adjusted gross income. 11254

(c) Deduct, to the extent not otherwise deducted or 11255  
excluded in computing federal or Ohio adjusted gross income, any 11256  
amount included in federal adjusted gross income under section 11257  
105 or not excluded under section 106 of the Internal Revenue 11258  
Code solely because it relates to an accident and health plan 11259  
for a person who otherwise would be a "qualifying relative" and 11260  
thus a "dependent" under section 152 of the Internal Revenue 11261  
Code but for the fact that the person fails to meet the income 11262  
and support limitations under section 152(d) (1) (B) and (C) of 11263  
the Internal Revenue Code. 11264

(d) For purposes of division (A)(11) of this section, 11265  
"medical care" has the meaning given in section 213 of the 11266  
Internal Revenue Code, subject to the special rules, 11267  
limitations, and exclusions set forth therein, and "qualified 11268  
long-term care" has the same meaning given in section 7702B(c) 11269  
of the Internal Revenue Code. Solely for purposes of divisions 11270  
(A)(11)(a) and (c) of this section, "dependent" includes a 11271  
person who otherwise would be a "qualifying relative" and thus a 11272  
"dependent" under section 152 of the Internal Revenue Code but 11273  
for the fact that the person fails to meet the income and 11274  
support limitations under section 152(d)(1)(B) and (C) of the 11275  
Internal Revenue Code. 11276

(12)(a) Deduct any amount included in federal adjusted 11277  
gross income solely because the amount represents a 11278  
reimbursement or refund of expenses that in any year the 11279  
taxpayer had deducted as an itemized deduction pursuant to 11280  
section 63 of the Internal Revenue Code and applicable United 11281  
States department of the treasury regulations. The deduction 11282  
otherwise allowed under division (A)(12)(a) of this section 11283  
shall be reduced to the extent the reimbursement is attributable 11284  
to an amount the taxpayer deducted under this section in any 11285  
taxable year. 11286

(b) Add any amount not otherwise included in Ohio adjusted 11287  
gross income for any taxable year to the extent that the amount 11288  
is attributable to the recovery during the taxable year of any 11289  
amount deducted or excluded in computing federal or Ohio 11290  
adjusted gross income in any taxable year. 11291

(13) Deduct any portion of the deduction described in 11292  
section 1341(a)(2) of the Internal Revenue Code, for repaying 11293  
previously reported income received under a claim of right, that 11294

meets both of the following requirements: 11295

(a) It is allowable for repayment of an item that was 11296  
included in the taxpayer's adjusted gross income for a prior 11297  
taxable year and did not qualify for a credit under division (A) 11298  
or (B) of section 5747.05 of the Revised Code for that year; 11299

(b) It does not otherwise reduce the taxpayer's adjusted 11300  
gross income for the current or any other taxable year. 11301

(14) Deduct an amount equal to the deposits made to, and 11302  
net investment earnings of, a medical savings account during the 11303  
taxable year, in accordance with section 3924.66 of the Revised 11304  
Code. The deduction allowed by division (A) (14) of this section 11305  
does not apply to medical savings account deposits and earnings 11306  
otherwise deducted or excluded for the current or any other 11307  
taxable year from the taxpayer's federal adjusted gross income. 11308

(15) (a) Add an amount equal to the funds withdrawn from a 11309  
medical savings account during the taxable year, and the net 11310  
investment earnings on those funds, when the funds withdrawn 11311  
were used for any purpose other than to reimburse an account 11312  
holder for, or to pay, eligible medical expenses, in accordance 11313  
with section 3924.66 of the Revised Code; 11314

(b) Add the amounts distributed from a medical savings 11315  
account under division (A) (2) of section 3924.68 of the Revised 11316  
Code during the taxable year. 11317

(16) Add any amount claimed as a credit under section 11318  
5747.059 of the Revised Code to the extent that such amount 11319  
satisfies either of the following: 11320

(a) The amount was deducted or excluded from the 11321  
computation of the taxpayer's federal adjusted gross income as 11322  
required to be reported for the taxpayer's taxable year under 11323

the Internal Revenue Code; 11324

(b) The amount resulted in a reduction of the taxpayer's 11325  
federal adjusted gross income as required to be reported for any 11326  
of the taxpayer's taxable years under the Internal Revenue Code. 11327

(17) Deduct the amount contributed by the taxpayer to an 11328  
individual development account program established by a county 11329  
department of job and family services pursuant to sections 11330  
329.11 to 329.14 of the Revised Code for the purpose of matching 11331  
funds deposited by program participants. On request of the tax 11332  
commissioner, the taxpayer shall provide any information that, 11333  
in the tax commissioner's opinion, is necessary to establish the 11334  
amount deducted under division (A) (17) of this section. 11335

(18) Beginning in taxable year 2001 but not for any 11336  
taxable year beginning after December 31, 2005, if the taxpayer 11337  
is married and files a joint return and the combined federal 11338  
adjusted gross income of the taxpayer and the taxpayer's spouse 11339  
for the taxable year does not exceed one hundred thousand 11340  
dollars, or if the taxpayer is single and has a federal adjusted 11341  
gross income for the taxable year not exceeding fifty thousand 11342  
dollars, deduct amounts paid during the taxable year for 11343  
qualified tuition and fees paid to an eligible institution for 11344  
the taxpayer, the taxpayer's spouse, or any dependent of the 11345  
taxpayer, who is a resident of this state and is enrolled in or 11346  
attending a program that culminates in a degree or diploma at an 11347  
eligible institution. The deduction may be claimed only to the 11348  
extent that qualified tuition and fees are not otherwise 11349  
deducted or excluded for any taxable year from federal or Ohio 11350  
adjusted gross income. The deduction may not be claimed for 11351  
educational expenses for which the taxpayer claims a credit 11352  
under section 5747.27 of the Revised Code. 11353

(19) Add any reimbursement received during the taxable 11354  
year of any amount the taxpayer deducted under division (A) (18) 11355  
of this section in any previous taxable year to the extent the 11356  
amount is not otherwise included in Ohio adjusted gross income. 11357

(20) (a) (i) Subject to divisions (A) (20) (a) (iii), (iv), and 11358  
(v) of this section, add five-sixths of the amount of 11359  
depreciation expense allowed by subsection (k) of section 168 of 11360  
the Internal Revenue Code, including the taxpayer's 11361  
proportionate or distributive share of the amount of 11362  
depreciation expense allowed by that subsection to a pass- 11363  
through entity in which the taxpayer has a direct or indirect 11364  
ownership interest. 11365

(ii) Subject to divisions (A) (20) (a) (iii), (iv), and (v) 11366  
of this section, add five-sixths of the amount of qualifying 11367  
section 179 depreciation expense, including the taxpayer's 11368  
proportionate or distributive share of the amount of qualifying 11369  
section 179 depreciation expense allowed to any pass-through 11370  
entity in which the taxpayer has a direct or indirect ownership 11371  
interest. 11372

(iii) Subject to division (A) (20) (a) (v) of this section, 11373  
for taxable years beginning in 2012 or thereafter, if the 11374  
increase in income taxes withheld by the taxpayer is equal to or 11375  
greater than ten per cent of income taxes withheld by the 11376  
taxpayer during the taxpayer's immediately preceding taxable 11377  
year, "two-thirds" shall be substituted for "five-sixths" for 11378  
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 11379

(iv) Subject to division (A) (20) (a) (v) of this section, 11380  
for taxable years beginning in 2012 or thereafter, a taxpayer is 11381  
not required to add an amount under division (A) (20) of this 11382  
section if the increase in income taxes withheld by the taxpayer 11383

and by any pass-through entity in which the taxpayer has a 11384  
direct or indirect ownership interest is equal to or greater 11385  
than the sum of (I) the amount of qualifying section 179 11386  
depreciation expense and (II) the amount of depreciation expense 11387  
allowed to the taxpayer by subsection (k) of section 168 of the 11388  
Internal Revenue Code, and including the taxpayer's 11389  
proportionate or distributive shares of such amounts allowed to 11390  
any such pass-through entities. 11391

(v) If a taxpayer directly or indirectly incurs a net 11392  
operating loss for the taxable year for federal income tax 11393  
purposes, to the extent such loss resulted from depreciation 11394  
expense allowed by subsection (k) of section 168 of the Internal 11395  
Revenue Code and by qualifying section 179 depreciation expense, 11396  
"the entire" shall be substituted for "five-sixths of the" for 11397  
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 11398

The tax commissioner, under procedures established by the 11399  
commissioner, may waive the add-backs related to a pass-through 11400  
entity if the taxpayer owns, directly or indirectly, less than 11401  
five per cent of the pass-through entity. 11402

(b) Nothing in division (A) (20) of this section shall be 11403  
construed to adjust or modify the adjusted basis of any asset. 11404

(c) To the extent the add-back required under division (A) 11405  
(20) (a) of this section is attributable to property generating 11406  
nonbusiness income or loss allocated under section 5747.20 of 11407  
the Revised Code, the add-back shall be situated to the same 11408  
location as the nonbusiness income or loss generated by the 11409  
property for the purpose of determining the credit under 11410  
division (A) of section 5747.05 of the Revised Code. Otherwise, 11411  
the add-back shall be apportioned, subject to one or more of the 11412  
four alternative methods of apportionment enumerated in section 11413



5747.21 of the Revised Code. 11414

(d) For the purposes of division (A) (20) (a) (v) of this 11415  
section, net operating loss carryback and carryforward shall not 11416  
include the allowance of any net operating loss deduction 11417  
carryback or carryforward to the taxable year to the extent such 11418  
loss resulted from depreciation allowed by section 168(k) of the 11419  
Internal Revenue Code and by the qualifying section 179 11420  
depreciation expense amount. 11421

(e) For the purposes of divisions (A) (20) and (21) of this 11422  
section: 11423

(i) "Income taxes withheld" means the total amount 11424  
withheld and remitted under sections 5747.06 and 5747.07 of the 11425  
Revised Code by an employer during the employer's taxable year. 11426

(ii) "Increase in income taxes withheld" means the amount 11427  
by which the amount of income taxes withheld by an employer 11428  
during the employer's current taxable year exceeds the amount of 11429  
income taxes withheld by that employer during the employer's 11430  
immediately preceding taxable year. 11431

(iii) "Qualifying section 179 depreciation expense" means 11432  
the difference between (I) the amount of depreciation expense 11433  
directly or indirectly allowed to a taxpayer under section 179 11434  
of the Internal Revised Code, and (II) the amount of 11435  
depreciation expense directly or indirectly allowed to the 11436  
taxpayer under section 179 of the Internal Revenue Code as that 11437  
section existed on December 31, 2002. 11438

(21) (a) If the taxpayer was required to add an amount 11439  
under division (A) (20) (a) of this section for a taxable year, 11440  
deduct one of the following: 11441

(i) One-fifth of the amount so added for each of the five 11442

succeeding taxable years if the amount so added was five-sixths 11443  
of qualifying section 179 depreciation expense or depreciation 11444  
expense allowed by subsection (k) of section 168 of the Internal 11445  
Revenue Code; 11446

(ii) One-half of the amount so added for each of the two 11447  
succeeding taxable years if the amount so added was two-thirds 11448  
of such depreciation expense; 11449

(iii) One-sixth of the amount so added for each of the six 11450  
succeeding taxable years if the entire amount of such 11451  
depreciation expense was so added. 11452

(b) If the amount deducted under division (A) (21) (a) of 11453  
this section is attributable to an add-back allocated under 11454  
division (A) (20) (c) of this section, the amount deducted shall 11455  
be situated to the same location. Otherwise, the add-back shall 11456  
be apportioned using the apportionment factors for the taxable 11457  
year in which the deduction is taken, subject to one or more of 11458  
the four alternative methods of apportionment enumerated in 11459  
section 5747.21 of the Revised Code. 11460

(c) No deduction is available under division (A) (21) (a) of 11461  
this section with regard to any depreciation allowed by section 11462  
168(k) of the Internal Revenue Code and by the qualifying 11463  
section 179 depreciation expense amount to the extent that such 11464  
depreciation results in or increases a federal net operating 11465  
loss carryback or carryforward. If no such deduction is 11466  
available for a taxable year, the taxpayer may carry forward the 11467  
amount not deducted in such taxable year to the next taxable 11468  
year and add that amount to any deduction otherwise available 11469  
under division (A) (21) (a) of this section for that next taxable 11470  
year. The carryforward of amounts not so deducted shall continue 11471  
until the entire addition required by division (A) (20) (a) of 11472

this section has been deducted. 11473

(d) No refund shall be allowed as a result of adjustments 11474  
made by division (A) (21) of this section. 11475

(22) Deduct, to the extent not otherwise deducted or 11476  
excluded in computing federal or Ohio adjusted gross income for 11477  
the taxable year, the amount the taxpayer received during the 11478  
taxable year as reimbursement for life insurance premiums under 11479  
section 5919.31 of the Revised Code. 11480

(23) Deduct, to the extent not otherwise deducted or 11481  
excluded in computing federal or Ohio adjusted gross income for 11482  
the taxable year, the amount the taxpayer received during the 11483  
taxable year as a death benefit paid by the adjutant general 11484  
under section 5919.33 of the Revised Code. 11485

(24) Deduct, to the extent included in federal adjusted 11486  
gross income and not otherwise allowable as a deduction or 11487  
exclusion in computing federal or Ohio adjusted gross income for 11488  
the taxable year, military pay and allowances received by the 11489  
taxpayer during the taxable year for active duty service in the 11490  
United States army, air force, navy, marine corps, or coast 11491  
guard or reserve components thereof or the national guard. The 11492  
deduction may not be claimed for military pay and allowances 11493  
received by the taxpayer while the taxpayer is stationed in this 11494  
state. 11495

(25) Deduct, to the extent not otherwise allowable as a 11496  
deduction or exclusion in computing federal or Ohio adjusted 11497  
gross income for the taxable year and not otherwise compensated 11498  
for by any other source, the amount of qualified organ donation 11499  
expenses incurred by the taxpayer during the taxable year, not 11500  
to exceed ten thousand dollars. A taxpayer may deduct qualified 11501

organ donation expenses only once for all taxable years 11502  
beginning with taxable years beginning in 2007. 11503

For the purposes of division (A) (25) of this section: 11504

(a) "Human organ" means all or any portion of a human 11505  
liver, pancreas, kidney, intestine, or lung, and any portion of 11506  
human bone marrow. 11507

(b) "Qualified organ donation expenses" means travel 11508  
expenses, lodging expenses, and wages and salary forgone by a 11509  
taxpayer in connection with the taxpayer's donation, while 11510  
living, of one or more of the taxpayer's human organs to another 11511  
human being. 11512

(26) Deduct, to the extent not otherwise deducted or 11513  
excluded in computing federal or Ohio adjusted gross income for 11514  
the taxable year, amounts received by the taxpayer as retired 11515  
personnel pay for service in the uniformed services or reserve 11516  
components thereof, or the national guard, or received by the 11517  
surviving spouse or former spouse of such a taxpayer under the 11518  
survivor benefit plan on account of such a taxpayer's death. If 11519  
the taxpayer receives income on account of retirement paid under 11520  
the federal civil service retirement system or federal employees 11521  
retirement system, or under any successor retirement program 11522  
enacted by the congress of the United States that is established 11523  
and maintained for retired employees of the United States 11524  
government, and such retirement income is based, in whole or in 11525  
part, on credit for the taxpayer's uniformed service, the 11526  
deduction allowed under this division shall include only that 11527  
portion of such retirement income that is attributable to the 11528  
taxpayer's uniformed service, to the extent that portion of such 11529  
retirement income is otherwise included in federal adjusted 11530  
gross income and is not otherwise deducted under this section. 11531

Any amount deducted under division (A) (26) of this section is 11532  
not included in a taxpayer's adjusted gross income for the 11533  
purposes of section 5747.055 of the Revised Code. No amount may 11534  
be deducted under division (A) (26) of this section on the basis 11535  
of which a credit was claimed under section 5747.055 of the 11536  
Revised Code. 11537

(27) Deduct, to the extent not otherwise deducted or 11538  
excluded in computing federal or Ohio adjusted gross income for 11539  
the taxable year, the amount the taxpayer received during the 11540  
taxable year from the military injury relief fund created in 11541  
section 5902.05 of the Revised Code. 11542

(28) Deduct, to the extent not otherwise deducted or 11543  
excluded in computing federal or Ohio adjusted gross income for 11544  
the taxable year, the amount the taxpayer received as a veterans 11545  
bonus during the taxable year from the Ohio department of 11546  
veterans services as authorized by Section 2r of Article VIII, 11547  
Ohio Constitution. 11548

(29) Deduct, to the extent not otherwise deducted or 11549  
excluded in computing federal or Ohio adjusted gross income for 11550  
the taxable year, any income derived from a transfer agreement 11551  
or from the enterprise transferred under that agreement under 11552  
section 4313.02 of the Revised Code. 11553

(30) Deduct, to the extent not otherwise deducted or 11554  
excluded in computing federal or Ohio adjusted gross income for 11555  
the taxable year, Ohio college opportunity or federal Pell grant 11556  
amounts received by the taxpayer or the taxpayer's spouse or 11557  
dependent pursuant to section 3333.122 of the Revised Code or 20 11558  
U.S.C. 1070a, et seq., and used to pay room or board furnished 11559  
by the educational institution for which the grant was awarded 11560  
at the institution's facilities, including meal plans 11561

administered by the institution. For the purposes of this 11562  
division, receipt of a grant includes the distribution of a 11563  
grant directly to an educational institution and the crediting 11564  
of the grant to the enrollee's account with the institution. 11565

(31) Deduct from the portion of an individual's federal 11566  
adjusted gross income that is business income, to the extent not 11567  
otherwise deducted or excluded in computing federal adjusted 11568  
gross income for the taxable year, one hundred twenty-five 11569  
thousand dollars for each spouse if spouses file separate 11570  
returns under section 5747.08 of the Revised Code or two hundred 11571  
fifty thousand dollars for all other individuals. 11572

(32) Deduct, as provided under section 5747.78 of the 11573  
Revised Code, contributions to ABLE savings accounts made in 11574  
accordance with sections 113.50 to 113.56 of the Revised Code. 11575

(33) (a) Deduct, to the extent not otherwise deducted or 11576  
excluded in computing federal or Ohio adjusted gross income 11577  
during the taxable year, all of the following: 11578

(i) Compensation paid to a qualifying employee described 11579  
in division (A) (14) (a) of section 5703.94 of the Revised Code to 11580  
the extent such compensation is for disaster work conducted in 11581  
this state during a disaster response period pursuant to a 11582  
qualifying solicitation received by the employee's employer; 11583

(ii) Compensation paid to a qualifying employee described 11584  
in division (A) (14) (b) of section 5703.94 of the Revised Code to 11585  
the extent such compensation is for disaster work conducted in 11586  
this state by the employee during the disaster response period 11587  
on critical infrastructure owned or used by the employee's 11588  
employer; 11589

(iii) Income received by an out-of-state disaster business 11590

for disaster work conducted in this state during a disaster 11591  
response period, or, if the out-of-state disaster business is a 11592  
pass-through entity, a taxpayer's distributive share of the 11593  
pass-through entity's income from the business conducting 11594  
disaster work in this state during a disaster response period, 11595  
if, in either case, the disaster work is conducted pursuant to a 11596  
qualifying solicitation received by the business. 11597

(b) All terms used in division (A) (33) of this section 11598  
have the same meanings as in section 5703.94 of the Revised 11599  
Code. 11600

(34) For a taxpayer who is a qualifying Ohio educator, 11601  
deduct, to the extent not otherwise deducted or excluded in 11602  
computing federal or Ohio adjusted gross income for the taxable 11603  
year, the lesser of two hundred fifty dollars or the amount of 11604  
expenses described in subsections (a) (2) (D) (i) and (ii) of 11605  
section 62 of the Internal Revenue Code paid or incurred by the 11606  
taxpayer during the taxpayer's taxable year in excess of the 11607  
amount the taxpayer is authorized to deduct for that taxable 11608  
year under subsection (a) (2) (D) of that section. 11609

(B) "Business income" means income, including gain or 11610  
loss, arising from transactions, activities, and sources in the 11611  
regular course of a trade or business and includes income, gain, 11612  
or loss from real property, tangible property, and intangible 11613  
property if the acquisition, rental, management, and disposition 11614  
of the property constitute integral parts of the regular course 11615  
of a trade or business operation. "Business income" includes 11616  
income, including gain or loss, from a partial or complete 11617  
liquidation of a business, including, but not limited to, gain 11618  
or loss from the sale or other disposition of goodwill. 11619

(C) "Nonbusiness income" means all income other than 11620

business income and may include, but is not limited to, 11621  
compensation, rents and royalties from real or tangible personal 11622  
property, capital gains, interest, dividends and distributions, 11623  
patent or copyright royalties, or lottery winnings, prizes, and 11624  
awards. 11625

(D) "Compensation" means any form of remuneration paid to 11626  
an employee for personal services. 11627

(E) "Fiduciary" means a guardian, trustee, executor, 11628  
administrator, receiver, conservator, or any other person acting 11629  
in any fiduciary capacity for any individual, trust, or estate. 11630

(F) "Fiscal year" means an accounting period of twelve 11631  
months ending on the last day of any month other than December. 11632

(G) "Individual" means any natural person. 11633

(H) "Internal Revenue Code" means the "Internal Revenue 11634  
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 11635

(I) "Resident" means any of the following, provided that 11636  
division (I)(3) of this section applies only to taxable years of 11637  
a trust beginning in 2002 or thereafter: 11638

(1) An individual who is domiciled in this state, subject 11639  
to section 5747.24 of the Revised Code; 11640

(2) The estate of a decedent who at the time of death was 11641  
domiciled in this state. The domicile tests of section 5747.24 11642  
of the Revised Code are not controlling for purposes of division 11643  
(I)(2) of this section. 11644

(3) A trust that, in whole or part, resides in this state. 11645  
If only part of a trust resides in this state, the trust is a 11646  
resident only with respect to that part. 11647



For the purposes of division (I) (3) of this section: 11648

(a) A trust resides in this state for the trust's current 11649  
taxable year to the extent, as described in division (I) (3) (d) 11650  
of this section, that the trust consists directly or indirectly, 11651  
in whole or in part, of assets, net of any related liabilities, 11652  
that were transferred, or caused to be transferred, directly or 11653  
indirectly, to the trust by any of the following: 11654

(i) A person, a court, or a governmental entity or 11655  
instrumentality on account of the death of a decedent, but only 11656  
if the trust is described in division (I) (3) (e) (i) or (ii) of 11657  
this section; 11658

(ii) A person who was domiciled in this state for the 11659  
purposes of this chapter when the person directly or indirectly 11660  
transferred assets to an irrevocable trust, but only if at least 11661  
one of the trust's qualifying beneficiaries is domiciled in this 11662  
state for the purposes of this chapter during all or some 11663  
portion of the trust's current taxable year; 11664

(iii) A person who was domiciled in this state for the 11665  
purposes of this chapter when the trust document or instrument 11666  
or part of the trust document or instrument became irrevocable, 11667  
but only if at least one of the trust's qualifying beneficiaries 11668  
is a resident domiciled in this state for the purposes of this 11669  
chapter during all or some portion of the trust's current 11670  
taxable year. If a trust document or instrument became 11671  
irrevocable upon the death of a person who at the time of death 11672  
was domiciled in this state for purposes of this chapter, that 11673  
person is a person described in division (I) (3) (a) (iii) of this 11674  
section. 11675

(b) A trust is irrevocable to the extent that the 11676

transferor is not considered to be the owner of the net assets 11677  
of the trust under sections 671 to 678 of the Internal Revenue 11678  
Code. 11679

(c) With respect to a trust other than a charitable lead 11680  
trust, "qualifying beneficiary" has the same meaning as 11681  
"potential current beneficiary" as defined in section 1361(e) (2) 11682  
of the Internal Revenue Code, and with respect to a charitable 11683  
lead trust "qualifying beneficiary" is any current, future, or 11684  
contingent beneficiary, but with respect to any trust 11685  
"qualifying beneficiary" excludes a person or a governmental 11686  
entity or instrumentality to any of which a contribution would 11687  
qualify for the charitable deduction under section 170 of the 11688  
Internal Revenue Code. 11689

(d) For the purposes of division (I) (3) (a) of this 11690  
section, the extent to which a trust consists directly or 11691  
indirectly, in whole or in part, of assets, net of any related 11692  
liabilities, that were transferred directly or indirectly, in 11693  
whole or part, to the trust by any of the sources enumerated in 11694  
that division shall be ascertained by multiplying the fair 11695  
market value of the trust's assets, net of related liabilities, 11696  
by the qualifying ratio, which shall be computed as follows: 11697

(i) The first time the trust receives assets, the 11698  
numerator of the qualifying ratio is the fair market value of 11699  
those assets at that time, net of any related liabilities, from 11700  
sources enumerated in division (I) (3) (a) of this section. The 11701  
denominator of the qualifying ratio is the fair market value of 11702  
all the trust's assets at that time, net of any related 11703  
liabilities. 11704

(ii) Each subsequent time the trust receives assets, a 11705  
revised qualifying ratio shall be computed. The numerator of the 11706

revised qualifying ratio is the sum of (1) the fair market value 11707  
of the trust's assets immediately prior to the subsequent 11708  
transfer, net of any related liabilities, multiplied by the 11709  
qualifying ratio last computed without regard to the subsequent 11710  
transfer, and (2) the fair market value of the subsequently 11711  
transferred assets at the time transferred, net of any related 11712  
liabilities, from sources enumerated in division (I) (3) (a) of 11713  
this section. The denominator of the revised qualifying ratio is 11714  
the fair market value of all the trust's assets immediately 11715  
after the subsequent transfer, net of any related liabilities. 11716

(iii) Whether a transfer to the trust is by or from any of 11717  
the sources enumerated in division (I) (3) (a) of this section 11718  
shall be ascertained without regard to the domicile of the 11719  
trust's beneficiaries. 11720

(e) For the purposes of division (I) (3) (a) (i) of this 11721  
section: 11722

(i) A trust is described in division (I) (3) (e) (i) of this 11723  
section if the trust is a testamentary trust and the testator of 11724  
that testamentary trust was domiciled in this state at the time 11725  
of the testator's death for purposes of the taxes levied under 11726  
Chapter 5731. of the Revised Code. 11727

(ii) A trust is described in division (I) (3) (e) (ii) of 11728  
this section if the transfer is a qualifying transfer described 11729  
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 11730  
trust is an irrevocable inter vivos trust, and at least one of 11731  
the trust's qualifying beneficiaries is domiciled in this state 11732  
for purposes of this chapter during all or some portion of the 11733  
trust's current taxable year. 11734

(f) For the purposes of division (I) (3) (e) (ii) of this 11735

section, a "qualifying transfer" is a transfer of assets, net of 11736  
any related liabilities, directly or indirectly to a trust, if 11737  
the transfer is described in any of the following: 11738

(i) The transfer is made to a trust, created by the 11739  
decedent before the decedent's death and while the decedent was 11740  
domiciled in this state for the purposes of this chapter, and, 11741  
prior to the death of the decedent, the trust became irrevocable 11742  
while the decedent was domiciled in this state for the purposes 11743  
of this chapter. 11744

(ii) The transfer is made to a trust to which the 11745  
decedent, prior to the decedent's death, had directly or 11746  
indirectly transferred assets, net of any related liabilities, 11747  
while the decedent was domiciled in this state for the purposes 11748  
of this chapter, and prior to the death of the decedent the 11749  
trust became irrevocable while the decedent was domiciled in 11750  
this state for the purposes of this chapter. 11751

(iii) The transfer is made on account of a contractual 11752  
relationship existing directly or indirectly between the 11753  
transferor and either the decedent or the estate of the decedent 11754  
at any time prior to the date of the decedent's death, and the 11755  
decedent was domiciled in this state at the time of death for 11756  
purposes of the taxes levied under Chapter 5731. of the Revised 11757  
Code. 11758

(iv) The transfer is made to a trust on account of a 11759  
contractual relationship existing directly or indirectly between 11760  
the transferor and another person who at the time of the 11761  
decedent's death was domiciled in this state for purposes of 11762  
this chapter. 11763

(v) The transfer is made to a trust on account of the will 11764

of a testator who was domiciled in this state at the time of the 11765  
testator's death for purposes of the taxes levied under Chapter 11766  
5731. of the Revised Code. 11767

(vi) The transfer is made to a trust created by or caused 11768  
to be created by a court, and the trust was directly or 11769  
indirectly created in connection with or as a result of the 11770  
death of an individual who, for purposes of the taxes levied 11771  
under Chapter 5731. of the Revised Code, was domiciled in this 11772  
state at the time of the individual's death. 11773

(g) The tax commissioner may adopt rules to ascertain the 11774  
part of a trust residing in this state. 11775

(J) "Nonresident" means an individual or estate that is 11776  
not a resident. An individual who is a resident for only part of 11777  
a taxable year is a nonresident for the remainder of that 11778  
taxable year. 11779

(K) "Pass-through entity" has the same meaning as in 11780  
section 5733.04 of the Revised Code. 11781

(L) "Return" means the notifications and reports required 11782  
to be filed pursuant to this chapter for the purpose of 11783  
reporting the tax due and includes declarations of estimated tax 11784  
when so required. 11785

(M) "Taxable year" means the calendar year or the 11786  
taxpayer's fiscal year ending during the calendar year, or 11787  
fractional part thereof, upon which the adjusted gross income is 11788  
calculated pursuant to this chapter. 11789

(N) "Taxpayer" means any person subject to the tax imposed 11790  
by section 5747.02 of the Revised Code or any pass-through 11791  
entity that makes the election under division (D) of section 11792  
5747.08 of the Revised Code. 11793

(O) "Dependents" means one of the following:	11794
(1) For taxable years beginning on or after January 1, 2018, and before January 1, 2026, dependents as defined in the Internal Revenue Code;	11795 11796 11797
(2) For all other taxable years, dependents as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year or which the taxpayer would have been permitted to claim had the taxpayer filed a federal income tax return.	11798 11799 11800 11801 11802
(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.	11803 11804 11805 11806 11807
(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:	11808 11809
(1) "Subdivision" means any county, municipal corporation, park district, or township.	11810 11811
(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to exercise, including like functions that are exercised under a charter adopted pursuant to the Ohio Constitution.	11812 11813 11814 11815
(R) "Overpayment" means any amount already paid that exceeds the figure determined to be the correct amount of the tax.	11816 11817 11818
(S) "Taxable income" or "Ohio taxable income" applies only to estates and trusts, and means federal taxable income, as defined and used in the Internal Revenue Code, adjusted as	11819 11820 11821

follows: 11822

(1) Add interest or dividends, net of ordinary, necessary, 11823  
and reasonable expenses not deducted in computing federal 11824  
taxable income, on obligations or securities of any state or of 11825  
any political subdivision or authority of any state, other than 11826  
this state and its subdivisions and authorities, but only to the 11827  
extent that such net amount is not otherwise includible in Ohio 11828  
taxable income and is described in either division (S) (1) (a) or 11829  
(b) of this section: 11830

(a) The net amount is not attributable to the S portion of 11831  
an electing small business trust and has not been distributed to 11832  
beneficiaries for the taxable year; 11833

(b) The net amount is attributable to the S portion of an 11834  
electing small business trust for the taxable year. 11835

(2) Add interest or dividends, net of ordinary, necessary, 11836  
and reasonable expenses not deducted in computing federal 11837  
taxable income, on obligations of any authority, commission, 11838  
instrumentality, territory, or possession of the United States 11839  
to the extent that the interest or dividends are exempt from 11840  
federal income taxes but not from state income taxes, but only 11841  
to the extent that such net amount is not otherwise includible 11842  
in Ohio taxable income and is described in either division (S) 11843  
(1) (a) or (b) of this section; 11844

(3) Add the amount of personal exemption allowed to the 11845  
estate pursuant to section 642(b) of the Internal Revenue Code; 11846

(4) Deduct interest or dividends, net of related expenses 11847  
deducted in computing federal taxable income, on obligations of 11848  
the United States and its territories and possessions or of any 11849  
authority, commission, or instrumentality of the United States 11850

to the extent that the interest or dividends are exempt from 11851  
state taxes under the laws of the United States, but only to the 11852  
extent that such amount is included in federal taxable income 11853  
and is described in either division (S) (1) (a) or (b) of this 11854  
section; 11855

(5) Deduct the amount of wages and salaries, if any, not 11856  
otherwise allowable as a deduction but that would have been 11857  
allowable as a deduction in computing federal taxable income for 11858  
the taxable year, had the targeted jobs credit allowed under 11859  
sections 38, 51, and 52 of the Internal Revenue Code not been in 11860  
effect, but only to the extent such amount relates either to 11861  
income included in federal taxable income for the taxable year 11862  
or to income of the S portion of an electing small business 11863  
trust for the taxable year; 11864

(6) Deduct any interest or interest equivalent, net of 11865  
related expenses deducted in computing federal taxable income, 11866  
on public obligations and purchase obligations, but only to the 11867  
extent that such net amount relates either to income included in 11868  
federal taxable income for the taxable year or to income of the 11869  
S portion of an electing small business trust for the taxable 11870  
year; 11871

(7) Add any loss or deduct any gain resulting from sale, 11872  
exchange, or other disposition of public obligations to the 11873  
extent that such loss has been deducted or such gain has been 11874  
included in computing either federal taxable income or income of 11875  
the S portion of an electing small business trust for the 11876  
taxable year; 11877

(8) Except in the case of the final return of an estate, 11878  
add any amount deducted by the taxpayer on both its Ohio estate 11879  
tax return pursuant to section 5731.14 of the Revised Code, and 11880



on its federal income tax return in determining federal taxable  
income; 11881  
11882

(9) (a) Deduct any amount included in federal taxable 11883  
income solely because the amount represents a reimbursement or 11884  
refund of expenses that in a previous year the decedent had 11885  
deducted as an itemized deduction pursuant to section 63 of the 11886  
Internal Revenue Code and applicable treasury regulations. The 11887  
deduction otherwise allowed under division (S) (9) (a) of this 11888  
section shall be reduced to the extent the reimbursement is 11889  
attributable to an amount the taxpayer or decedent deducted 11890  
under this section in any taxable year. 11891

(b) Add any amount not otherwise included in Ohio taxable 11892  
income for any taxable year to the extent that the amount is 11893  
attributable to the recovery during the taxable year of any 11894  
amount deducted or excluded in computing federal or Ohio taxable 11895  
income in any taxable year, but only to the extent such amount 11896  
has not been distributed to beneficiaries for the taxable year. 11897

(10) Deduct any portion of the deduction described in 11898  
section 1341(a) (2) of the Internal Revenue Code, for repaying 11899  
previously reported income received under a claim of right, that 11900  
meets both of the following requirements: 11901

(a) It is allowable for repayment of an item that was 11902  
included in the taxpayer's taxable income or the decedent's 11903  
adjusted gross income for a prior taxable year and did not 11904  
qualify for a credit under division (A) or (B) of section 11905  
5747.05 of the Revised Code for that year. 11906

(b) It does not otherwise reduce the taxpayer's taxable 11907  
income or the decedent's adjusted gross income for the current 11908  
or any other taxable year. 11909

(11) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that the amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer's federal taxable income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction in the taxpayer's federal taxable income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code.

(12) Deduct any amount, net of related expenses deducted in computing federal taxable income, that a trust is required to report as farm income on its federal income tax return, but only if the assets of the trust include at least ten acres of land satisfying the definition of "land devoted exclusively to agricultural use" under section 5713.30 of the Revised Code, regardless of whether the land is valued for tax purposes as such land under sections 5713.30 to 5713.38 of the Revised Code. If the trust is a pass-through entity investor, section 5747.231 of the Revised Code applies in ascertaining if the trust is eligible to claim the deduction provided by division (S)(12) of this section in connection with the pass-through entity's farm income.

Except for farm income attributable to the S portion of an electing small business trust, the deduction provided by division (S)(12) of this section is allowed only to the extent that the trust has not distributed such farm income. Division (S)(12) of this section applies only to taxable years of a trust beginning in 2002 or thereafter.

(13) Add the net amount of income described in section 641(c) of the Internal Revenue Code to the extent that amount is not included in federal taxable income.	11939 11940 11941
(14) Add or deduct the amount the taxpayer would be required to add or deduct under division (A) (20) or (21) of this section if the taxpayer's Ohio taxable income were computed in the same manner as an individual's Ohio adjusted gross income is computed under this section. In the case of a trust, division (S) (14) of this section applies only to any of the trust's taxable years beginning in 2002 or thereafter.	11942 11943 11944 11945 11946 11947 11948
(T) "School district income" and "school district income tax" have the same meanings as in section 5748.01 of the Revised Code.	11949 11950 11951
(U) As used in divisions (A) (8), (A) (9), (S) (6), and (S) (7) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code.	11952 11953 11954 11955
(V) "Limited liability company" means any limited liability company formed under Chapter 1705. <u>or 1706.</u> of the Revised Code or under the laws of any other state.	11956 11957 11958
(W) "Pass-through entity investor" means any person who, during any portion of a taxable year of a pass-through entity, is a partner, member, shareholder, or equity investor in that pass-through entity.	11959 11960 11961 11962
(X) "Banking day" has the same meaning as in section 1304.01 of the Revised Code.	11963 11964
(Y) "Month" means a calendar month.	11965
(Z) "Quarter" means the first three months, the second	11966

three months, the third three months, or the last three months 11967  
of the taxpayer's taxable year. 11968

(AA) (1) "Eligible institution" means a state university or 11969  
state institution of higher education as defined in section 11970  
3345.011 of the Revised Code, or a private, nonprofit college, 11971  
university, or other post-secondary institution located in this 11972  
state that possesses a certificate of authorization issued by 11973  
the chancellor of higher education pursuant to Chapter 1713. of 11974  
the Revised Code or a certificate of registration issued by the 11975  
state board of career colleges and schools under Chapter 3332. 11976  
of the Revised Code. 11977

(2) "Qualified tuition and fees" means tuition and fees 11978  
imposed by an eligible institution as a condition of enrollment 11979  
or attendance, not exceeding two thousand five hundred dollars 11980  
in each of the individual's first two years of post-secondary 11981  
education. If the individual is a part-time student, "qualified 11982  
tuition and fees" includes tuition and fees paid for the 11983  
academic equivalent of the first two years of post-secondary 11984  
education during a maximum of five taxable years, not exceeding 11985  
a total of five thousand dollars. "Qualified tuition and fees" 11986  
does not include: 11987

(a) Expenses for any course or activity involving sports, 11988  
games, or hobbies unless the course or activity is part of the 11989  
individual's degree or diploma program; 11990

(b) The cost of books, room and board, student activity 11991  
fees, athletic fees, insurance expenses, or other expenses 11992  
unrelated to the individual's academic course of instruction; 11993

(c) Tuition, fees, or other expenses paid or reimbursed 11994  
through an employer, scholarship, grant in aid, or other 11995

educational benefit program. 11996

(BB) (1) "Modified business income" means the business 11997  
income included in a trust's Ohio taxable income after such 11998  
taxable income is first reduced by the qualifying trust amount, 11999  
if any. 12000

(2) "Qualifying trust amount" of a trust means capital 12001  
gains and losses from the sale, exchange, or other disposition 12002  
of equity or ownership interests in, or debt obligations of, a 12003  
qualifying investee to the extent included in the trust's Ohio 12004  
taxable income, but only if the following requirements are 12005  
satisfied: 12006

(a) The book value of the qualifying investee's physical 12007  
assets in this state and everywhere, as of the last day of the 12008  
qualifying investee's fiscal or calendar year ending immediately 12009  
prior to the date on which the trust recognizes the gain or 12010  
loss, is available to the trust. 12011

(b) The requirements of section 5747.011 of the Revised 12012  
Code are satisfied for the trust's taxable year in which the 12013  
trust recognizes the gain or loss. 12014

Any gain or loss that is not a qualifying trust amount is 12015  
modified business income, qualifying investment income, or 12016  
modified nonbusiness income, as the case may be. 12017

(3) "Modified nonbusiness income" means a trust's Ohio 12018  
taxable income other than modified business income, other than 12019  
the qualifying trust amount, and other than qualifying 12020  
investment income, as defined in section 5747.012 of the Revised 12021  
Code, to the extent such qualifying investment income is not 12022  
otherwise part of modified business income. 12023

(4) "Modified Ohio taxable income" applies only to trusts, 12024

and means the sum of the amounts described in divisions (BB) (4) 12025  
(a) to (c) of this section: 12026

(a) The fraction, calculated under section 5747.013, and 12027  
applying section 5747.231 of the Revised Code, multiplied by the 12028  
sum of the following amounts: 12029

(i) The trust's modified business income; 12030

(ii) The trust's qualifying investment income, as defined 12031  
in section 5747.012 of the Revised Code, but only to the extent 12032  
the qualifying investment income does not otherwise constitute 12033  
modified business income and does not otherwise constitute a 12034  
qualifying trust amount. 12035

(b) The qualifying trust amount multiplied by a fraction, 12036  
the numerator of which is the sum of the book value of the 12037  
qualifying investee's physical assets in this state on the last 12038  
day of the qualifying investee's fiscal or calendar year ending 12039  
immediately prior to the day on which the trust recognizes the 12040  
qualifying trust amount, and the denominator of which is the sum 12041  
of the book value of the qualifying investee's total physical 12042  
assets everywhere on the last day of the qualifying investee's 12043  
fiscal or calendar year ending immediately prior to the day on 12044  
which the trust recognizes the qualifying trust amount. If, for 12045  
a taxable year, the trust recognizes a qualifying trust amount 12046  
with respect to more than one qualifying investee, the amount 12047  
described in division (BB) (4) (b) of this section shall equal the 12048  
sum of the products so computed for each such qualifying 12049  
investee. 12050

(c) (i) With respect to a trust or portion of a trust that 12051  
is a resident as ascertained in accordance with division (I) (3) 12052  
(d) of this section, its modified nonbusiness income. 12053

(ii) With respect to a trust or portion of a trust that is not a resident as ascertained in accordance with division (I) (3) (d) of this section, the amount of its modified nonbusiness income satisfying the descriptions in divisions (B) (2) to (5) of section 5747.20 of the Revised Code, except as otherwise provided in division (BB) (4) (c) (ii) of this section. With respect to a trust or portion of a trust that is not a resident as ascertained in accordance with division (I) (3) (d) of this section, the trust's portion of modified nonbusiness income recognized from the sale, exchange, or other disposition of a debt interest in or equity interest in a section 5747.212 entity, as defined in section 5747.212 of the Revised Code, without regard to division (A) of that section, shall not be allocated to this state in accordance with section 5747.20 of the Revised Code but shall be apportioned to this state in accordance with division (B) of section 5747.212 of the Revised Code without regard to division (A) of that section.

If the allocation and apportionment of a trust's income under divisions (BB) (4) (a) and (c) of this section do not fairly represent the modified Ohio taxable income of the trust in this state, the alternative methods described in division (C) of section 5747.21 of the Revised Code may be applied in the manner and to the same extent provided in that section.

(5) (a) Except as set forth in division (BB) (5) (b) of this section, "qualifying investee" means a person in which a trust has an equity or ownership interest, or a person or unit of government the debt obligations of either of which are owned by a trust. For the purposes of division (BB) (2) (a) of this section and for the purpose of computing the fraction described in division (BB) (4) (b) of this section, all of the following apply:

(i) If the qualifying investee is a member of a qualifying controlled group on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, then "qualifying investee" includes all persons in the qualifying controlled group on such last day.

(ii) If the qualifying investee, or if the qualifying investee and any members of the qualifying controlled group of which the qualifying investee is a member on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, separately or cumulatively own, directly or indirectly, on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the proportionate share of the pass-through entity's physical assets which the pass-through entity directly or indirectly owns on the last day of the pass-through entity's calendar or fiscal year ending within or with the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount.

(iii) For the purposes of division (BB) (5) (a) (iii) of this section, "upper level pass-through entity" means a pass-through entity directly or indirectly owning any equity of another pass-through entity, and "lower level pass-through entity" means that other pass-through entity.

An upper level pass-through entity, whether or not it is also a qualifying investee, is deemed to own, on the last day of



the upper level pass-through entity's calendar or fiscal year, 12114  
the proportionate share of the lower level pass-through entity's 12115  
physical assets that the lower level pass-through entity 12116  
directly or indirectly owns on the last day of the lower level 12117  
pass-through entity's calendar or fiscal year ending within or 12118  
with the last day of the upper level pass-through entity's 12119  
fiscal or calendar year. If the upper level pass-through entity 12120  
directly and indirectly owns less than fifty per cent of the 12121  
equity of the lower level pass-through entity on each day of the 12122  
upper level pass-through entity's calendar or fiscal year in 12123  
which or with which ends the calendar or fiscal year of the 12124  
lower level pass-through entity and if, based upon clear and 12125  
convincing evidence, complete information about the location and 12126  
cost of the physical assets of the lower pass-through entity is 12127  
not available to the upper level pass-through entity, then 12128  
solely for purposes of ascertaining if a gain or loss 12129  
constitutes a qualifying trust amount, the upper level pass- 12130  
through entity shall be deemed as owning no equity of the lower 12131  
level pass-through entity for each day during the upper level 12132  
pass-through entity's calendar or fiscal year in which or with 12133  
which ends the lower level pass-through entity's calendar or 12134  
fiscal year. Nothing in division (BB) (5) (a) (iii) of this section 12135  
shall be construed to provide for any deduction or exclusion in 12136  
computing any trust's Ohio taxable income. 12137

(b) With respect to a trust that is not a resident for the 12138  
taxable year and with respect to a part of a trust that is not a 12139  
resident for the taxable year, "qualifying investee" for that 12140  
taxable year does not include a C corporation if both of the 12141  
following apply: 12142

(i) During the taxable year the trust or part of the trust 12143  
recognizes a gain or loss from the sale, exchange, or other 12144

disposition of equity or ownership interests in, or debt obligations of, the C corporation.	12145 12146
(ii) Such gain or loss constitutes nonbusiness income.	12147
(6) "Available" means information is such that a person is able to learn of the information by the due date plus extensions, if any, for filing the return for the taxable year in which the trust recognizes the gain or loss.	12148 12149 12150 12151
(CC) "Qualifying controlled group" has the same meaning as in section 5733.04 of the Revised Code.	12152 12153
(DD) "Related member" has the same meaning as in section 5733.042 of the Revised Code.	12154 12155
(EE) (1) For the purposes of division (EE) of this section:	12156
(a) "Qualifying person" means any person other than a qualifying corporation.	12157 12158
(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:	12159 12160 12161
(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;	12162 12163 12164 12165
(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year.	12166 12167 12168 12169 12170
(2) For the purposes of this chapter, unless expressly	12171

stated otherwise, no qualifying person indirectly owns any asset 12172  
directly or indirectly owned by any qualifying corporation. 12173

(FF) For purposes of this chapter and Chapter 5751. of the 12174  
Revised Code: 12175

(1) "Trust" does not include a qualified pre-income tax 12176  
trust. 12177

(2) A "qualified pre-income tax trust" is any pre-income 12178  
tax trust that makes a qualifying pre-income tax trust election 12179  
as described in division (FF)(3) of this section. 12180

(3) A "qualifying pre-income tax trust election" is an 12181  
election by a pre-income tax trust to subject to the tax imposed 12182  
by section 5751.02 of the Revised Code the pre-income tax trust 12183  
and all pass-through entities of which the trust owns or 12184  
controls, directly, indirectly, or constructively through 12185  
related interests, five per cent or more of the ownership or 12186  
equity interests. The trustee shall notify the tax commissioner 12187  
in writing of the election on or before April 15, 2006. The 12188  
election, if timely made, shall be effective on and after 12189  
January 1, 2006, and shall apply for all tax periods and tax 12190  
years until revoked by the trustee of the trust. 12191

(4) A "pre-income tax trust" is a trust that satisfies all 12192  
of the following requirements: 12193

(a) The document or instrument creating the trust was 12194  
executed by the grantor before January 1, 1972; 12195

(b) The trust became irrevocable upon the creation of the 12196  
trust; and 12197

(c) The grantor was domiciled in this state at the time 12198  
the trust was created. 12199

(GG) "Uniformed services" has the same meaning as in 10 U.S.C. 101. 12200  
12201

(HH) "Taxable business income" means the amount by which an individual's business income that is included in federal adjusted gross income exceeds the amount of business income the individual is authorized to deduct under division (A) (31) of this section for the taxable year. 12202  
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(II) "Employer" does not include a franchisor with respect to the franchisor's relationship with a franchisee or an employee of a franchisee, unless the franchisor agrees to assume that role in writing or a court of competent jurisdiction determines that the franchisor exercises a type or degree of control over the franchisee or the franchisee's employees that is not customarily exercised by a franchisor for the purpose of protecting the franchisor's trademark, brand, or both. For purposes of this division, "franchisor" and "franchisee" have the same meanings as in 16 C.F.R. 436.1. 12207  
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(JJ) "Modified adjusted gross income" means Ohio adjusted gross income plus any amount deducted under division (A) (31) of this section for the taxable year. 12217  
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(KK) "Qualifying Ohio educator" means an individual who, for a taxable year, qualifies as an eligible educator, as that term is defined in section 62 of the Internal Revenue Code, and who holds a certificate, license, or permit described in Chapter 3319. or section 3301.071 of the Revised Code. 12220  
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**Sec. 5751.01.** As used in this chapter: 12225

(A) "Person" means, but is not limited to, individuals, combinations of individuals of any form, receivers, assignees, trustees in bankruptcy, firms, companies, joint-stock companies, 12226  
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business trusts, estates, partnerships, limited liability 12229  
partnerships, limited liability companies, associations, joint 12230  
ventures, clubs, societies, for-profit corporations, S 12231  
corporations, qualified subchapter S subsidiaries, qualified 12232  
subchapter S trusts, trusts, entities that are disregarded for 12233  
federal income tax purposes, and any other entities. 12234

(B) "Consolidated elected taxpayer" means a group of two 12235  
or more persons treated as a single taxpayer for purposes of 12236  
this chapter as the result of an election made under section 12237  
5751.011 of the Revised Code. 12238

(C) "Combined taxpayer" means a group of two or more 12239  
persons treated as a single taxpayer for purposes of this 12240  
chapter under section 5751.012 of the Revised Code. 12241

(D) "Taxpayer" means any person, or any group of persons 12242  
in the case of a consolidated elected taxpayer or combined 12243  
taxpayer treated as one taxpayer, required to register or pay 12244  
tax under this chapter. "Taxpayer" does not include excluded 12245  
persons. 12246

(E) "Excluded person" means any of the following: 12247

(1) Any person with not more than one hundred fifty 12248  
thousand dollars of taxable gross receipts during the calendar 12249  
year. Division (E)(1) of this section does not apply to a person 12250  
that is a member of a consolidated elected taxpayer; 12251

(2) A public utility that paid the excise tax imposed by 12252  
section 5727.24 or 5727.30 of the Revised Code based on one or 12253  
more measurement periods that include the entire tax period 12254  
under this chapter, except that a public utility that is a 12255  
combined company is a taxpayer with regard to the following 12256  
gross receipts: 12257

(a) Taxable gross receipts directly attributed to a public utility activity, but not directly attributed to an activity that is subject to the excise tax imposed by section 5727.24 or 5727.30 of the Revised Code;

(b) Taxable gross receipts that cannot be directly attributed to any activity, multiplied by a fraction whose numerator is the taxable gross receipts described in division (E) (2) (a) of this section and whose denominator is the total taxable gross receipts that can be directly attributed to any activity;

(c) Except for any differences resulting from the use of an accrual basis method of accounting for purposes of determining gross receipts under this chapter and the use of the cash basis method of accounting for purposes of determining gross receipts under section 5727.24 of the Revised Code, the gross receipts directly attributed to the activity of a natural gas company shall be determined in a manner consistent with division (D) of section 5727.03 of the Revised Code.

As used in division (E) (2) of this section, "combined company" and "public utility" have the same meanings as in section 5727.01 of the Revised Code.

(3) A financial institution, as defined in section 5726.01 of the Revised Code, that paid the tax imposed by section 5726.02 of the Revised Code based on one or more taxable years that include the entire tax period under this chapter;

(4) A person directly or indirectly owned by one or more financial institutions, as defined in section 5726.01 of the Revised Code, that paid the tax imposed by section 5726.02 of the Revised Code based on one or more taxable years that include

the entire tax period under this chapter. 12287

For the purposes of division (E)(4) of this section, a 12288  
person owns another person under the following circumstances: 12289

(a) In the case of corporations issuing capital stock, one 12290  
corporation owns another corporation if it owns fifty per cent 12291  
or more of the other corporation's capital stock with current 12292  
voting rights; 12293

(b) In the case of a limited liability company, one person 12294  
owns the company if that person's membership interest, as 12295  
defined in section 1705.01 or 1706.01 of the Revised Code as 12296  
applicable, is fifty per cent or more of the combined membership 12297  
interests of all persons owning such interests in the company; 12298

(c) In the case of a partnership, trust, or other 12299  
unincorporated business organization other than a limited 12300  
liability company, one person owns the organization if, under 12301  
the articles of organization or other instrument governing the 12302  
affairs of the organization, that person has a beneficial 12303  
interest in the organization's profits, surpluses, losses, or 12304  
distributions of fifty per cent or more of the combined 12305  
beneficial interests of all persons having such an interest in 12306  
the organization. 12307

(5) A domestic insurance company or foreign insurance 12308  
company, as defined in section 5725.01 of the Revised Code, that 12309  
paid the insurance company premiums tax imposed by section 12310  
5725.18 or Chapter 5729. of the Revised Code, or an unauthorized 12311  
insurance company whose gross premiums are subject to tax under 12312  
section 3905.36 of the Revised Code based on one or more 12313  
measurement periods that include the entire tax period under 12314  
this chapter; 12315

(6) A person that solely facilitates or services one or more securitizations of phase-in-recovery property pursuant to a final financing order as those terms are defined in section 4928.23 of the Revised Code. For purposes of this division, "securitization" means transferring one or more assets to one or more persons and then issuing securities backed by the right to receive payment from the asset or assets so transferred.

(7) Except as otherwise provided in this division, a pre-income tax trust as defined in division (FF) (4) of section 5747.01 of the Revised Code and any pass-through entity of which such pre-income tax trust owns or controls, directly, indirectly, or constructively through related interests, more than five per cent of the ownership or equity interests. If the pre-income tax trust has made a qualifying pre-income tax trust election under division (FF) (3) of section 5747.01 of the Revised Code, then the trust and the pass-through entities of which it owns or controls, directly, indirectly, or constructively through related interests, more than five per cent of the ownership or equity interests, shall not be excluded persons for purposes of the tax imposed under section 5751.02 of the Revised Code.

(8) Nonprofit organizations or the state and its agencies, instrumentalities, or political subdivisions.

(F) Except as otherwise provided in divisions (F) (2), (3), and (4) of this section, "gross receipts" means the total amount realized by a person, without deduction for the cost of goods sold or other expenses incurred, that contributes to the production of gross income of the person, including the fair market value of any property and any services received, and any debt transferred or forgiven as consideration.



(1) The following are examples of gross receipts:	12346
(a) Amounts realized from the sale, exchange, or other disposition of the taxpayer's property to or with another;	12347 12348
(b) Amounts realized from the taxpayer's performance of services for another;	12349 12350
(c) Amounts realized from another's use or possession of the taxpayer's property or capital;	12351 12352
(d) Any combination of the foregoing amounts.	12353
(2) "Gross receipts" excludes the following amounts:	12354
(a) Interest income except interest on credit sales;	12355
(b) Dividends and distributions from corporations, and distributive or proportionate shares of receipts and income from a pass-through entity as defined under section 5733.04 of the Revised Code;	12356 12357 12358 12359
(c) Receipts from the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset. Notwithstanding section 1221 of the Internal Revenue Code, receipts from hedging transactions also are excluded to the extent the transactions are entered into primarily to protect a financial position, such as managing the risk of exposure to (i) foreign currency fluctuations that affect assets, liabilities, profits, losses, equity, or investments in foreign operations; (ii) interest rate fluctuations; or (iii) commodity price fluctuations. As used in division (F)(2)(c) of this section, "hedging transaction" has the same meaning as used in section 1221 of the Internal Revenue Code and also includes transactions accorded hedge accounting	12360 12361 12362 12363 12364 12365 12366 12367 12368 12369 12370 12371 12372 12373

treatment under statement of financial accounting standards 12374  
number 133 of the financial accounting standards board. For the 12375  
purposes of division (F) (2) (c) of this section, the actual 12376  
transfer of title of real or tangible personal property to 12377  
another entity is not a hedging transaction. 12378

(d) Proceeds received attributable to the repayment, 12379  
maturity, or redemption of the principal of a loan, bond, mutual 12380  
fund, certificate of deposit, or marketable instrument; 12381

(e) The principal amount received under a repurchase 12382  
agreement or on account of any transaction properly 12383  
characterized as a loan to the person; 12384

(f) Contributions received by a trust, plan, or other 12385  
arrangement, any of which is described in section 501(a) of the 12386  
Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 12387  
1, Subchapter (D) of the Internal Revenue Code applies; 12388

(g) Compensation, whether current or deferred, and whether 12389  
in cash or in kind, received or to be received by an employee, 12390  
former employee, or the employee's legal successor for services 12391  
rendered to or for an employer, including reimbursements 12392  
received by or for an individual for medical or education 12393  
expenses, health insurance premiums, or employee expenses, or on 12394  
account of a dependent care spending account, legal services 12395  
plan, any cafeteria plan described in section 125 of the 12396  
Internal Revenue Code, or any similar employee reimbursement; 12397

(h) Proceeds received from the issuance of the taxpayer's 12398  
own stock, options, warrants, puts, or calls, or from the sale 12399  
of the taxpayer's treasury stock; 12400

(i) Proceeds received on the account of payments from 12401  
insurance policies, except those proceeds received for the loss 12402

of business revenue;	12403
(j) Gifts or charitable contributions received; membership dues received by trade, professional, homeowners', or condominium associations; and payments received for educational courses, meetings, meals, or similar payments to a trade, professional, or other similar association; and fundraising receipts received by any person when any excess receipts are donated or used exclusively for charitable purposes;	12404 12405 12406 12407 12408 12409 12410
(k) Damages received as the result of litigation in excess of amounts that, if received without litigation, would be gross receipts;	12411 12412 12413
(l) Property, money, and other amounts received or acquired by an agent on behalf of another in excess of the agent's commission, fee, or other remuneration;	12414 12415 12416
(m) Tax refunds, other tax benefit recoveries, and reimbursements for the tax imposed under this chapter made by entities that are part of the same combined taxpayer or consolidated elected taxpayer group, and reimbursements made by entities that are not members of a combined taxpayer or consolidated elected taxpayer group that are required to be made for economic parity among multiple owners of an entity whose tax obligation under this chapter is required to be reported and paid entirely by one owner, pursuant to the requirements of sections 5751.011 and 5751.012 of the Revised Code;	12417 12418 12419 12420 12421 12422 12423 12424 12425 12426
(n) Pension reversions;	12427
(o) Contributions to capital;	12428
(p) Sales or use taxes collected as a vendor or an out-of-state seller on behalf of the taxing jurisdiction from a consumer or other taxes the taxpayer is required by law to	12429 12430 12431

collect directly from a purchaser and remit to a local, state, 12432  
or federal tax authority; 12433

(q) In the case of receipts from the sale of cigarettes, 12434  
tobacco products, or vapor products by a wholesale dealer, 12435  
retail dealer, distributor, manufacturer, vapor distributor, or 12436  
seller, all as defined in section 5743.01 of the Revised Code, 12437  
an amount equal to the federal and state excise taxes paid by 12438  
any person on or for such cigarettes, tobacco products, or vapor 12439  
products under subtitle E of the Internal Revenue Code or 12440  
Chapter 5743. of the Revised Code; 12441

(r) In the case of receipts from the sale, transfer, 12442  
exchange, or other disposition of motor fuel as "motor fuel" is 12443  
defined in section 5736.01 of the Revised Code, an amount equal 12444  
to the value of the motor fuel, including federal and state 12445  
motor fuel excise taxes and receipts from billing or invoicing 12446  
the tax imposed under section 5736.02 of the Revised Code to 12447  
another person; 12448

(s) In the case of receipts from the sale of beer or 12449  
intoxicating liquor, as defined in section 4301.01 of the 12450  
Revised Code, by a person holding a permit issued under Chapter 12451  
4301. or 4303. of the Revised Code, an amount equal to federal 12452  
and state excise taxes paid by any person on or for such beer or 12453  
intoxicating liquor under subtitle E of the Internal Revenue 12454  
Code or Chapter 4301. or 4305. of the Revised Code; 12455

(t) Receipts realized by a new motor vehicle dealer or 12456  
used motor vehicle dealer, as defined in section 4517.01 of the 12457  
Revised Code, from the sale or other transfer of a motor 12458  
vehicle, as defined in that section, to another motor vehicle 12459  
dealer for the purpose of resale by the transferee motor vehicle 12460  
dealer, but only if the sale or other transfer was based upon 12461

the transferee's need to meet a specific customer's preference 12462  
for a motor vehicle; 12463

(u) Receipts from a financial institution described in 12464  
division (E) (3) of this section for services provided to the 12465  
financial institution in connection with the issuance, 12466  
processing, servicing, and management of loans or credit 12467  
accounts, if such financial institution and the recipient of 12468  
such receipts have at least fifty per cent of their ownership 12469  
interests owned or controlled, directly or constructively 12470  
through related interests, by common owners; 12471

(v) Receipts realized from administering anti-neoplastic 12472  
drugs and other cancer chemotherapy, biologicals, therapeutic 12473  
agents, and supportive drugs in a physician's office to patients 12474  
with cancer; 12475

(w) Funds received or used by a mortgage broker that is 12476  
not a dealer in intangibles, other than fees or other 12477  
consideration, pursuant to a table-funding mortgage loan or 12478  
warehouse-lending mortgage loan. Terms used in division (F) (2) 12479  
(w) of this section have the same meanings as in section 1322.01 12480  
of the Revised Code, except "mortgage broker" means a person 12481  
assisting a buyer in obtaining a mortgage loan for a fee or 12482  
other consideration paid by the buyer or a lender, or a person 12483  
engaged in table-funding or warehouse-lending mortgage loans 12484  
that are first lien mortgage loans. 12485

(x) Property, money, and other amounts received by a 12486  
professional employer organization, as defined in section 12487  
4125.01 of the Revised Code, from a client employer, as defined 12488  
in that section, in excess of the administrative fee charged by 12489  
the professional employer organization to the client employer; 12490

(y) In the case of amounts retained as commissions by a permit holder under Chapter 3769. of the Revised Code, an amount equal to the amounts specified under that chapter that must be paid to or collected by the tax commissioner as a tax and the amounts specified under that chapter to be used as purse money;	12491 12492 12493 12494 12495
(z) Qualifying distribution center receipts.	12496
(i) For purposes of division (F) (2) (z) of this section:	12497
(I) "Qualifying distribution center receipts" means receipts of a supplier from qualified property that is delivered to a qualified distribution center, multiplied by a quantity that equals one minus the Ohio delivery percentage. If the qualified distribution center is a refining facility, "supplier" includes all dealers, brokers, processors, sellers, vendors, cosigners, and distributors of qualified property.	12498 12499 12500 12501 12502 12503 12504
(II) "Qualified property" means tangible personal property delivered to a qualified distribution center that is shipped to that qualified distribution center solely for further shipping by the qualified distribution center to another location in this state or elsewhere or, in the case of gold, silver, platinum, or palladium delivered to a refining facility solely for refining to a grade and fineness acceptable for delivery to a registered commodities exchange. "Further shipping" includes storing and repackaging property into smaller or larger bundles, so long as the property is not subject to further manufacturing or processing. "Refining" is limited to extracting impurities from gold, silver, platinum, or palladium through smelting or some other process at a refining facility.	12505 12506 12507 12508 12509 12510 12511 12512 12513 12514 12515 12516 12517
(III) "Qualified distribution center" means a warehouse, a facility similar to a warehouse, or a refining facility in this	12518 12519

state that, for the qualifying year, is operated by a person 12520  
that is not part of a combined taxpayer group and that has a 12521  
qualifying certificate. All warehouses or facilities similar to 12522  
warehouses that are operated by persons in the same taxpayer 12523  
group and that are located within one mile of each other shall 12524  
be treated as one qualified distribution center. All refining 12525  
facilities that are operated by persons in the same taxpayer 12526  
group and that are located in the same or adjacent counties may 12527  
be treated as one qualified distribution center. 12528

(IV) "Qualifying year" means the calendar year to which 12529  
the qualifying certificate applies. 12530

(V) "Qualifying period" means the period of the first day 12531  
of July of the second year preceding the qualifying year through 12532  
the thirtieth day of June of the year preceding the qualifying 12533  
year. 12534

(VI) "Qualifying certificate" means the certificate issued 12535  
by the tax commissioner after the operator of a distribution 12536  
center files an annual application with the commissioner. The 12537  
application and annual fee shall be filed and paid for each 12538  
qualified distribution center on or before the first day of 12539  
September before the qualifying year or within forty-five days 12540  
after the distribution center opens, whichever is later. 12541

The applicant must substantiate to the commissioner's 12542  
satisfaction that, for the qualifying period, all persons 12543  
operating the distribution center have more than fifty per cent 12544  
of the cost of the qualified property shipped to a location such 12545  
that it would be situated outside this state under the provisions 12546  
of division (E) of section 5751.033 of the Revised Code. The 12547  
applicant must also substantiate that the distribution center 12548  
cumulatively had costs from its suppliers equal to or exceeding 12549

five hundred million dollars during the qualifying period. (For 12550  
purposes of division (F) (2) (z) (i) (VI) of this section, 12551  
"supplier" excludes any person that is part of the consolidated 12552  
elected taxpayer group, if applicable, of the operator of the 12553  
qualified distribution center.) The commissioner may require the 12554  
applicant to have an independent certified public accountant 12555  
certify that the calculation of the minimum thresholds required 12556  
for a qualified distribution center by the operator of a 12557  
distribution center has been made in accordance with generally 12558  
accepted accounting principles. The commissioner shall issue or 12559  
deny the issuance of a certificate within sixty days after the 12560  
receipt of the application. A denial is subject to appeal under 12561  
section 5717.02 of the Revised Code. If the operator files a 12562  
timely appeal under section 5717.02 of the Revised Code, the 12563  
operator shall be granted a qualifying certificate effective for 12564  
the remainder of the qualifying year or until the appeal is 12565  
finalized, whichever is earlier. If the operator does not 12566  
prevail in the appeal, the operator shall pay the ineligible 12567  
operator's supplier tax liability. 12568

(VII) "Ohio delivery percentage" means the proportion of 12569  
the total property delivered to a destination inside Ohio from 12570  
the qualified distribution center during the qualifying period 12571  
compared with total deliveries from such distribution center 12572  
everywhere during the qualifying period. 12573

(VIII) "Refining facility" means one or more buildings 12574  
located in a county in the Appalachian region of this state as 12575  
defined by section 107.21 of the Revised Code and utilized for 12576  
refining or smelting gold, silver, platinum, or palladium to a 12577  
grade and fineness acceptable for delivery to a registered 12578  
commodities exchange. 12579



(IX) "Registered commodities exchange" means a board of 12580  
trade, such as New York mercantile exchange, inc. or commodity 12581  
exchange, inc., designated as a contract market by the commodity 12582  
futures trading commission under the "Commodity Exchange Act," 7 12583  
U.S.C. 1 et seq., as amended. 12584

(X) "Ineligible operator's supplier tax liability" means 12585  
an amount equal to the tax liability of all suppliers of a 12586  
distribution center had the distribution center not been issued 12587  
a qualifying certificate for the qualifying year. Ineligible 12588  
operator's supplier tax liability shall not include interest or 12589  
penalties. The tax commissioner shall determine an ineligible 12590  
operator's supplier tax liability based on information that the 12591  
commissioner may request from the operator of the distribution 12592  
center. An operator shall provide a list of all suppliers of the 12593  
distribution center and the corresponding costs of qualified 12594  
property for the qualifying year at issue within sixty days of a 12595  
request by the commissioner under this division. 12596

(ii) (I) If the distribution center is new and was not open 12597  
for the entire qualifying period, the operator of the 12598  
distribution center may request that the commissioner grant a 12599  
qualifying certificate. If the certificate is granted and it is 12600  
later determined that more than fifty per cent of the qualified 12601  
property during that year was not shipped to a location such 12602  
that it would be situated outside of this state under the 12603  
provisions of division (E) of section 5751.033 of the Revised 12604  
Code or if it is later determined that the person that operates 12605  
the distribution center had average monthly costs from its 12606  
suppliers of less than forty million dollars during that year, 12607  
then the operator of the distribution center shall pay the 12608  
ineligible operator's supplier tax liability. (For purposes of 12609  
division (F) (2) (z) (ii) of this section, "supplier" excludes any 12610

person that is part of the consolidated elected taxpayer group, 12611  
if applicable, of the operator of the qualified distribution 12612  
center.) 12613

(II) The commissioner may grant a qualifying certificate 12614  
to a distribution center that does not qualify as a qualified 12615  
distribution center for an entire qualifying period if the 12616  
operator of the distribution center demonstrates that the 12617  
business operations of the distribution center have changed or 12618  
will change such that the distribution center will qualify as a 12619  
qualified distribution center within thirty-six months after the 12620  
date the operator first applies for a certificate. If, at the 12621  
end of that thirty-six-month period, the business operations of 12622  
the distribution center have not changed such that the 12623  
distribution center qualifies as a qualified distribution 12624  
center, the operator of the distribution center shall pay the 12625  
ineligible operator's supplier tax liability for each year that 12626  
the distribution center received a certificate but did not 12627  
qualify as a qualified distribution center. For each year the 12628  
distribution center receives a certificate under division (F) (2) 12629  
(z) (ii) (II) of this section, the distribution center shall pay 12630  
all applicable fees required under division (F) (2) (z) of this 12631  
section and shall submit an updated business plan showing the 12632  
progress the distribution center made toward qualifying as a 12633  
qualified distribution center during the preceding year. 12634

(III) An operator may appeal a determination under 12635  
division (F) (2) (z) (ii) (I) or (II) of this section that the 12636  
ineligible operator is liable for the operator's supplier tax 12637  
liability as a result of not qualifying as a qualified 12638  
distribution center, as provided in section 5717.02 of the 12639  
Revised Code. 12640

(iii) When filing an application for a qualifying certificate under division (F) (2) (z) (i) (VI) of this section, the operator of a qualified distribution center also shall provide documentation, as the commissioner requires, for the commissioner to ascertain the Ohio delivery percentage. The commissioner, upon issuing the qualifying certificate, also shall certify the Ohio delivery percentage. The operator of the qualified distribution center may appeal the commissioner's certification of the Ohio delivery percentage in the same manner as an appeal is taken from the denial of a qualifying certificate under division (F) (2) (z) (i) (VI) of this section.

(iv) (I) In the case where the distribution center is new and not open for the entire qualifying period, the operator shall make a good faith estimate of an Ohio delivery percentage for use by suppliers in their reports of taxable gross receipts for the remainder of the qualifying period. The operator of the facility shall disclose to the suppliers that such Ohio delivery percentage is an estimate and is subject to recalculation. By the due date of the next application for a qualifying certificate, the operator shall determine the actual Ohio delivery percentage for the estimated qualifying period and proceed as provided in division (F) (2) (z) (iii) of this section with respect to the calculation and recalculation of the Ohio delivery percentage. The supplier is required to file, within sixty days after receiving notice from the operator of the qualified distribution center, amended reports for the impacted calendar quarter or quarters or calendar year, whichever the case may be. Any additional tax liability or tax overpayment shall be subject to interest but shall not be subject to the imposition of any penalty so long as the amended returns are timely filed.

(II) The operator of a distribution center that receives a  
qualifying certificate under division (F) (2) (z) (ii) (II) of this  
section shall make a good faith estimate of the Ohio delivery  
percentage that the operator estimates will apply to the  
distribution center at the end of the thirty-six-month period  
after the operator first applied for a qualifying certificate  
under that division. The result of the estimate shall be  
multiplied by a factor of one and seventy-five one-hundredths.  
The product of that calculation shall be the Ohio delivery  
percentage used by suppliers in their reports of taxable gross  
receipts for each qualifying year that the distribution center  
receives a qualifying certificate under division (F) (2) (z) (ii)  
(II) of this section, except that, if the product is less than  
five per cent, the Ohio delivery percentage used shall be five  
per cent and that, if the product exceeds forty-nine per cent,  
the Ohio delivery percentage used shall be forty-nine per cent.

(v) Qualifying certificates and Ohio delivery percentages  
issued by the commissioner shall be open to public inspection  
and shall be timely published by the commissioner. A supplier  
relying in good faith on a certificate issued under this  
division shall not be subject to tax on the qualifying  
distribution center receipts under division (F) (2) (z) of this  
section. An operator receiving a qualifying certificate is  
liable for the ineligible operator's supplier tax liability for  
each year the operator received a certificate but did not  
qualify as a qualified distribution center.

(vi) The annual fee for a qualifying certificate shall be  
one hundred thousand dollars for each qualified distribution  
center. If a qualifying certificate is not issued, the annual  
fee is subject to refund after the exhaustion of all appeals  
provided for in division (F) (2) (z) (i) (VI) of this section. The

first one hundred thousand dollars of the annual application 12703  
fees collected each calendar year shall be credited to the 12704  
revenue enhancement fund. The remainder of the annual 12705  
application fees collected shall be distributed in the same 12706  
manner required under section 5751.20 of the Revised Code. 12707

(vii) The tax commissioner may require that adequate 12708  
security be posted by the operator of the distribution center on 12709  
appeal when the commissioner disagrees that the applicant has 12710  
met the minimum thresholds for a qualified distribution center 12711  
as set forth in division (F)(2)(z) of this section. 12712

(aa) Receipts of an employer from payroll deductions 12713  
relating to the reimbursement of the employer for advancing 12714  
moneys to an unrelated third party on an employee's behalf; 12715

(bb) Cash discounts allowed and taken; 12716

(cc) Returns and allowances; 12717

(dd) Bad debts from receipts on the basis of which the tax 12718  
imposed by this chapter was paid in a prior quarterly tax 12719  
payment period. For the purpose of this division, "bad debts" 12720  
means any debts that have become worthless or uncollectible 12721  
between the preceding and current quarterly tax payment periods, 12722  
have been uncollected for at least six months, and that may be 12723  
claimed as a deduction under section 166 of the Internal Revenue 12724  
Code and the regulations adopted under that section, or that 12725  
could be claimed as such if the taxpayer kept its accounts on 12726  
the accrual basis. "Bad debts" does not include repossessed 12727  
property, uncollectible amounts on property that remains in the 12728  
possession of the taxpayer until the full purchase price is 12729  
paid, or expenses in attempting to collect any account 12730  
receivable or for any portion of the debt recovered; 12731

(ee) Any amount realized from the sale of an account 12732  
receivable to the extent the receipts from the underlying 12733  
transaction giving rise to the account receivable were included 12734  
in the gross receipts of the taxpayer; 12735

(ff) Any receipts directly attributed to a transfer 12736  
agreement or to the enterprise transferred under that agreement 12737  
under section 4313.02 of the Revised Code. 12738

(gg) (i) As used in this division: 12739

(I) "Qualified uranium receipts" means receipts from the 12740  
sale, exchange, lease, loan, production, processing, or other 12741  
disposition of uranium within a uranium enrichment zone 12742  
certified by the tax commissioner under division (F) (2) (gg) (ii) 12743  
of this section. "Qualified uranium receipts" does not include 12744  
any receipts with a situs in this state outside a uranium 12745  
enrichment zone certified by the tax commissioner under division 12746  
(F) (2) (gg) (ii) of this section. 12747

(II) "Uranium enrichment zone" means all real property 12748  
that is part of a uranium enrichment facility licensed by the 12749  
United States nuclear regulatory commission and that was or is 12750  
owned or controlled by the United States department of energy or 12751  
its successor. 12752

(ii) Any person that owns, leases, or operates real or 12753  
tangible personal property constituting or located within a 12754  
uranium enrichment zone may apply to the tax commissioner to 12755  
have the uranium enrichment zone certified for the purpose of 12756  
excluding qualified uranium receipts under division (F) (2) (gg) 12757  
of this section. The application shall include such information 12758  
that the tax commissioner prescribes. Within sixty days after 12759  
receiving the application, the tax commissioner shall certify 12760

the zone for that purpose if the commissioner determines that 12761  
the property qualifies as a uranium enrichment zone as defined 12762  
in division (F) (2) (gg) of this section, or, if the tax 12763  
commissioner determines that the property does not qualify, the 12764  
commissioner shall deny the application or request additional 12765  
information from the applicant. If the tax commissioner denies 12766  
an application, the commissioner shall state the reasons for the 12767  
denial. The applicant may appeal the denial of an application to 12768  
the board of tax appeals pursuant to section 5717.02 of the 12769  
Revised Code. If the applicant files a timely appeal, the tax 12770  
commissioner shall conditionally certify the applicant's 12771  
property. The conditional certification shall expire when all of 12772  
the applicant's appeals are exhausted. Until final resolution of 12773  
the appeal, the applicant shall retain the applicant's records 12774  
in accordance with section 5751.12 of the Revised Code, 12775  
notwithstanding any time limit on the preservation of records 12776  
under that section. 12777

(hh) In the case of amounts collected by a licensed casino 12778  
operator from casino gaming, amounts in excess of the casino 12779  
operator's gross casino revenue. In this division, "casino 12780  
operator" and "casino gaming" have the meanings defined in 12781  
section 3772.01 of the Revised Code, and "gross casino revenue" 12782  
has the meaning defined in section 5753.01 of the Revised Code. 12783

(ii) Receipts realized from the sale of agricultural 12784  
commodities by an agricultural commodity handler, both as 12785  
defined in section 926.01 of the Revised Code, that is licensed 12786  
by the director of agriculture to handle agricultural 12787  
commodities in this state. 12788

(jj) Qualifying integrated supply chain receipts. 12789

As used in division (F) (2) (jj) of this section: 12790

(i) "Qualifying integrated supply chain receipts" means 12791  
receipts of a qualified integrated supply chain vendor from the 12792  
sale of qualified property delivered to, or integrated supply 12793  
chain services provided to, another qualified integrated supply 12794  
chain vendor or to a retailer that is a member of the integrated 12795  
supply chain. "Qualifying integrated supply chain receipts" does 12796  
not include receipts of a person that is not a qualified 12797  
integrated supply chain vendor from the sale of raw materials to 12798  
a member of an integrated supply chain, or receipts of a member 12799  
of an integrated supply chain from the sale of qualified 12800  
property or integrated supply chain services to a person that is 12801  
not a member of the integrated supply chain. 12802

(ii) "Qualified property" means any of the following: 12803

(I) Component parts used to hold, contain, package, or 12804  
dispense qualified products, excluding equipment; 12805

(II) Work-in-process inventory that will become, comprise, 12806  
or form a component part of a qualified product capable of being 12807  
sold at retail, excluding equipment, machinery, furniture, and 12808  
fixtures; 12809

(III) Finished goods inventory that is a qualified product 12810  
capable of being sold at retail in the inventory's present form. 12811

(iii) "Qualified integrated supply chain vendor" means a 12812  
person that is a member of an integrated supply chain and that 12813  
provides integrated supply chain services within a qualified 12814  
integrated supply chain district to a retailer that is a member 12815  
of the integrated supply chain or to another qualified 12816  
integrated supply chain vendor that is located within the same 12817  
such district as the person but does not share a common owner 12818  
with that person. 12819



(iv) "Qualified product" means a personal care, health, or beauty product or an aromatic product, including a candle. 12820  
"Qualified product" does not include a drug that may be 12821  
dispensed only pursuant to a prescription, durable medical 12822  
equipment, mobility enhancing equipment, or a prosthetic device, 12823  
as those terms are defined in section 5739.01 of the Revised 12824  
Code. 12825  
12826

(v) "Integrated supply chain" means two or more qualified 12827  
integrated supply chain vendors certified on the most recent 12828  
list certified to the tax commissioner under this division that 12829  
systematically collaborate and coordinate business operations 12830  
with a retailer on the flow of tangible personal property from 12831  
material sourcing through manufacturing, assembly, packaging, 12832  
and delivery to the retailer to improve long-term financial 12833  
performance of each vendor and the supply chain that includes 12834  
the retailer. 12835

For the purpose of the certification required under this 12836  
division, the reporting person for each retailer, on or before 12837  
the first day of October of each year, shall certify to the tax 12838  
commissioner a list of the qualified integrated supply chain 12839  
vendors providing or receiving integrated supply chain services 12840  
within a qualified integrated supply chain district for the 12841  
ensuing calendar year. On or before the following first day of 12842  
November, the commissioner shall issue a certificate to the 12843  
retailer and to each vendor certified to the commissioner on 12844  
that list. The certificate shall include the names of the 12845  
retailer and of the qualified integrated supply chain vendors. 12846

The retailer shall notify the commissioner of any changes 12847  
to the list, including additions to or subtractions from the 12848  
list or changes in the name or legal entity of vendors certified 12849

on the list, within sixty days after the date the retailer 12850  
becomes aware of the change. Within thirty days after receiving 12851  
that notification, the commissioner shall issue a revised 12852  
certificate to the retailer and to each vendor certified on the 12853  
list. The revised certificate shall include the effective date 12854  
of the change. 12855

Each recipient of a certificate issued pursuant to this 12856  
division shall maintain a copy of the certificate for four years 12857  
from the date the certificate was received. 12858

(vi) "Integrated supply chain services" means procuring 12859  
raw materials or manufacturing, processing, refining, 12860  
assembling, packaging, or repackaging tangible personal property 12861  
that will become finished goods inventory capable of being sold 12862  
at retail by a retailer that is a member of an integrated supply 12863  
chain. 12864

(vii) "Retailer" means a person primarily engaged in 12865  
making retail sales and any member of that person's consolidated 12866  
elected taxpayer group or combined taxpayer group, whether or 12867  
not that member is primarily engaged in making retail sales. 12868

(viii) "Qualified integrated supply chain district" means 12869  
the parcel or parcels of land from which a retailer's integrated 12870  
supply chain that existed on September 29, 2015, provides or 12871  
receives integrated supply chain services, and to which all of 12872  
the following apply: 12873

(I) The parcel or parcels are located wholly in a county 12874  
having a population of greater than one hundred sixty-five 12875  
thousand but less than one hundred seventy thousand based on the 12876  
2010 federal decennial census. 12877

(II) The parcel or parcels are located wholly in the 12878

corporate limits of a municipal corporation with a population 12879  
greater than seven thousand five hundred and less than eight 12880  
thousand based on the 2010 federal decennial census that is 12881  
partly located in the county described in division (F) (2) (jj) 12882  
(viii) (I) of this section, as those corporate limits existed on 12883  
September 29, 2015. 12884

(III) The aggregate acreage of the parcel or parcels 12885  
equals or exceeds one hundred acres. 12886

(kk) In the case of a railroad company described in 12887  
division (D) (9) of section 5727.01 of the Revised Code that 12888  
purchases dyed diesel fuel directly from a supplier as defined 12889  
by section 5736.01 of the Revised Code, an amount equal to the 12890  
product of the number of gallons of dyed diesel fuel purchased 12891  
directly from such a supplier multiplied by the average 12892  
wholesale price for a gallon of diesel fuel as determined under 12893  
section 5736.02 of the Revised Code for the period during which 12894  
the fuel was purchased multiplied by a fraction, the numerator 12895  
of which equals the rate of tax levied by section 5736.02 of the 12896  
Revised Code less the rate of tax computed in section 5751.03 of 12897  
the Revised Code, and the denominator of which equals the rate 12898  
of tax computed in section 5751.03 of the Revised Code. 12899

(ll) Receipts realized by an out-of-state disaster 12900  
business from disaster work conducted in this state during a 12901  
disaster response period pursuant to a qualifying solicitation 12902  
received by the business. Terms used in division (F) (2) (ll) of 12903  
this section have the same meanings as in section 5703.94 of the 12904  
Revised Code. 12905

(mm) Any receipts for which the tax imposed by this 12906  
chapter is prohibited by the constitution or laws of the United 12907  
States or the constitution of this state. 12908

(3) In the case of a taxpayer when acting as a real estate broker, "gross receipts" includes only the portion of any fee for the service of a real estate broker, or service of a real estate salesperson associated with that broker, that is retained by the broker and not paid to an associated real estate salesperson or another real estate broker. For the purposes of this division, "real estate broker" and "real estate salesperson" have the same meanings as in section 4735.01 of the Revised Code.

(4) A taxpayer's method of accounting for gross receipts for a tax period shall be the same as the taxpayer's method of accounting for federal income tax purposes for the taxpayer's federal taxable year that includes the tax period. If a taxpayer's method of accounting for federal income tax purposes changes, its method of accounting for gross receipts under this chapter shall be changed accordingly.

(G) "Taxable gross receipts" means gross receipts situated to this state under section 5751.033 of the Revised Code.

(H) A person has "substantial nexus with this state" if any of the following applies. The person:

(1) Owns or uses a part or all of its capital in this state;

(2) Holds a certificate of compliance with the laws of this state authorizing the person to do business in this state;

(3) Has bright-line presence in this state;

(4) Otherwise has nexus with this state to an extent that the person can be required to remit the tax imposed under this chapter under the Constitution of the United States.

(I) A person has "bright-line presence" in this state for 12937  
a reporting period and for the remaining portion of the calendar 12938  
year if any of the following applies. The person: 12939

(1) Has at any time during the calendar year property in 12940  
this state with an aggregate value of at least fifty thousand 12941  
dollars. For the purpose of division (I) (1) of this section, 12942  
owned property is valued at original cost and rented property is 12943  
valued at eight times the net annual rental charge. 12944

(2) Has during the calendar year payroll in this state of 12945  
at least fifty thousand dollars. Payroll in this state includes 12946  
all of the following: 12947

(a) Any amount subject to withholding by the person under 12948  
section 5747.06 of the Revised Code; 12949

(b) Any other amount the person pays as compensation to an 12950  
individual under the supervision or control of the person for 12951  
work done in this state; and 12952

(c) Any amount the person pays for services performed in 12953  
this state on its behalf by another. 12954

(3) Has during the calendar year taxable gross receipts of 12955  
at least five hundred thousand dollars. 12956

(4) Has at any time during the calendar year within this 12957  
state at least twenty-five per cent of the person's total 12958  
property, total payroll, or total gross receipts. 12959

(5) Is domiciled in this state as an individual or for 12960  
corporate, commercial, or other business purposes. 12961

(J) "Tangible personal property" has the same meaning as 12962  
in section 5739.01 of the Revised Code. 12963

(K) "Internal Revenue Code" means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term used in this chapter that is not otherwise defined has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes unless a different meaning is clearly required. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

(L) "Calendar quarter" means a three-month period ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, or the thirty-first day of December.

(M) "Tax period" means the calendar quarter or calendar year on the basis of which a taxpayer is required to pay the tax imposed under this chapter.

(N) "Calendar year taxpayer" means a taxpayer for which the tax period is a calendar year.

(O) "Calendar quarter taxpayer" means a taxpayer for which the tax period is a calendar quarter.

(P) "Agent" means a person authorized by another person to act on its behalf to undertake a transaction for the other, including any of the following:

(1) A person receiving a fee to sell financial instruments;

(2) A person retaining only a commission from a transaction with the other proceeds from the transaction being remitted to another person;

(3) A person issuing licenses and permits under section 1533.13 of the Revised Code;

(4) A lottery sales agent holding a valid license issued	12992
under section 3770.05 of the Revised Code;	12993
(5) A person acting as an agent of the division of liquor	12994
control under section 4301.17 of the Revised Code.	12995
(Q) "Received" includes amounts accrued under the accrual	12996
method of accounting.	12997
(R) "Reporting person" means a person in a consolidated	12998
elected taxpayer or combined taxpayer group that is designated	12999
by that group to legally bind the group for all filings and tax	13000
liabilities and to receive all legal notices with respect to	13001
matters under this chapter, or, for the purposes of section	13002
5751.04 of the Revised Code, a separate taxpayer that is not a	13003
member of such a group.	13004
<b>Section 2.</b> That existing sections 111.16, 122.16, 122.173,	13005
135.14, 135.142, 135.35, 150.05, 718.01, 1329.01, 1329.02,	13006
1701.03, 1701.05, 1701.791, 1702.05, 1702.411, 1703.04, 1729.36,	13007
1729.38, 1745.461, 1751.01, 1776.69, 1776.82, 1782.02, 1782.432,	13008
1785.09, 3345.203, 3964.03, 3964.17, 4701.14, 4703.18, 4703.331,	13009
4715.18, 4715.22, 4715.365, 4715.431, 4717.06, 4723.16, 4725.33,	13010
4729.161, 4729.541, 4731.226, 4731.228, 4732.28, 4733.16,	13011
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 5715.19, 5733.04,	13012
5733.33, 5733.42, 5747.01, and 5751.01 of the Revised Code are	13013
hereby repealed.	13014
<b>Section 3.</b> That sections 1705.01, 1705.02, 1705.03,	13015
1705.031, 1705.04, 1705.05, 1705.06, 1705.07, 1705.08, 1705.081,	13016
1705.09, 1705.10, 1705.11, 1705.12, 1705.13, 1705.14, 1705.15,	13017
1705.16, 1705.161, 1705.17, 1705.18, 1705.19, 1705.20, 1705.21,	13018
1705.22, 1705.23, 1705.24, 1705.25, 1705.26, 1705.27, 1705.28,	13019
1705.281, 1705.282, 1705.29, 1705.291, 1705.292, 1705.30,	13020

1705.31, 1705.32, 1705.33, 1705.34, 1705.35, 1705.36, 1705.361, 13021  
1705.37, 1705.371, 1705.38, 1705.381, 1705.39, 1705.391, 13022  
1705.40, 1705.41, 1705.42, 1705.43, 1705.44, 1705.45, 1705.46, 13023  
1705.47, 1705.48, 1705.49, 1705.50, 1705.51, 1705.52, 1705.53, 13024  
1705.54, 1705.55, 1705.56, 1705.57, 1705.58, and 1705.61 of the 13025  
Revised Code are hereby repealed. 13026

**Section 4.** Section 3 of this act shall take effect on 13027  
January 1, 2022. 13028

**Section 5.** The repeal of a statute by this act shall not 13029  
affect an action commenced, proceeding brought, or right accrued 13030  
prior to January 1, 2022. 13031

**Section 6.** The General Assembly, applying the principle 13032  
stated in division (B) of section 1.52 of the Revised Code that 13033  
amendments are to be harmonized if reasonably capable of 13034  
simultaneous operation, finds that the following sections, 13035  
presented in this act as composites of the sections as amended 13036  
by the acts indicated, are the resulting versions of the 13037  
sections in effect prior to the effective date of the sections 13038  
as presented in this act: 13039

Section 111.16 of the Revised Code as amended by both Sub. 13040  
H.B. 31 and Sub. H.B. 133 of the 132nd General Assembly. 13041

Section 135.35 of the Revised Code as amended by Am. Sub. 13042  
H.B. 49, Sub. H.B. 251, and S.B. 163, all of the 132 General 13043  
Assembly. 13044

Section 3345.203 of the Revised Code as amended by both 13045  
Am. Sub. H.B. 384 and Sub. S.B. 3 of the 131st General Assembly. 13046