

As Introduced*

**122nd General Assembly
Regular Session
1997-1998**

H. B. No. 770

Representative Johnson

A B I L L

To amend sections 101.34, 101.70, 101.71, 101.72, 1
101.73, 101.74, 101.75, 101.77, 101.78, 101.79, 2
121.60, 121.61, 121.62, 121.63, 121.64, 121.65, 3
121.68, 121.69, 126.14, 131.35, 133.06, 718.01, 4
3313.646, 3313.841, 3313.842, 3313.98, 3314.03, 5
3314.07, 3314.08, 3317.01, 3317.013, 3317.02, 6
3317.021, 3317.022, 3317.023, 3317.024, 3317.029, 7
3317.0212, 3317.0213, 3317.0214, 3317.0215, 8
3317.0216, 3317.03, 3317.05, 3317.051, 3317.06, 9
3317.082, 3317.10, 3317.11, 3317.161, 3317.19, 10
3318.06, 3318.08, 3318.10, 3323.091, 3323.12, 11
3704.14, 3734.57, 3734.82, 4123.40, 4701.10, 12
4701.20, 4743.05, 4745.01, 5711.22, 5733.04, 13
5733.05, 5733.057, 5733.0611, 5733.12, 5733.40, 14
5733.98, 5747.01, 5747.08, 5747.43, and 5747.98; 15
to enact sections 715.013, 3314.12, 3314.13, 16
3315.171, 3315.181, 3345.122, 4981.091, 5733.058, 17
5733.401, 5733.402, 5747.401, and 5907.15; and to 18
repeal section 5747.452 of the Revised Code; to 19
amend Section 50.11 of Am. Sub. H.B. 215 of the 20
122nd General Assembly, as subsequently amended; 21
to amend Section 50.11 of Am. Sub. H.B. 215 of the 22
122nd General Assembly, as subsequently amended, 23
for the purpose of changing its number to section 24
3317.162 of the Revised Code; to amend Sections 25

20.05, 47.13, 58, 62.01, 67.08, 119, 190, and 210 26
of Am. Sub. H.B. 215 of the 122nd General 27
Assembly; to amend Section 67.05 of Am. Sub. H.B. 28
215 of the 122nd General Assembly, as amended by 29
Sub. H.B. 446 of the 122nd General Assembly; to 30
amend Sections 50, 50.07, 50.09, 50.10, 50.12, 31
50.13, 50.14, 50.24, and 50.52.10 of Am. Sub. H.B. 32
215 of the 122nd General Assembly, as amended by 33
Am. Sub. H.B. 650 of the 122nd General Assembly; 34
to amend Section 18 of Am. Sub. H.B. 650 of the 35
122nd General Assembly; and to amend Section 50.06 36
of Am. Sub. H.B. 215 of the 122nd General 37
Assembly, as amended by Am. Sub. H.B. 182 and Am. 38
Sub. H.B. 650 of the 122nd General Assembly to 39
correct, supplement, and modify certain 40
authorizations and conditions established for the 41
operation and administration of state programs, 42
and to make appropriations for the biennium ending 43
June 30, 1999. 44

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

Section 1. That sections 101.34, 101.70, 101.71, 101.72, 45
101.73, 101.74, 101.75, 101.77, 101.78, 101.79, 121.60, 121.61, 46
121.62, 121.63, 121.64, 121.65, 121.68, 121.69, 126.14, 131.35, 47
133.06, 718.01, 3313.646, 3313.841, 3313.842, 3313.98, 3314.03, 48
3314.07, 3314.08, 3317.01, 3317.013, 3317.02, 3317.021, 3317.022, 49
3317.023, 3317.024, 3317.029, 3317.0212, 3317.0213, 3317.0214, 50
3317.0215, 3317.0216, 3317.03, 3317.05, 3317.051, 3317.06, 51
3317.082, 3317.10, 3317.11, 3317.161, 3317.19, 3318.06, 3318.08, 52
3318.10, 3323.091, 3323.12, 3704.14, 3734.57, 3734.82, 4123.40, 53
4701.10, 4701.20, 4743.05, 4745.01, 5711.22, 5733.04, 5733.05, 54

5733.057, 5733.0611, 5733.12, 5733.40, 5733.98, 5747.01, 5747.08, 55
5747.43, and 5747.98 be amended and sections 715.013, 3314.12, 56
3314.13, 3315.171, 3315.181, 3345.122, 4981.091, 5733.058, 57
5733.401, 5733.402, 5747.401, and 5907.15 of the Revised Code be 58
enacted and that Section 50.11 of Am. Sub. H.B. 215 of the 122nd 59
General Assembly, as most recently amended by Am. Sub. H.B. 650 of 60
the 122nd General Assembly, be amended and renumbered as section 61
3317.162 of the Revised Code to read as follows: 62

Sec. 101.34. (A) There is hereby created a joint legislative 63
ethics committee to serve the general assembly. The committee 64
shall be composed of twelve members, six each from the two major 65
political parties, and each member shall serve on the committee 66
during the member's term as a member of that general assembly. Six 67
members of the committee shall be members of the house of 68
representatives appointed by the speaker of the house of 69
representatives, not more than three from the same political 70
party, and six members of the committee shall be members of the 71
senate appointed by the president of the senate, not more than 72
three from the same political party. A vacancy in the committee 73
shall be filled for the unexpired term in the same manner as an 74
original appointment. The members of the committee shall be 75
appointed within fifteen days after the first day of the first 76
regular session of each general assembly and the committee shall 77
meet and proceed to recommend an ethics code not later than thirty 78
days after the first day of the first regular session of each 79
general assembly. 80

In the first regular session of each general assembly, the 81
speaker of the house of representatives shall appoint the 82
chairperson of the committee from among the house members of the 83
committee and the president of the senate shall appoint the 84
vice-chairperson of the committee from among the senate members of 85

the committee. In the second regular session of each general
assembly, the president of the senate shall appoint the
chairperson of the committee from among the senate members of the
committee and the speaker of the house of representatives shall
appoint the vice-chairperson of the committee from among the house
members of the committee. The chairperson, vice-chairperson, and
members of the committee shall serve until their respective
successors are appointed or until they are no longer members of
the general assembly.

The committee shall meet at the call of the chairperson or
upon the written request of seven members of the committee.

(B) The joint legislative ethics committee:

(1) Shall recommend a code of ethics which is consistent with
law to govern all members and employees of each house of the
general assembly and all candidates for the office of member of
each house;

(2) May receive and hear any complaint which alleges a breach
of any privilege of either house, or misconduct of any member,
employee, or candidate, or any violation of Chapter 102. or
section 2921.42 or 2921.43 of the Revised Code or the appropriate
legislative code of ethics;

(3) May obtain information with respect to any complaint
filed pursuant to this section and to that end may enforce the
attendance and testimony of witnesses, and the production of books
and papers;

(4) May recommend whatever sanction is appropriate with
respect to a particular member, employee, or candidate as will
best maintain in the minds of the public a good opinion of the
conduct and character of members and employees of the general
assembly;

(5) May recommend legislation to the general assembly 116
relating to the conduct and ethics of members and employees of and 117
candidates for the general assembly; 118

(6) Shall employ an executive director for the committee and 119
may employ such other staff as the committee determines necessary 120
to assist it in exercising its powers and duties. The executive 121
director and staff of the committee shall be known as the office 122
of legislative inspector general. At least one member of the staff 123
of the committee shall be an attorney at law licensed to practice 124
law in this state. The appointment and removal of the executive 125
director shall require the approval of at least eight members of 126
the committee. 127

(7) May employ a special counsel to assist the committee in 128
exercising its powers and duties. The appointment and removal of a 129
special counsel shall require the approval of at least eight 130
members of the committee. 131

(8) Shall act as an advisory body to the general assembly and 132
to individual members, candidates, and employees on questions 133
relating to ethics, possible conflicts of interest, and financial 134
disclosure; 135

(9) Shall provide ~~for~~ the proper forms on which the statement 136
required pursuant to section 102.02 of the Revised Code shall be 137
filed and instructions as to the filing of the statement; 138

(10) Exercise the powers and duties prescribed ~~under~~ in 139
sections 101.70 to 101.79 and 121.60 to 121.69 of the Revised 140
Code; 141

(11) Adopt in accordance with section 111.15 of the Revised 142
Code any rules that are necessary to implement and clarify Chapter 143
102. and sections 2921.42 and 2921.43 of the Revised Code. 144

(C) There is hereby created in the state treasury the joint 145

legislative ethics committee fund. All money collected from 146
registration fees prescribed under sections 101.72 and 121.62 of 147
the Revised Code shall be deposited into the state treasury to the 148
credit of the fund. Money credited to the fund and any interest 149
and earnings from the fund shall be used solely for the operation 150
of the joint legislative ethics committee and the office of 151
legislative inspector general and for the purchase of data storage 152
and computerization facilities for the statements filed with the 153
joint committee under sections 101.73, 101.74, 121.63, and 121.64 154
of the Revised Code. 155

(D) The chairperson of the joint committee shall issue a 156
written report, not later than the thirty-first day of January of 157
each year, to the speaker and minority leader of the house of 158
representatives and to the president and minority leader of the 159
senate that lists the number of committee meetings and 160
investigations the committee conducted during the immediately 161
preceding calendar year and the number of advisory opinions it 162
issued during the immediately preceding calendar year. 163

(E) Any investigative report that contains facts and findings 164
regarding a complaint filed with the committee and that is 165
prepared by the staff of the committee or a special counsel to the 166
committee shall become a public record upon its acceptance by a 167
vote of the majority of the members of the committee, except for 168
any names of specific individuals and entities contained in the 169
report. If the committee recommends disciplinary action or reports 170
its findings to the appropriate prosecuting authority for 171
proceedings in prosecution of the violations alleged in the 172
complaint, the investigatory report regarding the complaint shall 173
become a public record in its entirety. 174

(F)(1) Any file obtained by or in the possession of the 175
former house ethics committee or former senate ethics committee 176
shall become the property of the joint legislative ethics 177

committee. Any such file is confidential if either of the 178
following applies: 179

(a) It is confidential under section 102.06 of the Revised 180
Code or the legislative code of ethics. 181

(b) If the file was obtained from the former house ethics 182
committee or from the former senate ethics committee, it was 183
confidential under any statute or any provision of a code of 184
ethics that governed the file. 185

(2) As used in this division, "file" includes, but is not 186
limited to, evidence, documentation, or any other tangible thing. 187

(G) The office of legislative inspector general shall 188
exercise the powers and duties prescribed to the office in 189
sections 101.70 to 101.79 and sections 121.60 to 121.69 of the 190
Revised Code. 191

Sec. 101.70. As used in sections 101.70 to 101.79 and 101.99 192
of the Revised Code: 193

(A) "Person" means any individual, partnership, trust, 194
estate, business trust, association, or corporation; any labor 195
organization or manufacturer association; any department, 196
commission, board, publicly supported college or university, 197
division, institution, bureau, or other instrumentality of the 198
state; or any county, township, municipal corporation, school 199
district, or other political subdivision of the state. 200

(B) "Legislation" means bills, resolutions, amendments, 201
nominations, and any other matter proposed for consideration or 202
pending before the general assembly, any matter pending before the 203
controlling board, or the executive approval or veto of any bill 204
acted upon by the general assembly. 205

(C) "Compensation" means a salary, gift, payment, benefit, 206
subscription, loan, advance, reimbursement, or deposit of money or 207

anything of value; or a contract, promise, or agreement, whether 208
or not legally enforceable, to make compensation. 209

(D)(1) "Expenditure" means any of the following that is made 210
to, at the request of, for the benefit of, or on behalf of any 211
member of the general assembly, any member of the controlling 212
board, the governor, the director of a department created under 213
section 121.02 of the Revised Code, or any member of the staff of 214
any public officer or employee listed in this division: 215

~~(1)~~(a) A payment, distribution, loan, advance, deposit, 216
reimbursement, or gift of money, real estate, or anything of 217
value, including, but not limited to, food and beverages, 218
entertainment, lodging, or transportation; 219

~~(2)~~(b) A contract, promise, or agreement to make an 220
expenditure, whether or not legally enforceable; 221

~~(3)~~(c) The purchase, sale, or gift of services or any other 222
thing of value. 223

~~Expenditure~~ 224

(2) "Expenditure" does not include a any of the following: 225

(a) A contribution, gift, or grant to a foundation or other 226
charitable organization that is exempt from federal income 227
taxation under subsection 501(c)(3) of the Internal Revenue Code- 228
~~"Expenditure" does not include the~~ 229

(b) The purchase, sale, or gift of services or any other 230
thing of value that is available to the general public on the same 231
terms as it is available to the persons listed in this division, 232
or an offer or sale of securities to any person listed in this 233
division that is governed by regulation D, 17 C.F.R. 2301.501 to 234
2301.508, adopted under the authority of the "Securities Act of 235
1933," 48 Stat. 74, 15 U.S.C.A. and following, or that is governed 236
by a comparable provision under state law-i 237

(c) <u>A contribution as defined in section 3517.01 of the Revised Code;</u>	238
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(d) <u>Amounts spent for trade, industry, government, or professional association publications;</u>	240
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(e) <u>Amounts spent for promotional materials or items valued at less than twenty-five dollars;</u>	242
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(f) <u>Amounts spent for meals and other food and beverages provided to any particular member of the general assembly, any particular member of the controlling board, the governor, the director of a department created under section 121.02 of the Revised Code, or any particular member of the staff of any of the public officers or employees listed in division (D)(2)(f) of this section at a meeting at which the public officer or employee participated in a seminar, panel, or speaking engagement or provided to the public officer or employee at a meeting or convention of a national organization to which the public employer of the public officer or public employee pays membership dues.</u>	244
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(E) "Actively advocate" means to promote, advocate, or oppose the <u>introduction, passage, modification, defeat, or executive approval or veto of any legislation by direct communication with any member of the general assembly, any member of the controlling board, the governor, the director of any department listed in section 121.02 of the Revised Code, or any member of the staff of any public officer or employee listed in this division. "Actively advocate" does not include the action of any person not engaged by an employer who has a direct interest in legislation if the person, acting under Section 3 of Article I, Ohio Constitution, assembles together with other persons to consult for their common good, instructs a public officer or employee who is listed in this division, or petitions that public officer or employee for the redress of grievances.</u>	255
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(F) "Legislative agent" means any individual, except a member 269
of the general assembly, a member of the staff of the general 270
assembly, the governor, lieutenant governor, attorney general, 271
secretary of state, treasurer of state, or auditor of state, or 272
any other elected official who attempts to influence or affect 273
legislation in the performance of the individual's official 274
duties, who is engaged during at least a significant portion of 275
his the individual's time to actively advocate ~~as one of his main~~ 276
~~purposes~~. 277

(G) "Employer" means any person who, directly or indirectly, 278
engages a legislative agent. 279

(H) "Engage" means to make any arrangement, and "engagement" 280
means any arrangement, whereby an individual is employed or 281
retained for compensation to act for or on behalf of an employer 282
to actively advocate. 283

(I) "Financial transaction" means a transaction or activity 284
that is conducted or undertaken for profit and arises from the 285
joint ownership or the ownership or part ownership in common of 286
any real or personal property or any commercial or business 287
enterprise of whatever form or nature between the following: 288

(1) A legislative agent, ~~his~~ an employer of a legislative 289
agent, or a member of the immediate family of the legislative 290
agent or ~~his~~ a legislative agent's employer; and 291

(2) Any member of the general assembly, any member of the 292
controlling board, the governor, the director of a department 293
created under section 121.02 of the Revised Code, or any member of 294
the staff of a public officer or employee listed in division 295
(I)(2) of this section. 296

"Financial transaction" does not include any transaction or 297
activity described in division (I) of this section if it is 298
available to the general public on the same terms, or if it is an 299

offer or sale of securities to any person listed in division 300
(I)(2) of this section that is governed by regulation D, 17 C.F.R. 301
2301.501 to 2301.508, adopted under the authority of the 302
"Securities Act of 1933," 48 Stat. 74, 15 U.S.C.A. and following, 303
or that is governed by a comparable provision under state law. 304

(J) "Staff" means any state employee whose official duties 305
are to formulate policy ~~and~~, who exercises administrative or 306
supervisory authority or who authorizes the expenditure of state 307
funds, and who is required to file a financial disclosure 308
statement under section 102.02 of the Revised Code. 309

Sec. 101.71. (A) No legislative agent or employer shall 310
knowingly fail to register as required under section 101.72 of the 311
Revised Code and no person shall knowingly act as a legislative 312
agent or employer while the person's registration is suspended 313
under division (F) of section 101.72 Of the Revised Code. 314

(B) No legislative agent or employer shall knowingly fail to 315
keep a receipt or maintain a record that section 101.73 of the 316
Revised Code requires the person to keep or maintain. 317

(C) No person shall knowingly fail to file a statement that 318
section 101.73 or 101.74 of the Revised Code requires the person 319
to file. 320

(D) No person shall knowingly file a false statement that 321
section 101.73 or 101.74 of the Revised Code requires the person 322
to file. 323

Sec. 101.72. (A) Each legislative agent and employer, within 324
ten days following an engagement of a legislative agent, shall 325
file with the ~~joint~~ office of legislative ethics ~~committee~~ 326
inspector general an initial registration statement showing all of 327
the following: 328

(1) The name, business address, and occupation of the legislative agent;	329 330
(2) The name and business address of the employer and the real party in interest on whose behalf the legislative agent is actively advocating, if it is different from the employer. For the purposes of division (A) of this section, where a trade association or other charitable or fraternal organization that is exempt from federal income taxation under subsection 501(c) of the federal Internal Revenue Code is the employer, the statement need not list the names and addresses of each member of the association or organization, so long as the association or organization itself is listed.	331 332 333 334 335 336 337 338 339 340
(3) A brief description of the type of legislation to which the engagement relates.	341 342
(B) In addition to the initial registration statement required by division (A) of this section, each legislative agent and employer shall file with the joint committee <u>office</u> , not later than the last day of January, May, and September <u>July</u> of each year, an updated registration statement that confirms the continuing existence of each engagement described in an initial registration statement and that lists the specific bills or resolutions on which the <u>legislative</u> agent actively advocated under that engagement during the period covered by the updated statement, and with it any statement of expenditures required to be filed by section 101.73 of the Revised Code and any details of financial transactions required to be filed by section 101.74 of the Revised Code.	343 344 345 346 347 348 349 350 351 352 353 354 355
(C) If a legislative agent is engaged by more than one employer, the agent shall file a separate initial and updated registration statement for each engagement. If an employer engages more than one legislative agent, the employer need file only one	356 357 358 359

updated registration statement under division (B) of this section, 360
which shall contain the information required by division (B) of 361
this section regarding all of the legislative agents engaged by 362
the employer. 363

(D)(1) A change in any information required by division 364
(A)(1), (2), or (B) of this section shall be reflected in the next 365
updated registration statement filed under division (B) of this 366
section. 367

(2) Within thirty days after the termination of an 368
engagement, the legislative agent who was employed under the 369
engagement shall send written notification of the termination to 370
the ~~joint committee~~ office. 371

(E) Except as otherwise provided in this division, a 372
registration fee of ten dollars shall be charged for filing an 373
initial registration statement. All money collected from this 374
registration fee shall be deposited to the credit of the joint 375
legislative ethics committee fund created under section 101.34 of 376
the Revised Code. An officer or employee of a state agency who 377
actively advocates in a fiduciary capacity as a representative of 378
that state agency need not pay the registration fee prescribed by 379
this division or file expenditure statements under section 101.73 380
of the Revised Code. As used in this division, "state agency" does 381
not include a state institution of higher education as defined in 382
section 3345.011 of the Revised Code. 383

(F) Upon registration pursuant to division (A) of this 384
section, the legislative agent shall be issued a card by the ~~joint~~ 385
~~committee~~ office showing that the legislative agent is registered. 386
The registration card and the legislative agent's registration 387
shall be valid from the date of their issuance until the next 388
thirty-first day of December of an even-numbered year unless the 389
legislative agent's registration is suspended under this division. 390

Any person found guilty of two or more violations of division (A), (B), (C), or (D) of section 101.71, or of section 2921.02 or 2921.13, Of the Revised Code is prohibited thereafter from registering as a legislative agent or an employer of a legislative agent, and any existing registration of that person is revoked. Any person assessed the maximum late filing fee under division (G) of this section for two successive six-month reporting periods is prohibited from registering as a legislative agent or employer of a legislative agent for six months, and any existing registration of that person is suspended for six months.

(G) The executive director of the ~~joint committee office~~ shall be responsible for reviewing each registration statement filed with the ~~joint committee office~~ under this section and for determining whether the statement contains all of the information required by this section. If the ~~joint committee office~~ determines that the registration statement does not contain all of the required information or that a legislative agent or employer has failed to file a registration statement, the ~~joint committee office~~ shall send written notification by certified mail to the person who filed the registration statement regarding the deficiency in the statement or to the person who failed to file the registration statement regarding the failure. Any person so notified by the ~~joint committee office~~ shall, not later than fifteen days after receiving the notice, file a registration statement or an amended registration statement that does contain all of the information required by this section. If any person who receives a notice under this division fails to file a registration statement or such an amended registration statement within this fifteen-day period, the ~~joint committee office~~ shall ~~notify the attorney general, who may take appropriate action as authorized under section 101.79 of the Revised Code. If the joint committee notifies the attorney general under this division, the joint~~

~~committee shall also notify in writing the governor and each~~ 423
~~member of the general assembly of the pending investigation assess~~ 424
~~a late filing fee of twenty-five dollars per day, up to a maximum~~ 425
~~of two hundred fifty dollars, upon that person. If any person~~ 426
~~assessed the maximum two-hundred-fifty-dollar late fee under this~~ 427
~~division still fails to file a registration statement or an~~ 428
~~amended registration statement, the office may refer the matter to~~ 429
~~appropriate prosecuting authority.~~ 430

(H) On or before the fifteenth day of March of each year, the 431
~~joint committee~~ office shall, in the manner and form that it 432
determines, publish a report containing statistical information on 433
the registration statements filed with it under this section 434
during the preceding year. 435

Sec. 101.73. (A) Each legislative agent and each employer 436
shall file in the office of ~~the joint legislative ethics committee~~ 437
inspector general, with the updated registration statement 438
required by division (B) of section 101.72 of the Revised Code, a 439
statement of expenditures as specified in divisions (B) and (C) of 440
this section. A legislative agent shall file a separate statement 441
of expenditures under this section for each employer engaging ~~him~~ 442
the legislative agent. 443

(B)(1) In addition to the information required by divisions 444
(B)(2) and (3) of this section, a statement filed by a legislative 445
agent shall show the total amount of expenditures made by the 446
legislative agent during the reporting period covered by the 447
statement. 448

(2) If, during a reporting period covered by a statement, ~~an~~ 449
~~employer or any legislative agent he engaged~~ made, either 450
~~separately or in combination with each other,~~ either directly or 451
indirectly, expenditures to, at the request of, for the benefit 452
of, or on behalf of any particular member of the general assembly, 453

any particular member of the controlling board, the governor, the 454
director of a department created under section 121.02 of the 455
Revised Code, or any particular member of the staff of any of the 456
public officers or employees listed in division (B)(2) of this 457
section, then the ~~employer or~~ legislative agent shall also state 458
all of the following: 459

(a) The name of the public officer or employee to whom, at 460
whose request, for whose benefit, or on whose behalf the 461
expenditures were made; 462

(b) The total amount of the expenditures made; 463

(c) A brief description of the expenditures made; 464

(d) The approximate date the expenditures were made; 465

(e) The specific items of legislation, if any, for which the 466
expenditures were made and the identity of the client on whose 467
behalf each expenditure was made. 468

As used in division (B)(2) of this section, "expenditures" 469
does not include expenditures made by a legislative agent as 470
payment for meals and other food and beverages. 471

(3) If, during a reporting period covered by a statement, a 472
legislative agent made expenditures as payment for meals and other 473
food and beverages, ~~other than for meals and other food and~~ 474
~~beverages provided to a member of the general assembly at a~~ 475
~~meeting at which the member participated in a panel, seminar, or~~ 476
~~speaking engagement or provided to a member of the general~~ 477
~~assembly at a meeting or convention of a national organization to~~ 478
~~which either house of the general assembly, any legislative~~ 479
~~agency, or any other state agency pays membership dues, that, when~~ 480
added to the amount of previous payments made for meals and other 481
food and beverages by that legislative agent during that same 482
calendar year, exceeded a total of fifty dollars to, at the 483
request of, for the benefit of, or on behalf of any particular 484

member of the general assembly, any particular member of the 485
controlling board, the governor, the director of a department 486
created under section 121.02 of the Revised Code, or any 487
particular member of the staff of any of the public officers or 488
employees listed in division (B)(3) of this section, then the 489
legislative agent shall also state all of the following regarding 490
those expenditures: 491

(a) The name of the public officer or employee to whom, at 492
whose request, for whose benefit, or on whose behalf the 493
expenditures were made; 494

(b) The total amount of the expenditures made; 495

(c) A brief description of the expenditures made; 496

(d) The approximate date the expenditures were made; 497

(e) The specific items of legislation, if any, for which the 498
expenditures were made and the identity of the client on whose 499
behalf each expenditure was made. 500

(C)(1) In addition to the information required by divisions 501
~~(B)~~(C)(2) and (3) of this section, a statement filed by an 502
employer shall show the total amount of expenditures made by the 503
employer filing the statement during the period covered by the 504
statement. As used in this section, "expenditures" does not 505
include the expenses of maintaining office facilities or the 506
compensation paid to legislative agents engaged by an employer. 507

(2) If, during a reporting period covered by a statement, an 508
employer made, either directly or indirectly, expenditures to, at 509
the request of, for the benefit of, or on behalf of any particular 510
member of the general assembly, any particular member of the 511
controlling board, the governor, the director of a department 512
created under section 121.02 of the Revised Code, or any 513
particular member of the staff of any of the public officers or 514
employees listed in division (C)(2) of this section, then the 515

employer shall also state all of the following: 516

(a) The name of the public officer or employee to whom, at 517
whose request, for whose benefit, or on whose behalf the 518
expenditures were made; 519

(b) The total amount of the expenditures made; 520

(c) A brief description of the expenditures made; 521

(d) The approximate date the expenditures were made; 522

(e) The specific items of legislation, if any, for which the 523
expenditures were made. 524

As used in division (C)(2) of this section, "expenditures" 525
does not include expenditures made by an employer as payment for 526
meals and other food and beverages. 527

(3) If, during a reporting period covered by a statement, an 528
employer made either directly or indirectly expenditures as 529
payment for meals and other food and beverages to, at the request 530
of, for the benefit of, or on behalf of any particular member of 531
the general assembly, any particular member of the controlling 532
board, the governor, the director of a department created under 533
section 121.02 Of the Revised Code, or any particular member of 534
the staff of any of the public officers or employees listed in 535
division (C)(3) of this section, then the employer shall also 536
state all of the following regarding those expenditures: 537

(a) The name of the public officer or employee to whom, at 538
whose request, for whose benefit, or on whose behalf the 539
expenditures were made; 540

(b) The total amount of the expenditures made; 541

(c) A brief description of the expenditures made; 542

(d) The approximate date the expenditures were made; 543

(e) The specific items of legislation, if any, for which the 544

expenditures were made and on whose behalf each expenditure was 545
made. 546

(4) No employer is required to show any expenditure on a 547
statement filed under this division if the expenditure is reported 548
on a statement filed under division (B) of this section by a 549
legislative agent engaged by the employer. 550

(D) Any statement required to be filed under this section 551
shall be filed at the times specified in section 101.72 of the 552
Revised Code. Each statement shall cover expenditures made during 553
the ~~four-calendar-month~~ six-calendar-month period that ended on 554
the last day of the month immediately preceding the month in which 555
the statement is required to be filed. 556

No portion of the amount of an expenditure for a dinner, 557
party, or other similar function sponsored by an employer or 558
legislative agent need be attributed to, or counted toward the 559
amount for, a reporting period specified in division (B)(2) or (3) 560
or (C)(2) or (3) of this section if the sponsor has invited to the 561
function all the members of either of the following: 562

(1) The general assembly; 563

(2) Either house of the general assembly. 564

However, the amount spent for such function and its date and 565
purpose shall be reported separately on the statement required to 566
be filed under this section and the amount spent for the function 567
shall be added with other expenditures for the purpose of 568
determining the total amount of expenditures reported in the 569
statement under division (B)(1) or (C)(1) of this section. 570

If it is impractical or impossible for a legislative agent or 571
employer to determine exact dollar amounts or values of 572
expenditures, reporting of good faith estimates, based upon 573
reasonable accounting procedures, constitutes compliance with this 574
section. 575

(E) All legislative agents and employers shall retain 576
receipts or maintain records for all expenditures that are 577
required to be reported pursuant to this section. These receipts 578
or records shall be maintained for a period ending on the 579
thirty-first day of December of the second calendar year after the 580
year in which the expenditure was made. 581

(F)~~(1)~~ An employer or legislative agent who is required to 582
file an expenditure statement under division (B) or (C) of this 583
section shall deliver a copy of the statement, ~~or of the portion~~ 584
~~showing the expenditure,~~ to the public officer or employee who is 585
listed in the statement as having received the expenditure or on 586
whose behalf it was made, at least ten days before the date on 587
which the statement is filed. 588

~~(2) If, during a reporting period covered by an expenditure~~ 589
~~statement filed under division (B)(2) of this section, an employer~~ 590
~~or any legislative agent he engaged made, either separately or in~~ 591
~~combination with each other, either directly or indirectly,~~ 592
~~expenditures for transportation, lodging, or food and beverages~~ 593
~~purchased for consumption on the premises in which the food and~~ 594
~~beverages were sold to, at the request of, for the benefit of, or~~ 595
~~on behalf of any of the public officers or employees described in~~ 596
~~division (B)(2) of this section, the employer or legislative agent~~ 597
~~shall deliver to the public officer or employee a statement that~~ 598
~~contains all of the nondisputed information prescribed in division~~ 599
~~(B)(2)(a) through (c) of this section with respect to the~~ 600
~~expenditures described in division (F)(2) of this section. The~~ 601
~~statement of expenditures made under division (F)(2) of this~~ 602
~~section shall be delivered to the public officer or employee to~~ 603
~~whom, at whose request, for whose benefit, or on whose behalf~~ 604
~~those expenditures were made on the same day in which a copy of~~ 605
~~the expenditure statement or of a portion showing the expenditure~~ 606
~~is delivered to the public officer or employee under division~~ 607

~~(F)(1) of this section. An employer is not required to show any expenditure on a statement delivered under division (F)(2) of this section if the expenditure is shown on a statement delivered under division (F)(2) of this section by a legislative agent engaged by the employer.~~

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Sec. 101.74. (A) Any legislative agent who has had any financial transaction with or for the benefit of any member of the general assembly, any member of the controlling board, the governor, the director of a department created under section 121.02 of the Revised Code, or any member of the staff of any public officer or employee listed in this division shall describe the details of the transaction, including the name of the public officer or employee, the purpose and nature of the transaction, and the date it was made or entered into, in a statement filed with the office of the legislative inspector general and, if the transaction was with or for the benefit of any member of the general assembly or any member of the staff of a member of the general assembly, filed with the joint legislative ethics committee together with the updated registration statement required by division (B) of section 101.72 of the Revised Code. The statement shall be filed at the times specified in section 101.72 of the Revised Code. Each statement shall describe each financial transaction that occurred during the ~~four-calendar-month~~ six-calendar-month period that ended on the last day of the month immediately preceding the month in which the statement is required to be filed.

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(B) Except as provided in division (D) of this section, any employer who has had any financial transaction with or for the benefit of any member of the general assembly, any member of the controlling board, the governor, the director of a department created under section 121.02 of the Revised Code, or any member of

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the staff of any public officer or employee listed in this 639
division shall describe the details of the transaction, including 640
the name of the public officer or employee, the purpose and nature 641
of the transaction, and the date it was made or entered into, in a 642
statement filed with the office of the legislative inspector 643
general and, if the transaction was with or for the benefit of any 644
member of the general assembly or any member of the staff of a 645
member of the general assembly, filed with the joint legislative 646
ethics committee together with the updated registration statement 647
required by division (B) of section 101.72 of the Revised Code. 648
The statement shall be filed at the times specified in section 649
101.72 of the Revised Code. Each statement shall describe each 650
financial transaction that occurred during the ~~four-calendar-month~~ 651
six-calendar-month period that ended on the last day of the month 652
immediately preceding the month in which the statement is required 653
to be filed. 654

(C) An employer or legislative agent who is required to file 655
a statement describing a financial transaction under this section 656
shall deliver a copy of the statement to the public officer or 657
employee with whom or for whose benefit the transaction was made 658
at least ten days before the date on which the statement is filed. 659

(D) No employer shall be required to file any statement under 660
this section or to deliver a copy of the statement to a public 661
officer or employee with whom or for whose benefit the transaction 662
was made if the financial transaction to which the statement 663
pertains is reported by a legislative agent engaged by the 664
employer. 665

Sec. 101.75. If a dispute arises between any member of the 666
general assembly, any member of the controlling board, or a member 667
of the staff of the general assembly or controlling board and an 668
employer or legislative agent with respect to an expenditure or 669

financial transaction alleged in any statement to be filed under 670
section 101.73 or 101.74 of the Revised Code, the member, staff 671
member, employer, or legislative agent may file a complaint with 672
the joint legislative ethics committee. The committee shall 673
proceed to investigate the complaint as provided for other 674
complaints in section 101.34 of the Revised Code. 675

The complaint shall be filed at least three days prior to the 676
time the statement is required to be filed with the joint 677
legislative ethics committee. The time for filing a disputed 678
expenditure or financial transaction in any statement of 679
expenditures or the details of a financial transaction shall be 680
extended pending the final decision of the joint committee. This 681
extension does not extend the time for filing the nondisputed 682
portions of ~~an expenditure~~ a statement of expenditures or of the 683
details of a financial transaction. The joint committee shall 684
notify the parties of its final decision by certified mail. If the 685
committee decides that the disputed expenditure or financial 686
transaction should be reported, the employer or legislative agent 687
shall include the matter in an amended statement and file the 688
amended statement not later than ten days after the employer or 689
agent receives notice of the decision of the committee by 690
certified mail. 691

If a dispute arises between the governor, the director of a 692
department created under section 121.02 Of the Revised Code, or a 693
member of the staff of the governor, or the director of a 694
department created under section 121.02 Of the Revised Code, and 695
an employer or legislative agent with respect to an expenditure or 696
financial transaction alleged in any statement to be filed under 697
section 101.73 or 101.74 Of the Revised Code, the governor, 698
department director, staff member, employer, or legislative agent 699
may file a complaint pursuant to section 121.65 Of the Revised 700
Code. The office of legislative inspector general shall proceed to 701

investigate the complaint as provided for other complaints in 702
section 121.69 Of the Revised Code. 703

An employer or legislative agent who files a false statement 704
of expenditures or details of a financial transaction is liable in 705
a civil action to any public officer or employee who sustains 706
damage as a result of the filing or publication of the statement. 707

Sec. 101.77. No person shall engage any person to actively 708
advocate in exchange for compensation that is contingent in any 709
way upon the introduction, passage, modification, or defeat of any 710
legislation. No person shall accept any engagement to actively 711
advocate in exchange for compensation that is contingent in any 712
way upon the introduction, passage, modification, or defeat of any 713
legislation. 714

Sec. 101.78. (A) The ~~joint~~ office of legislative ethics 715
~~committee~~ inspector general shall keep on file the statements 716
required by sections 101.72, 101.73, and 101.74 of the Revised 717
Code. Those statements are public records and open to public 718
inspection, and the ~~joint-committee~~ office shall computerize them 719
so that the information contained in them is readily accessible to 720
the general public. The ~~joint-committee~~ office shall provide 721
copies of the statements to the general public upon request and 722
may charge a reasonable fee not to exceed the cost of copying and 723
delivering each statement. 724

(B) The ~~joint-committee~~ office shall prescribe and make 725
available an appropriate form for filing the information required 726
by sections 101.72, 101.73, and 101.74 of the Revised Code. The 727
form shall contain the following notice in boldface type: "ANY 728
PERSON WHO KNOWINGLY FILES A FALSE STATEMENT IS GUILTY OF 729
FALSIFICATION UNDER SECTION 2921.13 OF THE REVISED CODE, WHICH IS 730
A MISDEMEANOR OF THE FIRST DEGREE." 731

(C) The ~~joint committee~~ office shall publish a handbook that 732
explains in clear and concise language sections 101.70 to 101.79 733
and 101.99 of the Revised Code and make it available free of 734
charge to members of the general assembly, legislative agents, 735
employers, and any other interested persons. 736

(D) Not later than the last day of February and October of 737
each year, the ~~joint committee~~ office shall compile from 738
registration statements filed with it a complete and updated list 739
of registered legislative agents and their employers and 740
distribute the list to each member of the general assembly, each 741
member of the controlling board who is not a member of the general 742
assembly, and the governor. The ~~joint committee~~ office shall 743
provide copies of the list to the general public upon request and 744
may charge a reasonable fee not to exceed the cost of copying and 745
delivering the list. 746

(E) The joint committee may adopt rules as necessary to 747
implement sections 101.70 to 101.79 of the Revised Code, and any 748
such rules it adopts shall be adopted in accordance with section 749
111.15 of the Revised Code. 750

Sec. 101.79. (A) The attorney general and the office of 751
legislative inspector general and any assistant or special counsel 752
designated by ~~him~~ the attorney general or office may investigate 753
compliance with sections 101.70 to 101.78 of the Revised Code, 754
except as otherwise provided in section 101.75 of the Revised 755
Code, and with section 2921.13 of the Revised Code in connection 756
with statements required to be filed under these sections and, in 757
the event of an apparent violation, ~~shall~~ may report ~~his~~ the 758
findings of the investigation to the appropriate prosecuting 759
~~attorney of Franklin county~~ authority, who shall institute such 760
proceedings as are appropriate. 761

(B) As part of an investigation, the legislative inspector 762

general, or a designee, may administer oaths, examine witnesses, 763
and issue subpoenas and subpoenas duces tecum to compel the 764
attendance of witnesses and the production of all kinds of books, 765
records, papers, and tangible things. Upon the refusal of a 766
witness to be sworn or to answer any question put to the witness, 767
or if a person disobeys a subpoena, the legislative inspector 768
general shall apply to the court of common pleas for a contempt 769
order, as in the case of disobedience to the requirements of a 770
subpoena issued from the court of common pleas, or a refusal to 771
testify in the court. 772

Sec. 121.60. As used in sections 121.60 to 121.69 of the 773
Revised Code: 774

(A) "Person" and "compensation" have the same meanings as in 775
section 101.70 of the Revised Code. 776

(B)(1) "Expenditure" means any of the following that is made 777
to, at the request of, for the benefit of, or on behalf of an 778
elected executive official, the director of a department created 779
under section 121.02 of the Revised Code, an executive agency 780
official, or a member of the staff of any public officer or 781
employee listed in this division: 782

~~(1)(a)~~ A payment, distribution, loan, advance, deposit, 783
reimbursement, or gift of money, real estate, or anything of 784
value, including, but not limited to, food and beverages, 785
entertainment, lodging, transportation, or honorariums; 786

~~(2)(b)~~ A contract, promise, or agreement to make an 787
expenditure, whether or not legally enforceable; 788

~~(3)(c)~~ The purchase, sale, or gift of services or any other 789
thing of value. ~~Expenditure~~ 790

(2) "Expenditure" does not include a any of the following: 791

(a) A contribution, gift, or grant to a foundation or other 792

charitable organization that is exempt from federal income	793
taxation under subsection 501(c)(3) of the Internal Revenue Code-	794
"Expenditure" does not include the;	795
(b) <u>The purchase, sale, or gift of services or any other</u>	796
thing of value that is available to the general public on the same	797
terms as it is available to the persons listed in this division,	798
or an offer or sale of securities to any person listed in this	799
division that is governed by regulation D, 17 C.F.R. 2301.501 to	800
2301.508, adopted under the authority of the "Securities Act of	801
1933," 48 Stat. 74, 15 U.S.C.A. and following, or that is governed	802
by a comparable provision under state law- <u>i</u>	803
(c) <u>A contribution as defined in section 3517.01 of the</u>	804
<u>Revised Code;</u>	805
(d) <u>Amounts spent for trade, industry, government, or</u>	806
<u>professional association publications;</u>	807
(e) <u>Amounts spent for promotional materials or items valued</u>	808
<u>at less than twenty-five dollars;</u>	809
(f) <u>Amounts spent for meals and other food and beverages</u>	810
<u>provided to a particular elected executive official, the director</u>	811
<u>of a department created under section 121.02 of the Revised Code,</u>	812
<u>a particular executive agency official, or any particular member</u>	813
<u>of the staff of any of the public officers or employees listed in</u>	814
<u>division (B)(2)(f) of this section at a meeting at which the</u>	815
<u>public officer or employee participated in a seminar, panel, or</u>	816
<u>speaking engagement or provided to the public officer or employee</u>	817
<u>at a meeting or convention of a national organization to which the</u>	818
<u>public employer of the public officer or public employee pays</u>	819
<u>membership dues.</u>	820
(C) "Employer" means any person who, directly or indirectly,	821
engages an executive agency lobbyist.	822
(D) "Engage" means to make any arrangement, and "engagement"	823

means arrangement, whereby an individual is employed or retained 824
for compensation to act for or on behalf of an employer to 825
influence executive agency decisions or to conduct any executive 826
agency lobbying activity. 827

(E) "Financial transaction" means a transaction or activity 828
that is conducted or undertaken for profit and arises from the 829
joint ownership or the ownership or part ownership in common of 830
any real or personal property or any commercial or business 831
enterprise of whatever form or nature between the following: 832

(1) An executive agency lobbyist, ~~his~~ the executive agency 833
lobbyist's employer, or a member of the immediate family of the 834
executive agency lobbyist or ~~his~~ the executive agency lobbyist's 835
employer; and 836

(2) Any elected executive official, the director of a 837
department created under section 121.02 of the Revised Code, an 838
executive agency official, or any member of the staff of a public 839
officer or employee listed in division (E)(2) of this section. 840

"Financial transaction" does not include any transaction or 841
activity described in division (E) of this section if it is 842
available to the general public on the same terms, or if it is an 843
offer or sale of securities to any person listed in division 844
(E)(2) of this section that is governed by regulation D, 17 C.F.R. 845
2301.501 to 2301.508, adopted under the authority of the 846
"Securities Act of 1933," 48 Stat. 74, 15 U.S.C.A. and following, 847
or that is governed by a comparable provision under state law. 848

(F) "Executive agency" means the office of an elected 849
executive official, a department created under section 121.02 of 850
the Revised Code, or any other state agency, department, board, or 851
commission controlled or directed by an elected executive official 852
or otherwise subject to ~~his~~ an elected executive official's 853
authority. "Executive agency" does not include any court, the 854

general assembly, or the controlling board. 855

(G) "Executive agency decision" means a decision of an 856
executive agency regarding the expenditure of funds of the state 857
or of an executive agency with respect to the award of a contract, 858
grant, lease, or other financial arrangement under which such 859
funds are distributed or allocated, or a regulatory decision of an 860
executive agency or any board or commission of the state. 861
"Executive agency decision" does not include either of the 862
following: 863

(1) A purchasing decision for which a vendor has filed a 864
statement certifying that ~~he~~ the vendor has not made campaign 865
contributions in an amount such that section 3517.13 of the 866
Revised Code would invalidate the decision, if that vendor has not 867
engaged an executive agency lobbyist; 868

(2) The award of a competitively bid contract for which bid 869
specifications were prepared and for which at least three eligible 870
competitive bids were received by the executive agency. 871

(H) "Executive agency lobbyist" means any person engaged to 872
influence executive agency decisions or to conduct executive 873
agency lobbying activity ~~as one of his main purposes on a regular~~ 874
~~and substantial basis~~ during a significant portion of the person's 875
time. "Executive agency lobbyist" does not include an elected or 876
appointed officer or employee of a federal or state agency, state 877
college, state university, or political subdivision who attempts 878
to influence or affect executive agency decisions in ~~his~~ a 879
fiduciary capacity as a representative of ~~his~~ the officer's or 880
employee's agency, college, university, or political subdivision. 881

(I) "Executive agency lobbying activity" means contacts made 882
to promote, oppose, or otherwise influence the outcome of an 883
executive agency decision by direct communication with an elected 884
executive official, the director of any department listed in 885

section 121.02 of the Revised Code, any executive agency official, 886
or a member of the staff of any public officer or employee listed 887
in this division. "Lobbying activity" does not include any of the 888
following: 889

(1) The action of any person having a direct interest in 890
executive agency decisions who, under Section 3 of Article I, Ohio 891
Constitution, assembles together with other persons to consult for 892
their common good, instructs a person listed in the first 893
paragraph of division (I) of this section, or petitions such a 894
person for the redress of grievances; 895

(2) Contacts made for the sole purpose of gathering 896
information contained in a public record; 897

(3) Appearances before an executive agency to give testimony. 898
899

(J) "Executive agency official" means an officer or employee 900
of an executive agency whose principal duties are to formulate 901
policy or to participate directly or indirectly in the 902
preparation, review, or award of contracts, grants, leases, or 903
other financial arrangements with an executive agency. 904

(K) "Aggrieved party" means a party entitled to resort to a 905
remedy. 906

(L) "Elected executive official" means the governor, 907
lieutenant governor, secretary of state, auditor of state, 908
treasurer of state, and the attorney general. 909

(M) "Staff" means any officer or employee of an executive 910
agency whose official duties are to formulate policy ~~and~~, who 911
exercises administrative or supervisory authority or who 912
authorizes the expenditure of state funds, and who is required to 913
file a disclosure statement under section 102.02 Of the Revised 914
Code. 915

Sec. 121.61. (A) No person shall knowingly fail to register 916
as required under section 121.62 of the Revised Code and no person 917
shall knowingly act as an executive agency lobbyist or employer 918
while the person's registration is suspended under division (F) of 919
section 121.62 Of the Revised Code. 920

(B) No person shall knowingly fail to keep a receipt or 921
maintain a record that section 121.63 of the Revised Code requires 922
the person to keep or maintain. 923

(C) No person shall knowingly fail to file a statement that 924
section 121.63 or 121.64 of the Revised Code requires the person 925
to file. 926

(D) No person shall knowingly file a false statement that 927
section 121.63 or 121.64 of the Revised Code requires the person 928
to file. 929

Sec. 121.62. (A) Each executive agency lobbyist and each 930
employer shall file with the ~~joint~~ office of legislative ethics 931
~~committee~~ inspector general, within ten days following the 932
engagement of an executive agency lobbyist, ~~an initial~~ a joint 933
registration statement showing all of the following: 934

(1) The name, business address, and occupation of the 935
executive agency lobbyist; 936

(2) The name and business address of the employer ~~or of the~~ 937
~~real party in interest on whose behalf the executive agency~~ 938
~~lobbyist is acting, if it is different from the employer.~~ For the 939
purposes of division (A) of this section, where a trade 940
association or other charitable or fraternal organization that is 941
exempt from federal income taxation under subsection 501(c) of the 942
federal Internal Revenue Code is the employer, the statement need 943
not list the names and addresses of every member of the 944
association or organization, so long as the association or 945

organization itself is listed. 946

(3) A brief description of the executive agency decision to 947
which the engagement relates; 948

(4) The name of the executive agency or agencies to which the 949
engagement relates. 950

(B) In addition to the initial registration statement 951
required by division (A) of this section, each executive agency 952
lobbyist and employer shall file with the ~~joint committee office~~, 953
not later than the last day of January, ~~May~~, and ~~September~~ July of 954
each year, an updated registration statement that confirms the 955
continuing existence of each engagement described in an initial 956
registration statement and that lists the specific executive 957
agency decisions that the lobbyist sought to influence under the 958
engagement during the period covered by the updated statement, and 959
with it any statement of expenditures required to be filed by 960
section 121.63 of the Revised Code and any details of financial 961
transactions required to be filed by section 121.64 of the Revised 962
Code. 963

(C) If an executive agency lobbyist is engaged by more than 964
one employer, the lobbyist shall file a separate initial and 965
updated registration statement for each engagement. If an employer 966
engages more than one executive agency lobbyist, the employer need 967
file only one updated registration statement under division (B) of 968
this section, which shall contain the information required by 969
division (B) of this section regarding all of the executive agency 970
lobbyists engaged by the employer. 971

(D)(1) A change in any information required by division 972
(A)(1), (2), or (B) of this section shall be reflected in the next 973
updated registration statement filed under division (B) of this 974
section. 975

(2) Within thirty days following the termination of an 976

engagement, the executive agency lobbyist who was employed under 977
the engagement shall send written notification of the termination 978
to the ~~joint committee~~ office. 979

(E) A registration fee of ten dollars shall be charged for 980
filing an initial registration statement. All money collected from 981
this fee shall be deposited into the state treasury to the credit 982
of the joint legislative ethics committee fund created under 983
section 101.34 of the Revised Code. 984

(F) Upon registration pursuant to this section, an executive 985
agency lobbyist shall be issued a card by the ~~joint committee~~ 986
office showing that the lobbyist is registered. The registration 987
card and the executive agency lobbyist's registration shall be 988
valid from the date of their issuance until the next thirty-first 989
day of ~~January~~ December of the an even-numbered year ~~following the~~ 990
~~year in which the initial registration was filed~~ unless the 991
executive agency lobbyist's registration is suspended under this 992
division. 993

Any person found guilty of two or more violations of division 994
(A), (B), (C), or (D) of section 121.61, or of section 2921.02 or 995
2921.13, Of the Revised Code is prohibited thereafter from 996
registering as an executive agency lobbyist or an employer of an 997
executive agency lobbyist, and any existing registration of that 998
person is revoked. Any person assessed the maximum late filing fee 999
under division (G) of this section for two successive six-month 1000
reporting periods is prohibited from registering as an executive 1001
agency lobbyist or employer of an executive agency lobbyist for 1002
six months, and any existing registration of that person is 1003
suspended for six months. 1004

(G) The executive director of the ~~joint committee~~ office 1005
shall be responsible for reviewing each registration statement 1006
filed with the ~~joint committee~~ office under this section and for 1007

determining whether the statement contains all of the required 1008
information. If the ~~joint committee~~ office determines that the 1009
registration statement does not contain all of the required 1010
information or that an executive agency lobbyist or employer has 1011
failed to file a registration statement, the ~~joint committee~~ 1012
office shall send written notification by certified mail to the 1013
person who filed the registration statement regarding the 1014
deficiency in the statement or to the person who failed to file 1015
the registration statement regarding the failure. Any person so 1016
notified by the ~~joint committee~~ office shall, not later than 1017
fifteen days after receiving the notice, file a registration 1018
statement or an amended registration statement that contains all 1019
of the required information. If any person who receives a notice 1020
under this division fails to file a registration statement or such 1021
an amended registration statement within this fifteen-day period, 1022
the ~~joint committee~~ office shall ~~notify the attorney general, who~~ 1023
~~may take appropriate action as authorized by section 121.69 of the~~ 1024
~~Revised Code~~ assess a late filing fee of twenty-five dollars per 1025
day, up to a maximum of two hundred fifty dollars, upon that 1026
person. If any person assessed the maximum 1027
two-hundred-fifty-dollar late fee under this division still fails 1028
to file a registration statement or an amended registration 1029
statement, the office may refer the matter to appropriate 1030
prosecuting authority. 1031

~~If the joint committee notifies the attorney general pursuant~~ 1032
~~to this division, the joint committee shall also notify each~~ 1033
~~elected executive official and the director of each department~~ 1034
~~created under section 121.02 of the Revised Code of the pending~~ 1035
~~investigation.~~ 1036

(H) On or before the fifteenth day of March of each year, the 1037
~~joint committee~~ office shall, in the manner and form that it 1038
determines, publish a report containing statistical information on 1039

the registration statements filed with it under this section 1040
during the preceding year. 1041

(I) If an employer who engages an executive agency lobbyist 1042
is the recipient of a contract, grant, lease, or other financial 1043
arrangement pursuant to which funds of the state or of an 1044
executive agency are distributed or allocated, the executive 1045
agency or any aggrieved party may consider the failure of the 1046
employer or the executive agency lobbyist to comply with this 1047
section as a breach of a material condition of the contract, 1048
grant, lease, or other financial arrangement. 1049

(J) Executive agency officials may require certification from 1050
any person seeking the award of a contract, grant, lease, or 1051
financial arrangement that the person and ~~his~~ the person's 1052
employer are in compliance with this section. 1053

Sec. 121.63. (A) Each executive agency lobbyist and each 1054
employer shall file with the ~~joint~~ office of legislative ethics 1055
~~committee~~ inspector general, with the updated registration 1056
statement required by division (B) of section 121.62 of the 1057
Revised Code, a statement of expenditures as specified in 1058
divisions (B) and (C) of this section. An executive agency 1059
lobbyist shall file a separate statement of expenditures under 1060
this section for each employer that engages ~~him~~ the executive 1061
agency lobbyist. 1062

(B)(1) In addition to the information required by divisions 1063
(B)(2) and (3) of this section, a statement filed by an executive 1064
agency lobbyist shall show the total amount of expenditures made 1065
during the reporting period covered by the statement by the 1066
executive agency lobbyist. 1067

(2) If, during a reporting period covered by a statement, ~~an~~ 1068
~~employer or any executive agency lobbyist he engaged~~ made, ~~either~~ 1069
~~separately or in combination with each other,~~ expenditures to, at 1070

the request of, for the benefit of, or on behalf of a particular 1071
elected executive official, the director of a department created 1072
under section 121.02 of the Revised Code, a particular executive 1073
agency official, or a particular member of the staff of any public 1074
officer listed in division (B)(2) of this section, the ~~employer or~~ 1075
executive agency lobbyist also shall state the name of the public 1076
officer or employee to whom, at whose request, for whose benefit, 1077
or on whose behalf the expenditures were made, the total amount of 1078
the expenditures made, a brief description of the expenditures 1079
made, the approximate date the expenditures were made, the 1080
executive agency decision, if any, sought to be influenced, and 1081
the identity of the client on whose behalf the expenditure was 1082
made. 1083

As used in division (B)(2) of this section, "expenditures" 1084
does not include expenditures made by an executive agency lobbyist 1085
as payment for meals and other food and beverages. 1086

(3) If, during a reporting period covered by a statement, an 1087
executive agency lobbyist made expenditures as payment for meals 1088
and other food and beverages, ~~other than for meals and other food~~ 1089
~~and beverages provided at a meeting at which the person~~ 1090
~~participated in a panel, seminar, or speaking engagement or at a~~ 1091
~~meeting or convention of a national organization to which either~~ 1092
~~house of the general assembly, any legislative agency, or any~~ 1093
~~other state agency pays membership dues,~~ that, when added to the 1094
amount of previous payments made for meals and other food and 1095
beverages by that executive agency lobbyist during that same 1096
calendar year, exceeded a total of fifty dollars to, at the 1097
request of, for the benefit of, or on behalf of a particular 1098
elected executive official, the director of a department created 1099
under section 121.02 of the Revised Code, a particular executive 1100
agency official, or any particular member of the staff of any of 1101
the public officers or employees listed in division (B)(3) of this 1102

section, then the executive agency lobbyist shall also state 1103
regarding those expenditures the name of the public officer or 1104
employee to whom, at whose request, for whose benefit, or on whose 1105
behalf the expenditures were made, the total amount of the 1106
expenditures made, a brief description of the expenditures made, 1107
the approximate date the expenditures were made, the executive 1108
agency decision, if any, sought to be influenced, and the identity 1109
of the client on whose behalf the expenditure was made. 1110

(C)(1) In addition to the information required by divisions 1111
~~(B)~~(C)(2) and (3) of this section, a statement filed by an 1112
employer shall show the total amount of expenditures made by the 1113
employer filing the statement during the period covered by the 1114
statement. As used in this section, "expenditures" does not 1115
include the expenses of maintaining office facilities, or the 1116
compensation paid to executive agency lobbyists engaged to 1117
influence executive agency decisions or conduct executive agency 1118
lobbying activity. 1119

(2) If, during a reporting period covered by a statement, an 1120
employer made expenditures to, at the request of, for the benefit 1121
of, or on behalf of a particular elected executive official, the 1122
director of a department created under section 121.02 Of the 1123
Revised Code, a particular executive agency official, or a 1124
particular member of the staff of any public officer listed in 1125
division (C)(2) of this section, the employer also shall state the 1126
name of the public officer or employee to whom, at whose request, 1127
for whose benefit, or on whose behalf the expenditures were made, 1128
the total amount of the expenditures made, a brief description of 1129
the expenditures made, the approximate date the expenditures were 1130
made, the executive agency decision, if any, sought to be 1131
influenced, and the identity of the client on whose behalf the 1132
expenditure was made. 1133

As used in division (C)(2) of this section, "expenditures" 1134

does not include expenditures made by an employer as payment for 1135
meals and other food and beverages. 1136

(3) If, during a reporting period covered by a statement, an 1137
employer made either directly or indirectly expenditures as 1138
payment for meals and other food and beverages to, at the request 1139
of, for the benefit of, or on behalf of a particular elected 1140
executive official, the director of a department created under 1141
section 121.02 Of the Revised Code, a particular executive agency 1142
official, or any particular member of the staff of any of the 1143
public officers or employees listed in division (C)(3) of this 1144
section, then the employer shall also state regarding those 1145
expenditures the name of the public officer or employee to whom, 1146
at whose request, for whose benefit, or on whose behalf the 1147
expenditures were made, the total amount of the expenditures made, 1148
a brief description of the expenditures made, the approximate date 1149
the expenditures were made, the executive agency decision, if any, 1150
sought to be influenced, and the identity of the client on whose 1151
behalf the expenditure was made. 1152

(4) No employer shall be required to show any expenditure on 1153
a statement filed under this division if the expenditure is 1154
reported on a statement filed under division (B)(1), (2), or (3) 1155
of this section by an executive agency lobbyist engaged by the 1156
employer. 1157

(D) Any statement required to be filed under this section 1158
shall be filed at the times specified in section 121.62 of the 1159
Revised Code. Each statement shall cover expenditures made during 1160
the ~~four-calendar-month~~ six-calendar-month period that ended on 1161
the last day of the month immediately preceding the month in which 1162
the statement is required to be filed. 1163

(E) If it is impractical or impossible for an executive 1164
agency lobbyist or employer to determine exact dollar amounts or 1165

values of expenditures, reporting of good faith estimates, based 1166
on reasonable accounting procedures, constitutes compliance with 1167
this division. 1168

(F) Executive agency lobbyists and employers shall retain 1169
receipts or maintain records for all expenditures that are 1170
required to be reported pursuant to this section. These receipts 1171
or records shall be maintained for a period ending on the 1172
thirty-first day of December of the second calendar year after the 1173
year in which the expenditure was made. 1174

(G)~~(1)~~ At least ten days before the date on which the 1175
statement is filed, each employer or executive agency lobbyist who 1176
is required to file an expenditure statement under division (B)~~(2)~~ 1177
or ~~(3)~~(C) of this section shall deliver a copy of the statement, 1178
~~or the portion showing the expenditure,~~ to the public officer or 1179
employee who is listed in the statement as having received the 1180
expenditure or on whose behalf it was made. 1181

~~(2) If, during a reporting period covered by an expenditure 1182
statement filed under division (B)(2) of this section, an employer 1183
or any executive agency lobbyist he engaged made, either 1184
separately or in combination with each other, either directly or 1185
indirectly, expenditures for an honorarium or for transportation, 1186
lodging, or food and beverages purchased for consumption on the 1187
premises in which the food and beverages were sold to, at the 1188
request of, for the benefit or, or on behalf of any of the public 1189
officers or employees described in division (B)(2) of this 1190
section, the employer or executive agency lobbyist shall deliver 1191
to the public officer or employee a statement that contains all of 1192
the nondisputed information prescribed in division (B)(2) of this 1193
section with respect to the expenditures described in division 1194
(C)(2) of this section. The statement of expenditures made under 1195
division (C)(2) of this section shall be delivered to the public 1196
officer or employee to whom, at whose request, for whose benefit,~~ 1197

~~or on whose behalf those expenditures were made on the same day in
which a copy of the expenditure statement or of a portion showing
the expenditure is delivered to the public officer or employee
under division (G)(1) of this section. An employer is not required
to show any expenditure on a statement delivered under division
(G)(2) of this section if the expenditure is shown on a statement
delivered under division (G)(2) of this section by a legislative
agent engaged by the employer.~~

Sec. 121.64. (A) Each executive agency lobbyist who has had
any financial transaction with or for the benefit of an elected
executive official, the director of a department created under
section 121.02 of the Revised Code, an executive agency official,
or any member of the staff of any of the public officers or
employees listed in this division shall describe the details of
the transaction, including the name of the public officer or
employee, the purpose and nature of the transaction, and the date
it was made or entered into, in a statement filed with the ~~joint~~
office of legislative ethics committee inspector general with the
updated registration statement required by division (B) of section
121.62 of the Revised Code. The statements shall be filed at the
times specified in section 121.62 of the Revised Code. Each
statement shall describe each financial transaction that occurred
during the ~~four-calendar-month~~ six-calendar-month period that
ended on the last day of the month immediately preceding the month
in which the statement is required to be filed.

(B) Except as provided in division (D) of this section, each
employer who has had any financial transaction with or for the
benefit of an elected executive official, the director of a
department created under section 121.02 of the Revised Code, an
executive agency official, or any member of the staff of any of
the public officers or employees listed in this division shall

describe the details of the transaction, including the name of the public officer or employee, the purpose and nature of the transaction, and the date it was made or entered into, in a statement filed with the ~~joint committee~~ office with the updated registration statement required by division (B) of section 121.62 of the Revised Code. The statement shall be filed at the times specified in section 121.62 of the Revised Code. Each statement shall describe each financial transaction that occurred during the ~~four-calendar-month~~ six-calendar-month period that ended on the last day of the month immediately preceding the month in which the statement is required to be filed.

(C) At least ten days before the date on which the statement is filed, each employer or executive agency lobbyist who is required to file a statement describing a financial transaction under this section shall deliver a copy of the statement to the public officer or employee with whom or for whose benefit the transaction was made.

(D) No employer shall be required to file any statement under this section or to deliver a copy of the statement to a public officer or employee with whom or for whose benefit the transaction was made if the financial transaction to which the statement pertains is reported by an executive agency lobbyist engaged by the employer.

Sec. 121.65. If a dispute arises between an elected executive official, the director of a department created under section 121.02 of the Revised Code, an executive agency official, or any member of the staff of any public officer or employee listed in this division and an employer or executive agency lobbyist with respect to an expenditure or financial transaction alleged in a statement to be filed under section 121.63 or 121.64 of the Revised Code, the public officer or employee, staff member,

employer, or executive agency lobbyist may file a complaint with 1260
the ~~Ohio ethics commission~~ office of legislative inspector 1261
general. The ~~commission~~ office shall proceed to investigate the 1262
complaint as ~~though it were filed under~~ provided for other 1263
complaints in section ~~102.06~~ 101.79 of the Revised Code. 1264

The complaint shall be filed at least three days prior to the 1265
time the statement is required to be filed with the ~~joint~~ 1266
~~legislative ethics committee~~ office. The time for filing a 1267
disputed expenditure or financial transaction in any statement of 1268
expenditures or the details of a financial transaction shall be 1269
extended pending the final decision of the ~~commission~~ office. This 1270
extension does not extend the time for filing the nondisputed 1271
portions of ~~either type of a~~ statement of expenditures or of the 1272
details of a financial transaction. The ~~commission~~ office shall 1273
notify the parties of its final decision by certified mail. If the 1274
~~commission~~ office decides that the disputed expenditure or 1275
financial transaction should be reported, the employer or 1276
executive agency lobbyist shall include the matter in an amended 1277
statement and file the amended statement not later than ten days 1278
after receiving notice of the decision of the ~~commission~~ office by 1279
certified mail. 1280

An employer or executive agency lobbyist who files a false 1281
statement of expenditures or details of a financial transaction is 1282
liable in a civil action to any public officer or employee who 1283
sustains damage as a result of the filing or publication of the 1284
statement. 1285

Sec. 121.68. (A) The ~~joint committee on agency rule review~~ 1286
office of legislative inspector general shall keep on file the 1287
statements required by sections 121.62, 121.63, and 121.64 of the 1288
Revised Code. These statements are public records and open to 1289
public inspection, and the ~~joint committee~~ office shall 1290

computerize them so that the information contained in them is 1291
readily accessible to the general public. The ~~joint committee~~ 1292
office shall provide copies of the statements to the general 1293
public on request and may charge a reasonable fee not to exceed 1294
the cost of copying and delivering the statement. 1295

(B) Not later than the last day of February and October of 1296
each year, the ~~joint committee~~ office shall compile from the 1297
registration statements filed with it a complete and updated list 1298
of registered executive agency lobbyists and their employers, and 1299
distribute the list to each elected executive official and the 1300
director of each department created under section 121.02 of the 1301
Revised Code, who shall distribute the list to the appropriate 1302
personnel under ~~his~~ the official's or director's jurisdiction. The 1303
~~joint committee~~ office shall provide copies of the list to the 1304
general public upon request and may charge a reasonable fee not to 1305
exceed the cost of copying and delivering the list. 1306

(C) The ~~joint committee~~ office shall maintain a list of all 1307
executive agencies. The ~~joint committee~~ office shall provide 1308
copies of the list to the general public on request and may charge 1309
a reasonable fee not to exceed the cost of copying and delivering 1310
the document. 1311

(D) The ~~joint committee~~ office shall prescribe and make 1312
available an appropriate form for the filings required by sections 1313
121.62, 121.63, and 121.64 of the Revised Code. The form shall 1314
contain the following notice in boldface type: "ANY PERSON WHO 1315
KNOWINGLY FILES A FALSE STATEMENT IS GUILTY OF FALSIFICATION UNDER 1316
SECTION 2921.13 OF THE REVISED CODE, WHICH IS A MISDEMEANOR OF THE 1317
FIRST DEGREE." 1318

(E) ~~Any~~ The joint committee may adopt rules to implement 1319
sections 121.60 to 121.69 of the Revised Code, and any such rules 1320
~~adopted by the joint committee to implement sections 121.60 to~~ 1321

~~121.69 of the Revised Code~~ it adopts shall be adopted in 1322
accordance with ~~Chapter 119. section 111.15~~ of the Revised Code. 1323
The ~~joint committee~~ office may periodically adopt rules that 1324
increase the amounts specified in division (B) of section 121.63 1325
of the Revised Code in order to reflect inflation. Any increase 1326
shall be set forth on the form described in division (D) of this 1327
section. 1328

(F) The ~~joint committee~~ office shall publish a handbook that 1329
explains in clear and concise language the provisions of sections 1330
121.60 to 121.69 of the Revised Code and make it available free of 1331
charge to executive agency lobbyists, employers, and any other 1332
interested persons. 1333

Sec. 121.69. (A) The attorney general and the office of 1334
legislative inspector general and any assistant or special counsel 1335
designated by ~~him~~ the attorney general or office may investigate 1336
compliance with sections 121.60 to 121.68 of the Revised Code in 1337
connection with statements required to be filed under these 1338
sections and, in the event of an apparent violation, ~~shall~~ may 1339
report ~~his~~ the findings to the appropriate prosecuting attorney of 1340
~~Franklin county~~ authority, who shall institute such proceedings as 1341
are appropriate. 1342

(B) The legislative inspector general may receive and 1343
investigate complaints the office receives under section 121.65 Of 1344
the Revised Code and prepare a report thereon. 1345

(C) As part of an investigation, the legislative inspector 1346
general, or a designee, may administer oaths, examine witnesses, 1347
and issue subpoenas and subpoenas duces tecum to compel the 1348
attendance of witnesses and the production of all kinds of books, 1349
records, papers, and tangible things. Upon the refusal of a 1350
witness to be sworn or to answer any question put to the witness, 1351
or if a person disobeys a subpoena, the legislative inspector 1352

general shall apply to the court of common pleas for a contempt order, as in the case of disobedience to the requirements of a subpoena issued from the court of common pleas, or a refusal to testify in the court. 1353
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Sec. 126.14. The release of any money appropriated for the purchase of real estate shall be approved by the controlling board. The release of money appropriated for all other capital projects is also subject to the approval of the controlling board, except that the director of budget and management may approve the release of money appropriated for specific projects in accordance with the requirements of this section. 1357
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Within sixty days after the effective date of any act appropriating money for capital projects, the director shall determine which appropriations are for general projects and which are for specific projects. Specific projects may include specific higher education projects that are to be funded from general purpose appropriations from the higher education ~~improvements~~ improvement fund created in section 154.21 of the Revised Code. Upon determining which projects are general and which are specific, the director shall submit to the controlling board a list that includes a brief description of and the estimated expenditures for each specific project. The release of money for any specific higher education projects that are to be funded from general purpose appropriations from the higher education ~~improvements~~ improvement fund but that are not included on the list, and the release of money for any specific higher education projects included on the list that will exceed the estimated expenditures by more than ten per cent, are subject to the approval of the controlling board. The director may create new appropriation line items and make transfers of appropriations to them for specific higher education projects included on the list that are to be funded from general purpose appropriations for 1364
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basic renovations that are made from the higher education 1385
improvement fund. 1386

Sec. 131.35. (A) With respect to the federal funds received 1387
into any fund of the state from which transfers may be made under 1388
division (D) of section 127.14 of the Revised Code: 1389

(1) No state agency may make expenditures of any federal 1390
funds, whether such funds are advanced prior to expenditure or as 1391
reimbursement, unless such expenditures are made pursuant to 1392
specific appropriations of the general assembly identifying the 1393
federal program that is the source of funds, are authorized 1394
pursuant to section 131.38 of the Revised Code, are authorized by 1395
the controlling board pursuant to division (A)(5) of this section, 1396
or are authorized by an executive order issued in accordance with 1397
section 107.17 of the Revised Code, and until an allotment has 1398
been approved by the director of budget and management. All 1399
federal funds received by a state agency shall be reported to the 1400
director within fifteen days of the receipt of such funds or the 1401
notification of award, whichever occurs first. The director shall 1402
prescribe the forms and procedures to be used when reporting the 1403
receipt of federal funds. 1404

(2) If the federal funds received are greater than the amount 1405
of such funds appropriated by the general assembly for a specific 1406
purpose, the total appropriation of federal and state funds for 1407
such purpose shall remain at the amount designated by the general 1408
assembly, except that the expenditure of federal funds received in 1409
excess of such specific appropriation may be authorized by the 1410
controlling board. 1411

(3) To the extent that the expenditure of excess federal 1412
funds is authorized, the controlling board may transfer a like 1413
amount of general revenue fund appropriation authority from the 1414
affected agency to the emergency purposes appropriation of the 1415

controlling board, if such action is permitted under federal 1416
regulations. 1417

(4) Additional funds may be created by the controlling board 1418
to receive revenues not anticipated in an appropriations act for 1419
the biennium in which such new revenues are received. Expenditures 1420
from such additional funds may be authorized by the controlling 1421
board, but such authorization shall not extend beyond the end of 1422
the biennium in which such funds are created. 1423

(5) Controlling board authorization for a state agency to 1424
make an expenditure of federal funds ~~under division (A)(1) of this~~ 1425
~~section~~ constitutes authority for the agency to participate in the 1426
federal program providing the funds, and the agency is not 1427
required to obtain an executive order under section 107.17 of the 1428
Revised Code to participate in the federal program. 1429

(B) With respect to nonfederal funds received into the 1430
waterways safety fund, the wildlife fund, and any fund of the 1431
state from which transfers may be made under division (D) of 1432
section 127.14 of the Revised Code: 1433

(1) No state agency may make expenditures of any such funds 1434
unless the expenditures are made pursuant to specific 1435
appropriations of the general assembly. 1436

(2) If the receipts received into any fund are greater than 1437
the amount appropriated, the appropriation for that fund shall 1438
remain at the amount designated by the general assembly or as 1439
increased and approved by the controlling board. 1440

(3) Additional funds may be created by the controlling board 1441
to receive revenues not anticipated in an appropriations act for 1442
the biennium in which such new revenues are received. Expenditures 1443
from such additional funds may be authorized by the controlling 1444
board, but such authorization shall not extend beyond the end of 1445
the biennium in which such funds are created. 1446

(C) The controlling board shall not authorize more than ten 1447
per cent of additional spending from the occupational licensing 1448
and regulatory fund, created in section 4743.05 of the Revised 1449
Code, in excess of any appropriation made by the general assembly 1450
to a licensing agency except an appropriation for costs related to 1451
the examination or reexamination of applicants for a license. As 1452
used in this division, "licensing agency" and "license" have the 1453
same meanings as in section 4745.01 of the Revised Code. 1454

Sec. 133.06. (A) A school district shall not incur, without a 1455
vote of the electors, net indebtedness that exceeds an amount 1456
equal to one-tenth of one per cent of its tax valuation except as 1457
provided in divisions (G) and (H) of this section and in division 1458
(C) of section 3313.372 of the Revised Code. 1459

(B) Except as provided in divisions (E) and (F) of this 1460
section, a school district shall not incur net indebtedness that 1461
exceeds an amount equal to nine per cent of its tax valuation. 1462

(C) A school district shall not submit to a vote of the 1463
electors the question of the issuance of securities in an amount 1464
that will make the district's net indebtedness after the issuance 1465
of the securities exceed an amount equal to four per cent of its 1466
tax valuation, unless the superintendent of public instruction, 1467
acting under policies adopted by the state board of education, and 1468
the tax commissioner, acting under written policies of the 1469
commissioner, consent to the submission. A request for the 1470
consents shall be made at least thirty days prior to the election 1471
at which the question is to be submitted except that the 1472
superintendent of public instruction and the tax commissioner may 1473
waive this thirty-day deadline or grant their consents after the 1474
election if the school district shows good cause for such waiver 1475
or consent after the election. 1476

(D) In calculating the net indebtedness of a school district 1477

none of the following shall be considered:	1478
(1) Securities issued to acquire school buses and other	1479
equipment used in transporting pupils or issued pursuant to	1480
division (D) of section 133.10 of the Revised Code;	1481
(2) Securities issued under division (F) of this section,	1482
under section 133.301 of the Revised Code, and, to the extent in	1483
excess of the limitation stated in division (B) of this section,	1484
under division (E) of this section;	1485
(3) Indebtedness resulting from the dissolution of a joint	1486
vocational school district under section 3311.217 of the Revised	1487
Code, evidenced by outstanding securities of that joint vocational	1488
school district;	1489
(4) Loans, evidenced by any securities, received under	1490
sections 3313.483, 3317.0210, 3317.0211, and 3317.64 of the	1491
Revised Code;	1492
(5) Debt incurred under section 3313.374 of the Revised Code;	1493
	1494
(6) Debt incurred pursuant to division (B)(5) of section	1495
3313.37 of the Revised Code to acquire computers and related	1496
hardware.	1497
(E) A school district may become a special needs district as	1498
to certain securities as provided in division (E) of this section.	1499
(1) A board of education, by resolution, may declare its	1500
school district to be a special needs district by determining both	1501
of the following:	1502
(a) The student population is not being adequately serviced	1503
by the existing permanent improvements of the district.	1504
(b) The district cannot obtain sufficient funds by the	1505
issuance of securities within the limitation of division (B) of	1506
this section to provide additional or improved needed permanent	1507

improvements in time to meet the needs. 1508

(2) The board of education shall certify a copy of that 1509
resolution to the superintendent of public instruction with a 1510
statistical report showing all of the following: 1511

(a) A history of and a projection of the growth of the 1512
student population; 1513

(b) The history of and a projection of the growth of the tax 1514
valuation; 1515

(c) The projected needs; 1516

(d) The estimated cost of permanent improvements proposed to 1517
meet such projected needs. 1518

(3) The superintendent of public instruction shall certify 1519
the district as an approved special needs district if the 1520
superintendent finds both of the following: 1521

(a) The district does not have available sufficient 1522
additional funds from state or federal sources to meet the 1523
projected needs. 1524

(b) The projection of the potential average growth of tax 1525
valuation during the next five years, according to the information 1526
certified to the superintendent and any other information the 1527
superintendent obtains, indicates a likelihood of potential 1528
average growth of tax valuation of the district during the next 1529
five years of an average of not less than three per cent per year. 1530
The findings and certification of the superintendent shall be 1531
conclusive. 1532

(4) An approved special needs district may incur net 1533
indebtedness by the issuance of securities in accordance with the 1534
provisions of this chapter in an amount that does not exceed an 1535
amount equal to the greater of the following: 1536

(a) Nine per cent of the sum of its tax valuation plus an 1537

amount that is the product of multiplying that tax valuation by 1538
the percentage by which the tax valuation has increased over the 1539
tax valuation on the first day of the sixtieth month preceding the 1540
month in which its board determines to submit to the electors the 1541
question of issuing the proposed securities; 1542

(b) Nine per cent of the sum of its tax valuation plus an 1543
amount that is the product of multiplying that tax valuation by 1544
the percentage, determined by the superintendent of public 1545
instruction, by which that tax valuation is projected to increase 1546
during the next ten years. 1547

(F) A school district may issue securities for emergency 1548
purposes, in a principal amount that does not exceed an amount 1549
equal to three per cent of its tax valuation, as provided in this 1550
division. 1551

(1) A board of education, by resolution, may declare an 1552
emergency if it determines both of the following: 1553

(a) School buildings or other necessary school facilities in 1554
the district have been wholly or partially destroyed, or condemned 1555
by a constituted public authority, or that such buildings or 1556
facilities are partially constructed, or so constructed or planned 1557
as to require additions and improvements to them before the 1558
buildings or facilities are usable for their intended purpose, or 1559
that corrections to permanent improvements are necessary to remove 1560
or prevent health or safety hazards. 1561

(b) Existing fiscal and net indebtedness limitations make 1562
adequate replacement, additions, or improvements impossible. 1563

(2) Upon the declaration of an emergency, the board of 1564
education may, by resolution, submit to the electors of the 1565
district pursuant to section 133.18 of the Revised Code the 1566
question of issuing securities for the purpose of paying the cost, 1567
in excess of any insurance or condemnation proceeds received by 1568

the district, of permanent improvements to respond to the 1569
emergency need. 1570

(3) The procedures for the election shall be as provided in 1571
section 133.18 of the Revised Code, except that: 1572

(a) The form of the ballot shall describe the emergency 1573
existing, refer to this division as the authority under which the 1574
emergency is declared, and state that the amount of the proposed 1575
securities exceeds the limitations prescribed by division (B) of 1576
this section; 1577

(b) The resolution required by division (B) of section 133.18 1578
of the Revised Code shall be certified to the county auditor and 1579
the board of elections at least seventy-five days prior to the 1580
election; 1581

(c) The county auditor shall advise and, not later than 1582
sixty-five days before the election, confirm that advice by 1583
certification to, the board of education of the information 1584
required by division (C) of section 133.18 of the Revised Code; 1585

(d) The board of education shall then certify its resolution 1586
and the information required by division (D) of section 133.18 of 1587
the Revised Code to the board of elections not less than sixty 1588
days prior to the election. 1589

(4) Notwithstanding division (B) of section 133.21 of the 1590
Revised Code, the first principal payment of securities issued 1591
under this division may be set at any date not later than sixty 1592
months after the earliest possible principal payment otherwise 1593
provided for in that division. 1594

(G) The board of education may contract with an architect, 1595
professional engineer, or other person experienced in the design 1596
and implementation of energy conservation measures for an analysis 1597
and recommendations pertaining to installations, modifications of 1598

installations, or remodeling that would significantly reduce 1599
energy consumption in buildings owned by the district. The report 1600
shall include estimates of all costs of such installations, 1601
modifications, or remodeling including costs of design, 1602
engineering, installation, maintenance, repairs, and debt service, 1603
and estimates of the amounts by which energy consumption and 1604
resultant operational and maintenance costs, as defined by the 1605
Ohio school facilities commission, would be reduced. 1606

If the board finds after receiving the report that the amount 1607
of money the district would spend on such installations, 1608
modifications, or remodeling is not likely to exceed the amount of 1609
money it would save in energy and resultant operational and 1610
maintenance costs over the ensuing ~~ten~~ fifteen years, the board 1611
may submit to the commission a copy of its findings and a request 1612
for approval to incur indebtedness to finance the making or 1613
modification of installations or the remodeling of buildings for 1614
the purpose of significantly reducing energy consumption. 1615

If the commission determines that the board's findings are 1616
reasonable, it shall approve the board's request. Upon receipt of 1617
the commission's approval, the district may issue securities 1618
without a vote of the electors in a principal amount not to exceed 1619
nine-tenths of one per cent of its tax valuation for the purpose 1620
of making such installations, or modifications, or remodeling, but 1621
the total net indebtedness of the district without a vote of the 1622
electors incurred under this and all other sections of the Revised 1623
Code shall not exceed one per cent of the district's tax 1624
valuation. 1625

So long as any securities issued under division (G) of this 1626
section remain outstanding, the board of education shall monitor 1627
the energy consumption and resultant operational and maintenance 1628
costs of buildings in which installations or modifications have 1629
been made or remodeling has been done pursuant to division (G) of 1630

this section and shall maintain and annually update a report 1631
documenting the reductions in energy consumption and resultant 1632
operational and maintenance cost savings attributable to such 1633
installations, modifications, or remodeling. The report shall be 1634
certified by an architect or engineer independent of any person 1635
that provided goods or services to the board in connection with 1636
the energy conservation measures that are the subject of the 1637
report. The resultant operational and maintenance cost savings 1638
shall be certified by the school district treasurer. The report 1639
shall be made available to the commission upon request. 1640

(H) With the consent of the superintendent of public 1641
instruction, a school district may incur without a vote of the 1642
electors net indebtedness that exceeds the amounts stated in 1643
divisions (A) and (G) of this section for the purpose of paying 1644
costs of permanent improvements, if and to the extent that both of 1645
the following conditions are satisfied: 1646

(1) The fiscal officer of the school district estimates that 1647
receipts of the school district from compensation derived from or 1648
under agreements entered into pursuant to section 5709.82 of the 1649
Revised Code, or distributions under division (C) of section 1650
5709.43 of the Revised Code, or any combination thereof, are, 1651
after accounting for any appropriate coverage requirements, 1652
sufficient in time and amount, and are committed by the 1653
proceedings, to pay the debt charges on the securities issued to 1654
evidence that indebtedness and payable from those receipts, and 1655
the taxing authority of the district confirms the fiscal officer's 1656
estimate, which confirmation is approved by the superintendent of 1657
public instruction; 1658

(2) The fiscal officer of the school district certifies, and 1659
the taxing authority of the district confirms, that the district, 1660
at the time of the certification and confirmation, reasonably 1661
expects to have sufficient revenue available for the purpose of 1662

operating such permanent improvements for their intended purpose 1663
upon acquisition or completion thereof, and the superintendent of 1664
public instruction approves the taxing authority's confirmation. 1665

The maximum maturity of securities issued under division (H) 1666
of this section shall be the lesser of twenty years or the maximum 1667
maturity calculated under section 133.20 of the Revised Code. 1668

Sec. 715.013. Except as otherwise expressly authorized by the 1669
Revised Code, no municipal corporation shall levy a tax that is 1670
the same as or similar to a tax levied under Chapter 3734., 3769., 1671
4123., 4141., 4301., 4303., 4305., 4307., 4309., 5707., 5725., 1672
5727., 5728., 5729., 5731., 5735., 5737., 5739., 5741., 5743., or 1673
5749. of the Revised Code. 1674

Sec. 718.01. (A) As used in this chapter: 1675

(1) "Internal Revenue Code" means the Internal Revenue Code 1676
of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. 1677

(2) "Schedule C" means internal revenue service schedule C 1678
filed by a taxpayer pursuant to the Internal Revenue Code. 1679

(3) "Form 2106" means internal revenue service form 2106 1680
filed by a taxpayer pursuant to the Internal Revenue Code. 1681

(4) "Intangible income" means income of any of the following 1682
types: income yield, interest, dividends, or other income arising 1683
from the ownership, sale, exchange, or other disposition of 1684
intangible property including, but not limited to, investments, 1685
deposits, money, or credits as those terms are defined in Chapter 1686
5701. of the Revised Code. 1687

(B) No municipal corporation with respect to that income 1688
which it may tax shall tax such income at other than a uniform 1689
rate. 1690

(C) No municipal corporation shall levy a tax on income at a 1691

rate in excess of one per cent without having obtained the 1692
approval of the excess by a majority of the electors of the 1693
municipality voting on the question at a general, primary, or 1694
special election. The legislative authority of the municipal 1695
corporation shall file with the board of elections at least 1696
seventy-five days before the day of the election a copy of the 1697
ordinance together with a resolution specifying the date the 1698
election is to be held and directing the board of elections to 1699
conduct the election. The ballot shall be in the following form: 1700
"Shall the Ordinance providing for a ... per cent levy on income 1701
for (Brief description of the purpose of the proposed levy) be 1702
passed? 1703

FOR THE INCOME TAX 1704

AGAINST THE INCOME TAX" 1705

In the event of an affirmative vote, the proceeds of the levy 1706
may be used only for the specified purpose. 1707

(D)(1) Except as otherwise provided in division (D)(2) of 1708
this section, no municipal corporation shall exempt from a tax on 1709
income, compensation for personal services of individuals over 1710
eighteen years of age or the net profit from a business or 1711
profession. 1712

(2) The legislative authority of a municipal corporation may, 1713
by ordinance or resolution, exempt from a tax on income any 1714
compensation arising from the grant, sale, exchange, or other 1715
disposition of a stock option; the exercise of a stock option; or 1716
the sale, exchange, or other disposition of stock purchased under 1717
a stock option. 1718

(E) Nothing in this section shall prevent a municipal 1719
corporation from permitting lawful deductions as prescribed by 1720
ordinance. If a taxpayer's taxable income includes income against 1721
which the taxpayer has taken a deduction for federal income tax 1722

purposes as reportable on the taxpayer's form 2106, and against 1723
which a like deduction has not been allowed by the municipal 1724
corporation, the municipal corporation shall deduct from the 1725
taxpayer's taxable income an amount equal to the deduction shown 1726
on such form allowable against such income, to the extent not 1727
otherwise so allowed as a deduction by the municipal corporation. 1728
In the case of a taxpayer who has a net profit from a business or 1729
profession that is operated as a sole proprietorship, no municipal 1730
corporation may tax or use as the base for determining the amount 1731
of the net profit that shall be considered as having a taxable 1732
situs in the municipal corporation, a greater amount than the net 1733
profit reported by the taxpayer on schedule C filed in reference 1734
to the year in question as taxable income from such sole 1735
proprietorship, except as otherwise specifically provided by 1736
ordinance or regulation. 1737

(F) No municipal corporation shall tax any of the following: 1738

(1) The military pay or allowances of members of the armed 1739
forces of the United States and of members of their reserve 1740
components, including the Ohio national guard; 1741

(2) The income of religious, fraternal, charitable, 1742
scientific, literary, or educational institutions to the extent 1743
that such income is derived from tax-exempt real estate, 1744
tax-exempt tangible or intangible property, or tax-exempt 1745
activities; 1746

(3) Except as otherwise provided in division (G) of this 1747
section, intangible income; 1748

(4) Compensation paid under section 3501.28 or 3501.36 of the 1749
Revised Code to a person serving as a precinct election official, 1750
to the extent that such compensation does not exceed one thousand 1751
dollars annually. Such compensation in excess of one thousand 1752
dollars may be subjected to taxation by a municipal corporation. A 1753

municipal corporation shall not require the payer of such 1754
compensation to withhold any tax from that compensation. 1755

(5) Compensation paid to an employee of a transit authority, 1756
regional transit authority, or regional transit commission created 1757
under Chapter 306. of the Revised Code for operating a transit bus 1758
or other motor vehicle for the authority or commission in or 1759
through the municipal corporation, unless the bus or vehicle is 1760
operated on a regularly scheduled route, the operator is subject 1761
to such a tax by reason of residence or domicile in the municipal 1762
corporation, or the headquarters of the authority or commission is 1763
located within the municipal corporation. 1764

(6) The income of a public utility when that public utility 1765
is subject to the tax levied under section 5727.30 of the Revised 1766
Code. 1767

(G) Any municipal corporation that taxes any type of 1768
intangible income on March 29, 1988, pursuant to Section 3 of 1769
Amended Substitute Senate Bill No. 238 of the 116th general 1770
assembly, may continue to tax that type of income after 1988 if a 1771
majority of the electors of the municipal corporation voting on 1772
the question of whether to permit the taxation of that type of 1773
intangible income after 1988 vote in favor thereof at an election 1774
held on November 8, 1988. 1775

(H) Nothing in this section or section 718.02 of the Revised 1776
Code, shall authorize the levy of any tax on income which a 1777
municipal corporation is not authorized to levy under existing 1778
laws or shall require a municipal corporation to allow a deduction 1779
from taxable income for losses incurred from a sole proprietorship 1780
or partnership. 1781

Sec. 3313.646. (A) The board of education of a school 1782
district, except a cooperative education district established 1783

pursuant to section 3311.521 of the Revised Code, may establish 1784
and operate a preschool program except that no such program shall 1785
be established after March 17, 1989, unless both of the following 1786
apply at the time the program is established: 1787

(1) The board has demonstrated a need for the program. 1788

(2) Unless it is a cooperative education district established 1789
pursuant to divisions (A) to (C) of section 3311.52 of the Revised 1790
Code, the school district is eligible for moneys distributed by 1791
the department of education pursuant to section 3317.029 of the 1792
Revised Code. A board may use school funds in support of preschool 1793
programs. The board shall maintain, operate, and admit children to 1794
any such program pursuant to rules adopted by such board and the 1795
rules of the state board of education adopted under sections 1796
3301.52 to 3301.57 of the Revised Code. 1797

A board of education may establish fees or tuition, which may 1798
be graduated in proportion to family income, for participation in 1799
a preschool program. In cases where payment of fees or tuition 1800
would create a hardship for the child's parent or guardian, the 1801
board may waive any such fees or tuition. 1802

(B) No board of education that is not receiving funds under 1803
the "Head Start Act," 95 Stat. 489 (1981), 42 U.S.C.A. 9831, on 1804
March 17, 1989, shall compete for funds under the "Head Start Act" 1805
with any grantee receiving funds under that act. 1806

(C) A board of education may contract with any of the 1807
following preschool providers to provide preschool programs, other 1808
than programs for units described by ~~division (E)~~ divisions (B) 1809
and (C) of section 3317.05 of the Revised Code, for children of 1810
the school district: 1811

(1) Any organization receiving funds under the "Head Start 1812
Act"; 1813

(2) Any nonsectarian eligible nonpublic school as defined in 1814
division (H) of section 3301.52 of the Revised Code; 1815

(3) Any child day-care provider licensed under Chapter 5104. 1816
of the Revised Code. 1817

Boards may contract to provide preschool programs only with 1818
such organizations whose staff meet the requirements of rules 1819
adopted under section 3301.53 of the Revised Code or those of the 1820
child development associate credential established by the national 1821
association for the education of young children. 1822

(D) A contract entered into under division (C) of this 1823
section may provide for the board of education to lease school 1824
facilities to the preschool provider or to furnish transportation, 1825
utilities, or staff for the preschool program. 1826

(E) The treasurer of any board of education operating a 1827
preschool program pursuant to this section shall keep an account 1828
of all funds used to operate the program in the same manner as he 1829
would any other funds of the district pursuant to this chapter. 1830

Sec. 3313.841. The boards of education and governing boards 1831
of two or more city, local, joint vocational, or exempted village 1832
school districts or educational service centers may contract in 1833
accordance with the terms of this section for the sharing on a 1834
cooperative basis of the services of supervisory teachers, special 1835
instruction teachers, special education teachers, and other 1836
licensed personnel necessary to conduct approved cooperative 1837
~~classes of the type described in division (B) of section 3317.05~~ 1838
~~of the Revised Code for handicapped pupils~~ for special education 1839
and related services and gifted education. 1840

The boards of two or more districts or service centers 1841
desiring to enroll students in such classes shall each adopt 1842
resolutions indicating such desire and designating one of the 1843

participating districts or service centers as the funding agent 1844
for purposes of this section. The district or service center 1845
designated as the funding agent shall enter into an employment 1846
contract with each licensed teacher whose services are to be 1847
shared among the participating districts and service centers. In 1848
turn, the funding agent shall enter into contracts with each of 1849
the districts and service centers which have adopted resolutions 1850
agreeing to participate in the cooperative program upon terms 1851
agreed to by all parties to such contract. Such contracts between 1852
districts and service centers shall set forth the services to be 1853
provided by the licensed teacher employed by the funding agent 1854
whose services are to be shared by the participating districts and 1855
service centers and the basis for computing the amounts to be paid 1856
for such services to the funding agent by the participating 1857
districts and service centers. 1858

For purposes of division (B) of section 3317.05 of the 1859
Revised Code, the funding agent shall count all pupils enrolled in 1860
cooperative programs for handicapped pupils as pupils enrolled in 1861
such programs in the funding agent district. Upon receipt of 1862
payment for such programs, the funding agent district shall credit 1863
the account of districts participating in the cooperative program 1864
for the amounts due under contracts entered into under the terms 1865
of this section in proportion to the number of resident students 1866
enrolled in the cooperative program from each participating 1867
district and service center. 1868

In determining the terms of the contract entered into by the 1869
funding agent district or service center and the participating 1870
districts and service centers, the superintendent of schools of 1871
each participating board of education and governing board shall 1872
serve as a committee which shall recommend such terms to such 1873
boards. 1874

Sec. 3313.842. The boards of education of any two or more 1875
school districts may enter into an agreement for joint or 1876
cooperative establishment and operation of any educational program 1877
including any class, course, or program that may be included in a 1878
school district's graded course of study and staff development 1879
programs for teaching and nonteaching school employees. Each 1880
school district that is party to such an agreement may contribute 1881
funds of the district in support of the agreement and for the 1882
establishment and operation of any educational program established 1883
under the agreement. The agreement shall designate one of the 1884
districts as the district responsible for receiving and disbursing 1885
the funds contributed by the districts that are parties to the 1886
agreement. 1887

~~A student participating in an educational program established 1888
pursuant to this section shall be included in the formula ADM 1889
certified under section 3317.03 of the Revised Code of the 1890
district in which the student is enrolled. 1891~~

Sec. 3313.98. Notwithstanding division (D) of section 3311.19 1892
and division (D) of section 3311.52 of the Revised Code, the 1893
provisions of this section and sections 3313.981 to 3313.983 of 1894
the Revised Code that apply to a city school district do not apply 1895
to a joint vocational or cooperative education school district 1896
unless expressly specified. 1897

(A) As used in this section and sections 3313.981 to 3313.983 1898
of the Revised Code: 1899

(1) "Parent" means either of the natural or adoptive parents 1900
of a student, except under the following conditions: 1901

(a) When the marriage of the natural or adoptive parents of 1902
the student has been terminated by a divorce, dissolution of 1903
marriage, or annulment or the natural or adoptive parents of the 1904

student are living separate and apart under a legal separation 1905
decree and the court has issued an order allocating the parental 1906
rights and responsibilities with respect to the student, "parent" 1907
means the residential parent as designated by the court except 1908
that "parent" means either parent when the court issues a shared 1909
parenting decree. 1910

(b) When a court has granted temporary or permanent custody 1911
of the student to an individual or agency other than either of the 1912
natural or adoptive parents of the student, "parent" means the 1913
legal custodian of the child. 1914

(c) When a court has appointed a guardian for the student, 1915
"parent" means the guardian of the student. 1916

(2) "Native student" means a student entitled under section 1917
3313.64 or 3313.65 of the Revised Code to attend school in a 1918
district adopting a resolution under this section. 1919

(3) "Adjacent district" means a city, exempted village, or 1920
local school district having territory that abuts the territory of 1921
a district adopting a resolution under this section. 1922

(4) "Adjacent district student" means a student entitled 1923
under section 3313.64 or 3313.65 of the Revised Code to attend 1924
school in an adjacent district. 1925

(5) "Adjacent district joint vocational student" means an 1926
adjacent district student who enrolls in a city, exempted village, 1927
or local school district pursuant to this section and who also 1928
enrolls in a joint vocational school district that does not 1929
contain the territory of the district for which that student is a 1930
native student and does contain the territory of the city, 1931
exempted village, or local district in which the student enrolls. 1932

(6) "Adjusted formula amount" means the formula amount 1933
defined in division (B) of section 3317.02 of the Revised Code 1934

multiplied by the cost-of-doing-business factor for a district	1935
defined in division (N) of section 3317.02 of the Revised Code.	1936
(7) "Poverty line" means the poverty line established by the	1937
director of the United States office of management and budget as	1938
revised by the director of the office of community services in	1939
accordance with section 673(2) of the "Community Services Block	1940
Grant Act," 95 Stat. 1609, 42 U.S.C.A. 9902, as amended.	1941
(8) "IEP" means an individualized education program defined	1942
by division (E) of section 3323.01 of the Revised Code.	1943
(9) "Other district" means a city, exempted village, or local	1944
school district having territory outside of the territory of a	1945
district adopting a resolution under this section.	1946
(10) "Other district student" means a student entitled under	1947
section 3313.64 or 3313.65 of the Revised Code to attend school in	1948
an other district.	1949
(11) "Other district joint vocational student" means a	1950
student who is enrolled in any city, exempted village, or local	1951
school district and who also enrolls in a joint vocational school	1952
district that does not contain the territory of the district for	1953
which that student is a native student in accordance with a policy	1954
adopted under section 3313.983 of the Revised Code.	1955
(B)(1) The board of education of each city, local, and	1956
exempted village school district may <u>shall</u> adopt a resolution	1957
<u>establishing for the school district one of the following</u>	1958
<u>policies:</u>	1959
(a) <u>A policy</u> that entirely prohibits the enrollment of	1960
students from adjacent districts or other districts, other than	1961
students for whom tuition is paid in accordance with section	1962
3317.08 of the Revised Code _{7i}	1963
(b) <u>A policy</u> that permits enrollment of students from all	1964

adjacent districts in accordance with a policy <u>statements</u>	1965
contained in the resolution, or ;	1966
(c) <u>A policy</u> that permits enrollment of students from all	1967
other districts in accordance with a policy <u>statements</u> contained	1968
in the resolution.	1969
(2) A policy permitting enrollment of students from adjacent	1970
or from other districts, as applicable, shall provide for all of	1971
the following:	1972
(1) (a) Application procedures, including deadlines for	1973
application and for notification of students and the	1974
superintendent of the applicable district whenever an adjacent or	1975
other district student's application is approved.	1976
(2) (b) Procedures for admitting adjacent or other district	1977
applicants free of any tuition obligation to the district's	1978
schools, including, but not limited to:	1979
(a) (i) The establishment of district capacity limits by grade	1980
level, school building, and education program;	1981
(b) (ii) A requirement that all native students wishing to be	1982
enrolled in the district will be enrolled and that any adjacent or	1983
other district students previously enrolled in the district shall	1984
receive preference over first-time applicants;	1985
(c) (iii) Procedures to ensure that an appropriate racial	1986
balance is maintained in the district schools.	1987
(C) Except as provided in section 3313.982 of the Revised	1988
Code, the procedures for admitting adjacent or other district	1989
students, as applicable, shall not include:	1990
(1) Any requirement of academic ability, or any level of	1991
athletic, artistic, or other extracurricular skills;	1992
(2) Limitations on admitting applicants because of	1993
handicapping conditions, except that a board may refuse to admit a	1994

student receiving services under Chapter 3323. of the Revised Code, if the services described in the student's IEP are not available in the district's schools;	1995 1996 1997
(3) A requirement that the student be proficient in the English language;	1998 1999
(4) Rejection of any applicant because the student has been subject to disciplinary proceedings, except that if an applicant has been suspended or expelled by the student's district for ten consecutive days or more in the term for which admission is sought or in the term immediately preceding the term for which admission is sought, the procedures may include a provision denying admission of such applicant.	2000 2001 2002 2003 2004 2005 2006
(D)(1) Each school board permitting only enrollment of adjacent district students shall provide information about the policy adopted under this section, including the application procedures and deadlines, to the superintendent and the board of education of each adjacent district and, upon request, to the parent of any adjacent district student.	2007 2008 2009 2010 2011 2012
(2) Each school board permitting enrollment of other district students shall provide information about the policy adopted under this section, including the application procedures and deadlines, upon request, to the board of education of any other school district or to the parent of any student anywhere in the state.	2013 2014 2015 2016 2017 2018
(E) Any school board shall accept all credits toward graduation earned in adjacent or other district schools by an adjacent or other district student or a native student.	2019 2020 2021
(F)(1) No board of education may adopt a policy discouraging or prohibiting its native students from applying to enroll in the schools of an adjacent or any other district that has adopted a policy permitting such enrollment, except that:	2022 2023 2024 2025

(a) A district may object to the enrollment of a native student in an adjacent or other district in order to maintain an appropriate racial balance.

(b) The board of education of a district receiving funds under 64 Stat. 1100 (1950), 20 U.S.C.A. 236 et seq., as amended, may adopt a resolution objecting to the enrollment of its native students in adjacent or other districts if at least ten per cent of its students are included in the determination of the United States secretary of education made under section 20 U.S.C.A. 238(a).

(2) If a board objects to enrollment of native students under this division, any adjacent or other district shall refuse to enroll such native students unless tuition is paid for the students in accordance with section 3317.08 of the Revised Code. An adjacent or other district enrolling such students may not receive funding for those students in accordance with section 3313.981 of the Revised Code.

(G) The state board of education shall monitor school districts to ensure compliance with this section and the districts' policies. The board may adopt rules requiring uniform application procedures, deadlines for application, notification procedures, and record-keeping requirements for all school boards that adopt policies permitting the enrollment of adjacent or other district students, as applicable. If the state board adopts such rules, no school board shall adopt a policy that conflicts with those rules.

(H) A resolution adopted by a board of education under this section that entirely prohibits the enrollment of students from adjacent and from other school districts does not abrogate any agreement entered into under section 3313.841 or 3313.92 of the Revised Code or any contract entered into under section 3313.90 of

the Revised Code between the board of education adopting the
resolution and the board of education of any adjacent or other
district or prohibit these boards of education from entering into
any such agreement or contract.

(I) Nothing in this section shall be construed to permit or
require the board of education of a city, exempted village, or
local school district to exclude any native student of the
district from enrolling in the district.

Sec. 3314.03. (A) Each contract entered into under section
3314.02 of the Revised Code between a sponsor and the governing
authority of a community school shall specify the following:

(1) That the school shall be established as a nonprofit
corporation established under Chapter 1702. of the Revised Code;

(2) The education program of the school, including the
school's mission, the characteristics of the students the school
is expected to attract, the ages and grades of students, and the
focus of the curriculum;

(3) The academic goals to be achieved and the method of
measurement that will be used to determine progress toward those
goals, which shall include the statewide proficiency tests;

(4) Performance standards by which the success of the school
will be evaluated by the sponsor;

(5) The admission standards of section 3314.06 of the Revised
Code;

(6) Dismissal procedures;

(7) The ways by which the school will achieve racial and
ethnic balance reflective of the community it serves;

(8) Requirements and procedures for ~~program and~~ annual
financial audits, ~~including audits~~ by the auditor of state ~~and the~~

~~department of education.~~ The contract shall require financial 2086
records of the school to be maintained in the same manner as are 2087
financial records of school districts, pursuant to rules of the 2088
auditor of state and the annual audits shall be conducted in the 2089
same manner as audits of school districts. 2090

(9) The facility to be used and its location; 2091

(10) Qualifications of teachers, including a requirement that 2092
the school's classroom teachers be licensed in accordance with 2093
sections 3319.22 to 3319.31 of the Revised Code, except that a 2094
community school may engage noncertificated persons to teach up to 2095
twelve hours per week pursuant to section 3319.301 of the Revised 2096
Code; 2097

(11) That the school will comply with the following 2098
requirements: 2099

(a) The school will provide learning opportunities to a 2100
minimum of twenty-five students for a minimum of nine hundred 2101
twenty hours per school year; 2102

(b) The governing authority will purchase liability 2103
insurance, or otherwise provide for the potential liability of the 2104
school; 2105

(c) The school will be nonsectarian in its programs, 2106
admission policies, employment practices, and all other 2107
operations, and will not be operated by a sectarian school or 2108
religious institution; 2109

(d) The school will comply with sections 9.90, 9.91, 109.65, 2110
121.22, 149.43, 2151.358, 2151.421, 2313.18, 3301.0710, 3301.0711, 2111
3301.0714, 3313.50, 3313.643, 3313.66, 3313.661, 3313.662, 2112
3313.67, 3313.672, 3313.673, 3313.69, 3313.71, 3313.80, 3313.96, 2113
3319.321, 3319.39, 3321.01, 3327.10, 4111.17, and 4113.52 and 2114
Chapters 117., 1347., 2744., 4112., 4123., 4141., and 4167. of the 2115
Revised Code as if it were a school district; 2116

(e) The school shall comply with Chapter 102. of the Revised Code except that nothing in that chapter shall prohibit a member of the school's governing board from also being an employee of the school and nothing in that chapter or section 2921.42 of the Revised Code shall prohibit a member of the school's governing board from having an interest in a contract into which the governing board enters;

(f) The school will comply with sections 3313.61 and 3313.611 of the Revised Code, except that the requirement in those sections that a person must successfully complete the curriculum in any high school prior to receiving a high school diploma may be met by completing the curriculum adopted by the governing authority of the community school rather than the curriculum specified in Title XXXIII of the Revised Code or any rules of the state board of education;

(g) The school governing authority will submit an annual report of its activities and progress in meeting the goals and standards of divisions (A)(3) and (4) of this section and its financial status to the sponsor ~~and to,~~ the parents of all students enrolled in the school, and the legislative office of education oversight.

(12) Arrangements for providing health and other benefits to employees;

(13) The length of the contract, which shall begin at the beginning of an academic year and shall not exceed ~~three~~ five years;

(14) The governing authority of the school, which shall be responsible for carrying out the provisions of the contract;

(15) A financial plan detailing an estimated school budget for each year of the period of the contract and specifying the total estimated per pupil expenditure amount for each such year.

The plan shall specify for each year the base formula amount that
will be used for purposes of funding calculations under section
3314.08 of the Revised Code. This base formula amount for any year
shall not exceed the formula amount defined under section 3317.02
of the Revised Code. The plan may also specify for any year a
percentage figure to be used for reducing the per pupil amount of
disadvantaged pupil impact aid calculated pursuant to section
3317.029 of the Revised Code the school is to receive that year
under section 3314.08 of the Revised Code.

(16) Requirements and procedures regarding the disposition of
employees of the school in the event the contract is terminated or
not renewed pursuant to section 3314.07 of the Revised Code;

(17) Whether the school is to be created by converting all or
part of an existing public school or is to be a new start-up
school, and if it is a converted public school, specification of
any duties or responsibilities of an employer that the board of
education that operated the school before conversion is delegating
to the governing board of the community school with respect to all
or any specified group of employees provided the delegation is not
prohibited by a collective bargaining agreement applicable to such
employees;

(18) Provisions establishing procedures for resolving
disputes or differences of opinion between the sponsor and the
governing authority of the community school;

(19) That the school shall be the custodian of all money
received during the first full fiscal year of its operation and
during subsequent years unless another custodian is designated in
the contract to receive and maintain the first-year revenue.

(B) The community school shall also submit to the sponsor a
comprehensive plan for the school. The plan shall specify the
following:

(1) The process by which the governing authority of the school will be selected in the future;	2179 2180
(2) The management and administration of the school;	2181
(3) If the community school is a currently existing public school, alternative arrangements for current public school students who choose not to attend the school and teachers who choose not to teach in the school after conversion;	2182 2183 2184 2185
(4) The instructional program and educational philosophy of the school;	2186 2187
(5) Internal financial controls.	2188
(C) A contract entered into under section 3314.02 of the Revised Code between a sponsor and the governing authority of a community school may provide for the community school governing authority to make payments to the sponsor, which is hereby authorized to receive such payments as set forth in the contract between the governing authority and the sponsor.	2189 2190 2191 2192 2193 2194
Sec. 3314.07. (A) The expiration of the contract for a community school between a sponsor and a school shall be the date provided in the contract. A successor contract may <u>shall</u> be entered into unless the contract is terminated or not renewed pursuant to this section.	2195 2196 2197 2198 2199
(B)(1) A sponsor may choose not to renew a contract at its expiration or may choose to terminate a contract prior to its expiration for any of the following reasons:	2200 2201 2202
(a) Failure to meet student performance requirements stated in the contract;	2203 2204
(b) Failure to meet generally accepted standards of fiscal management;	2205 2206
(c) Violation of any provision of the contract or applicable	2207

state or federal law;	2208
(d) Other good cause.	2209
A termination shall be effective only at the conclusion of a school year.	2210 2211
(2) At least sixty <u>one hundred eighty</u> days prior to the termination or nonrenewal of a contract, the sponsor shall notify the school of the proposed action in writing. The notice shall include the reasons for the proposed action in detail and that the school may, within fourteen days of receiving the notice, request an informal hearing before the sponsor. Such request must be in writing.	2212 2213 2214 2215 2216 2217 2218
(3) A decision by the sponsor to terminate a contract may be appealed to the state board of education. The decision by the state board pertaining to an appeal under this division is final.	2219 2220 2221
(C) A child attending a community school whose contract has been terminated or nonrenewed or that closes for any reason shall be admitted to the schools of the district in which the child is entitled to attend under section 3313.64 or 3313.65 of the Revised Code. Any deadlines established for the purpose of admitting students under section 3313.97 or 3313.98 shall be waived for students to whom this division pertains.	2222 2223 2224 2225 2226 2227 2228
(D) A sponsor of a community school and the officers, directors, or employees of such a sponsor are not liable in damages in a tort or other civil action for harm allegedly arising from either of the following:	2229 2230 2231 2232
(1) A failure of the community school or any of its officers, directors, or employees to perform any statutory or common law duty or responsibility or any other legal obligation;	2233 2234 2235
(2) An action or omission of the community school or any of its officers, directors, or employees that results in harm.	2236 2237

(E) As used in this section:	2238
(1) "Harm" means injury, death, or loss to person or property.	2239 2240
(2) "Tort action" means a civil action for damages for injury, death, or loss to person or property other than a civil action for damages for a breach of contract or another agreement between persons.	2241 2242 2243 2244
Sec. 3314.08. (A) As used in this section:	2245
(1) "Base formula amount" means the amount specified as such in a community school's financial plan for a school year pursuant to division (A)(15) of section 3314.03 of the Revised Code.	2246 2247 2248
(2) "Cost-of-doing-business factor" has the same meaning as in section 3317.02 of the Revised Code.	2249 2250
(3) "IEP" means an individualized education program defined by division (E) of section 3323.01 of the Revised Code.	2251 2252
(4) " Actual <u>Average county</u> cost" means the actual cost, <u>averaged among school districts within a county,</u> of providing special education and related services to a special education student pursuant to an IEP in the school district where that student is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code <u>similarly handicapped children,</u> as calculated in a manner acceptable to the superintendent of public instruction.	2253 2254 2255 2256 2257 2258 2259 2260
(5) "DPIA reduction factor" means the percentage figure, if any, specified for reducing the per pupil amount of disadvantaged pupil impact aid a community school is entitled to receive pursuant to division (D)(3) of this section in any year, as specified in the school's financial plan for the year pursuant to division (A)(15) of section 3314.03 of the Revised Code.	2261 2262 2263 2264 2265 2266

(B) The state board of education shall adopt rules requiring 2267
both of the following: 2268

(1) The board of education of each city, exempted village, 2269
and local school district to annually report the number of 2270
students entitled to attend school in the district pursuant to 2271
section 3313.64 or 3313.65 of the Revised Code who are enrolled in 2272
grades one through twelve and one-half of the kindergarten 2273
students enrolled in a community school established under this 2274
chapter and for each child the community school in which the child 2275
is enrolled. In addition, for each such child receiving special 2276
education and related services enrolled in grades kindergarten 2277
through twelve or in a preschool handicapped unit in a community 2278
school pursuant to an IEP, the board shall report the ~~actual~~ 2279
average county cost for such child ~~and, if.~~ If the district 2280
receives disadvantaged pupil impact aid pursuant to division (B) 2281
or divisions (C) and (e) of section 3317.029 of the Revised Code, 2282
it also shall report the amount received for each such child. 2283

(2) The governing authority of each community school 2284
established under this chapter to annually report the number of 2285
students enrolled in grades one through twelve and one-half the 2286
number of kindergarten students in the school who are not 2287
receiving special education and related services pursuant to an 2288
IEP; the number of enrolled students in grades one through twelve 2289
and one-half the number of kindergarten students who are receiving 2290
special education and related services pursuant to an IEP; the 2291
number of enrolled preschool handicapped students receiving 2292
special education services in a state-funded unit; the community 2293
school's base formula amount; and the city, exempted village, or 2294
local school district in which the school is located. Each 2295
governing authority shall also report any DPIA reduction factor 2296
that applies to a school year. 2297

(C) From the payments made to a city, exempted village, or 2298

local school district under Chapter 3317. of the Revised Code and, 2299
if necessary, sections 321.14 and 323.156 of the Revised Code, the 2300
department of education shall annually subtract all of the 2301
following: 2302

(1) An amount equal to the sum of the amounts obtained when, 2303
for each community school where the district's students are 2304
enrolled, the number of the district's students reported under 2305
division (B)(2) of this section who are enrolled in grades one 2306
through twelve and one-half the number of kindergarten students in 2307
that community school and are not receiving special education and 2308
related services pursuant to an IEP is multiplied by the base 2309
formula amount of that community school as adjusted by the school 2310
district's cost-of-doing-business factor. 2311

(2) The sum of the ~~actual~~ average county costs for all 2312
district students reported under division (B)(2) of this section 2313
who are to be receiving special education and related services 2314
pursuant to an IEP in their respective community schools, less the 2315
sum of the prorated share for each such student of any amounts 2316
received from state preschool handicapped unit funding or from 2317
federal funds to provide special education and related services to 2318
students in the respective community schools. This prorated share 2319
of state or federal funds received for each such student shall be 2320
determined on the basis of all such funds received by a community 2321
school for students receiving similar services, as calculated in a 2322
manner acceptable to the superintendent of public instruction. 2323

(3) An amount equal to the sum of the amounts obtained when, 2324
for each community school where the district's students are 2325
enrolled, the number of the district's students enrolled in that 2326
community school and residing in the district in a family 2327
participating in Ohio works first under Chapter 5107. of the 2328
Revised Code is multiplied by the per pupil amount of 2329
disadvantaged pupil impact aid the school district receives that 2330

year pursuant to division (B) or divisions (C) and (E) of section 2331
3317.029 of the Revised Code, as adjusted by any DPIA reduction 2332
factor of that community school. 2333

(D) The department shall annually pay to a community school 2334
established under this chapter all of the following: 2335

(1) An amount equal to the sum of the amounts obtained when 2336
the number of students enrolled in grades one through twelve plus 2337
one-half of the kindergarten students in the school as reported 2338
under division (B)(2) of this section who are not receiving 2339
special education and related services pursuant to an IEP is 2340
multiplied by the community school's base formula amount, as 2341
adjusted by the cost-of-doing-business factor of the school 2342
district in which the school is located; 2343

(2) For each student enrolled in the school receiving special 2344
education and related services pursuant to an IEP, an amount equal 2345
to the ~~actual~~ average county cost for such student, less a 2346
prorated share for the student of any amount received from state 2347
preschool handicapped unit funding or federal funds to provide 2348
special education and related services to students in the 2349
community school. This prorated share shall be determined as 2350
described under division (C)(2) of this section. 2351

(3) An amount equal to the number of students enrolled in the 2352
community school and residing in the school district in a family 2353
participating in Ohio works first ~~is~~ multiplied by the per pupil 2354
amount of disadvantaged pupil impact aid that school district 2355
receives that year pursuant to division (B) or divisions (C) and 2356
(E) of section 3317.029 of the Revised Code, as adjusted by any 2357
DPIA reduction factor of the community school. 2358

(E) A community school may apply to the department of 2359
education for preschool handicapped or gifted unit funding the 2360
school would receive if it were a school district. Upon request of 2361

its governing authority, a community school that received unit 2362
funding as a school district-operated school before it became a 2363
community school shall retain any units awarded to it as a school 2364
district-operated school provided the school continues to meet 2365
eligibility standards for the unit. 2366

A community school shall be considered a school district and 2367
its governing authority shall be considered a board of education 2368
for the purpose of applying to any state or federal agency for 2369
grants that a school district may receive under federal or state 2370
law or any appropriations act of the general assembly. The 2371
governing authority of a community school may apply to any private 2372
entity for additional funds. 2373

(F) A board of education sponsoring a community school may 2374
utilize local funds to make enhancement grants to the school or 2375
may agree, either as part of the contract or separately, to 2376
provide any specific services to the community school at no cost 2377
to the school. 2378

(G) A community school may not levy taxes or issue bonds 2379
secured by tax revenues. 2380

(H) No community school shall charge tuition for the 2381
enrollment of any student. 2382

(I) A community school may borrow money to pay any necessary 2383
and actual expenses of the school in anticipation of the receipt 2384
of any portion of the payments to be received by the school 2385
pursuant to division (D) of this section. The school may issue 2386
notes to evidence such borrowing to mature no later than the end 2387
of the fiscal year in which such money was borrowed. The proceeds 2388
of the notes shall be used only for the purposes for which the 2389
anticipated receipts may be lawfully expended by the school. 2390

(J) For purposes of determining the number of students for 2391
which division (D)(3) of this section applies in any school year, 2392

a community school may submit to the state department of human 2393
services, no later than the first day of March, a list of the 2394
students enrolled in the school. For each student on the list, the 2395
community school shall indicate the student's name, address, and 2396
date of birth and the school district where the student is 2397
entitled to attend school under section 3313.64 or 3313.65 of the 2398
Revised Code. Upon receipt of a list under this division, the 2399
department of human services shall determine, for each school 2400
district where one or more students on the list is entitled to 2401
attend school under section 3313.64 or 3313.65 of the Revised 2402
Code, the number of students residing in that school district who 2403
were included in the department's report under section 3317.10 of 2404
the Revised Code. The department shall make this determination on 2405
the basis of information readily available to it. Upon making this 2406
determination and no later than ninety days after submission of 2407
the list by the community school, the department shall report to 2408
the state department of education the number of students on the 2409
list who reside in each school district who were included in the 2410
department's report under section 3317.10 of the Revised Code. In 2411
complying with this division, the department of human services 2412
shall not report to the state department of education any 2413
personally identifiable information on any student. 2414

(K) The department of education shall adjust the amounts 2415
subtracted and paid under divisions (C) and (D) of this section to 2416
reflect any enrollment of students in community schools for less 2417
than the equivalent of a full school year. 2418

Sec. 3314.12. The legislative office of education oversight 2419
shall produce and issue an annual composite informational report 2420
on community schools to the speaker of the house of 2421
representatives, the president of the senate, and the governor. 2422
The report shall include the number of schools in operation, the 2423
size and characteristics of enrollment for the schools, the 2424

academic performance of the schools, the financial status of the 2425
schools, and any other pertinent information. 2426

Sec. 3314.13. (A) As used in this section: 2427

(1) "All-day kindergarten" and "DPIA index" have the same 2428
meanings as in section 3317.029 of the Revised Code. 2429

(2) "Formula amount" has the same meaning as in section 2430
3317.02 of the Revised Code. 2431

(B) The department of education annually shall pay each 2432
community school established under this chapter or under Section 2433
50.52 of Am. Sub. H.B. No. 215 of the 122nd general assembly 2434
one-half of the formula amount for each student who is entitled to 2435
attend school under section 3313.64 or 3313.65 of the Revised Code 2436
in a school district with a DPIA index of one or greater and who 2437
is reported by the community school as enrolled in all-day 2438
kindergarten at the community school. If a student for whom 2439
payment is made under this section is entitled to attend school in 2440
a district that receives any payment for all-day kindergarten 2441
under division (D) of section 3317.029 of the Revised Code, the 2442
department shall deduct the payment to the community school under 2443
this section from the amount paid that school district under that 2444
division. If that school district does not receive payment for 2445
all-day kindergarten under that division, the department shall pay 2446
the community school from state funds appropriated generally for 2447
disadvantaged pupil impact aid. 2448

(C) The department shall adjust the amounts deducted from 2449
school districts and paid to community schools under this section 2450
to reflect any enrollments of students in all-day kindergarten in 2451
community schools for less than the equivalent of a full school 2452
year. 2453

Sec. 3315.171. As used in this section, "securities" has the 2454
same meaning as in section 133.01 Of the Revised Code. 2455

The board of education of a city, exempted village, local, or joint vocational school district may replace revenues received for operating expenses with money received from any of the following sources in meeting the amount required by division (A) of section 3315.17 of the Revised Code to be deposited in the district's textbook and instructional materials fund:

(A) A permanent improvement levy authorized by section 5705.21 of the Revised Code to the extent the proceeds are restricted by the district board to expenditures for textbooks, instructional software, and instructional materials, supplies, and equipment;

(B) The proceeds of securities whose use is restricted to expenditures for textbooks, instructional software, and instructional materials, supplies, and equipment.

Sec. 3315.181. As used in this section, "securities" has the same meaning as in section 133.01 of the Revised Code.

Notwithstanding division (A) of section 3315.18 of the Revised Code, the board of education of a city, exempted village, local, or joint vocational school district, in meeting the amount required by that division to be deposited in the district's capital and maintenance fund, may replace general fund revenues with proceeds received from a permanent improvement levy authorized by section 5705.21 of the Revised Code only to the extent the proceeds are available to be used for the acquisition, replacement, enhancement, maintenance, or repair of permanent improvements as defined in section 5705.01 of the Revised Code. In addition, the board may replace general fund revenues with proceeds received from any of the following sources in meeting the amount required by that division to be deposited in the fund:

(A) proceeds received from any securities whose use is limited to the acquisition, replacement, enhancement, maintenance,

<u>or repair of permanent improvements;</u>	2487
(B) <u>insurance proceeds received as a result of the damage to</u>	2488
<u>or theft or destruction of a permanent improvement to the extent a</u>	2489
<u>board of education places the proceeds in a separate fund for the</u>	2490
<u>acquisition, replacement, enhancement, maintenance, or repair of</u>	2491
<u>permanent improvements;</u>	2492
(C) <u>proceeds received from the sale of a permanent</u>	2493
<u>improvement to the extent the proceeds are paid into a separate</u>	2494
<u>fund for the construction or acquisition of permanent</u>	2495
<u>improvements;</u>	2496
(D) <u>proceeds received from a tax levy authorized by section</u>	2497
<u>3318.06 of the Revised Code to the extent the proceeds are</u>	2498
<u>available to be used for the maintenance of capital facilities;</u>	2499
(E) <u>Proceeds of certificates of participation issued as part</u>	2500
<u>of a lease-purchase agreement entered into under section 3313.375</u>	2501
<u>of the Revised Code.</u>	2502
Sec. 3317.01. As used in this section and section 3317.011 of	2503
the Revised Code, "school district," unless otherwise specified,	2504
means any city, local, exempted village, joint vocational, or	2505
cooperative education school district and any educational service	2506
center.	2507
This chapter shall be administered by the state board of	2508
education. The superintendent of public instruction shall	2509
calculate the amounts payable to each school district and shall	2510
certify the amounts payable to each eligible district to the	2511
treasurer of the district as provided by this chapter. No moneys	2512
shall be distributed pursuant to this chapter without the approval	2513
of the controlling board.	2514
The state board of education shall, in accordance with	2515
appropriations made by the general assembly, meet the financial	2516

obligations of this chapter, except that moneys to meet the 2517
financial obligations of section 3301.17 of the Revised Code shall 2518
be supplemented from funds available to the state from the United 2519
States or any agency or department thereof for a driver education 2520
course of instruction. 2521

Annually, the department of education shall calculate and 2522
report to each school district the district's total state and 2523
local funds for providing an adequate basic education to the 2524
district's nonhandicapped students, utilizing the determination in 2525
section 3317.012 Of the Revised Code. In addition, the department 2526
shall calculate and report separately for each school district the 2527
district's total state and local funds for providng an adequate 2528
education for its handicapped students, utilizing the 2529
determinations in both sections 3317.012 and 3317.013 Of the 2530
Revised Code. 2531

Moneys distributed pursuant to this chapter shall be 2532
calculated and paid on a fiscal year basis, beginning with the 2533
first day of July and extending through the thirtieth day of June. 2534
The moneys appropriated for each fiscal year shall be distributed 2535
at least monthly to each school district unless otherwise provided 2536
for. ~~With each payment, the state board shall submit to each 2537~~
~~school district a detailed statement of state special education 2538~~
~~support indicating the amount of the payment calculated under 2539~~
~~division (A) of section 3317.022 of the Revised Code as basic aid 2540~~
~~that is attributable to the district's category one, two, and 2541~~
~~three special education ADMs plus the amount of the distribution 2542~~
~~computed under division (C) of section 3317.022 of the Revised 2543~~
~~Code.~~ The state board shall submit a yearly ~~distribution~~ 2544
distribution plan to the controlling board at its first meeting in 2545
July. The state board shall submit any proposed midyear revision 2546
of the plan to the controlling board in January. Any year-end 2547
revision of the plan shall be submitted to the controlling board 2548

in June. If moneys appropriated for each fiscal year are 2549
distributed other than monthly, such distribution shall be on the 2550
same basis for each school district. 2551

The total amounts paid each month shall constitute, as nearly 2552
as possible, one-twelfth of the total amount payable for the 2553
entire year. Payments made during the first six months of the 2554
fiscal year may be based on an estimate of the amounts payable for 2555
the entire year. Payments made in the last six months shall be 2556
based on the final calculation of the amounts payable to each 2557
school district for that fiscal year. Payments made in the last 2558
six months may be adjusted, if necessary, to correct the amounts 2559
distributed in the first six months, and to reflect enrollment 2560
increases when such are at least three per cent. Except as 2561
otherwise provided, payments under this chapter shall be made only 2562
to those school districts in which: 2563

(A) The school district, except for any educational service 2564
center and any joint vocational or cooperative education school 2565
district, levies for current operating expenses at least twenty 2566
mills. Levies for joint vocational or cooperative education school 2567
districts or county school financing districts, limited to or to 2568
the extent apportioned to current expenses, shall be included in 2569
this qualification requirement. School district income tax levies 2570
under Chapter 5748. of the Revised Code, limited to or to the 2571
extent apportioned to current operating expenses, shall be 2572
included in this qualification requirement to the extent 2573
determined by the tax commissioner under division (C) of section 2574
3317.021 of the Revised Code. 2575

(B) The school year next preceding the fiscal year for which 2576
such payments are authorized meets the requirement of section 2577
3313.48 or 3313.481 of the Revised Code, with regard to the 2578
minimum number of days or hours school must be open for 2579
instruction with pupils in attendance, for individualized 2580

parent-teacher conference and reporting periods, and for 2581
professional meetings of teachers. This requirement shall be 2582
waived by the superintendent of public instruction if it had been 2583
necessary for a school to be closed because of disease epidemic, 2584
hazardous weather conditions, inoperability of school buses or 2585
other equipment necessary to the school's operation, damage to a 2586
school building, or other temporary circumstances due to utility 2587
failure rendering the school building unfit for school use, 2588
provided that for those school districts operating pursuant to 2589
section 3313.48 of the Revised Code the number of days the school 2590
was actually open for instruction with pupils in attendance and 2591
for individualized parent-teacher conference and reporting periods 2592
is not less than one hundred seventy-five, or for those school 2593
districts operating on a trimester plan the number of days the 2594
school was actually open for instruction with pupils in attendance 2595
not less than seventy-nine days in any trimester, for those school 2596
districts operating on a quarterly plan the number of days the 2597
school was actually open for instruction with pupils in attendance 2598
not less than fifty-nine days in any quarter, or for those school 2599
districts operating on a pentamester plan the number of days the 2600
school was actually open for instruction with pupils in attendance 2601
not less than forty-four days in any pentamester. 2602

A school district shall not be considered to have failed to 2603
comply with this division or section 3313.481 of the Revised Code 2604
because schools were open for instruction but either twelfth grade 2605
students were excused from attendance for up to three days or only 2606
a portion of the kindergarten students were in attendance for up 2607
to three days in order to allow for the gradual orientation to 2608
school of such students. 2609

The superintendent of public instruction shall waive the 2610
requirements of this section with reference to the minimum number 2611
of days or hours school must be in session with pupils in 2612

attendance for the school year succeeding the school year in which 2613
a board of education initiates a plan of operation pursuant to 2614
section 3313.481 of the Revised Code. The minimum requirements of 2615
this section shall again be applicable to such a district 2616
beginning with the school year commencing the second July 2617
succeeding the initiation of one such plan, and for each school 2618
year thereafter. 2619

A school district shall not be considered to have failed to 2620
comply with this division or section 3313.48 or 3313.481 of the 2621
Revised Code because schools were open for instruction but the 2622
length of the regularly scheduled school day, for any number of 2623
days during the school year, was reduced by not more than two 2624
hours due to hazardous weather conditions. 2625

(C) The school district has on file, and is paying in 2626
accordance with, a ~~teacher's~~ teachers' salary schedule which 2627
complies with section 3317.13 of the Revised Code. 2628

A board of education or governing board of an educational 2629
service center which has not conformed with other law and the 2630
rules pursuant thereto, shall not participate in the distribution 2631
of funds authorized by sections 3317.022 to 3317.0211, 3317.11, 2632
3317.16, 3317.17, and 3317.19 of the Revised Code, except for good 2633
and sufficient reason established to the satisfaction of the state 2634
board of education and the state controlling board. 2635

All funds allocated to school districts under this chapter, 2636
except those specifically allocated for other purposes, shall be 2637
used to pay current operating expenses only. 2638

Sec. 3317.013. This section does not apply to ~~preschool~~ 2639
handicapped preschool students. 2640

Analysis of special education cost data has resulted in a 2641
finding that the average special education ~~excess~~ additional cost 2642

per pupil, including the costs of related services, can be 2643
expressed as a multiple of the base cost per pupil calculated 2644
under section 3317.012 of the Revised Code. The multiples for the 2645
following categories of special education programs, as these 2646
programs are defined for purposes of Chapter 3323. of the Revised 2647
Code, are as follows: 2648

(A) A multiple of 0.22 for students identified as specific 2649
learning disabled, other health handicapped, or developmentally 2650
handicapped, as these terms are defined pursuant to Chapter 3323. 2651
of the Revised Code; 2652

(B) A multiple of 3.01 for students identified as hearing 2653
handicapped, orthopedically handicapped, vision impaired, 2654
multihandicapped, and severe behavior handicapped, as these terms 2655
are defined pursuant to Chapter 3323. of the Revised Code. 2656

Further analysis indicates that approximately one-eighth of 2657
the total costs of serving special education ~~costs consist~~ 2658
students consists of the furnishing of the related services 2659
specified in division ~~(A)(B)(3)~~ of section ~~3317.024~~ 3317.022 of 2660
the Revised Code. 2661

Sec. 3317.02. As used in this chapter: 2662

(A) Unless otherwise specified, "school district" means city, 2663
local, and exempted village school districts. 2664

(B) "Formula amount" means the base cost for the fiscal year 2665
specified in section 3317.012 of the Revised Code, except that to 2666
allow for the orderly phase-in of the increased funding specified 2667
in that section, the formula amount for fiscal year 1999 shall be 2668
\$3,851; the formula amount for fiscal year 2000 shall be \$4,038; 2669
and the formula amount for fiscal year 2001 shall be \$4,226. 2670
Thereafter, the formula amount shall be as specified in that 2671
section. 2672

(C) "FTE basis" means a count of students based on full-time
equivalency, in accordance with rules adopted by the department of
education pursuant to section 3317.03 of the Revised Code. In
adopting its rules under this division, the department shall
provide for counting any student in a district's category one,
two, or three special education ADM in the same proportion the
student is counted in formula ADM.

(D)(1) "Formula ADM" means the ~~greater of the~~ number reported
pursuant to division (A) of section 3317.03 of the Revised Code ~~or~~
~~the three year.~~

(2) "Three-year average formula ADM" means the average of
that number and the number reported under that division a school
district's formula ADMs for the current and preceding two fiscal
years. However, as applicable in fiscal years 1999 and 2000, the
three-year average ~~specified in this division~~ shall be determined
utilizing the FY 1997 ADM or FY 1998 ADM in lieu of ~~a number~~
~~reported under division (A) of section 3317.03 of the Revised Code~~
formula ADM for fiscal year 1997 or 1998.

(E) ~~"Preschool special education ADM" means the sum of the~~
~~average daily membership of handicapped preschool children~~
~~receiving services in preschool special education units approved~~
~~pursuant to division (B) of section 3317.05 of the Revised Code~~ FY
1997 ADM" or "FY 1998 ADM" means the district's average daily
membership reported for the applicable fiscal year under the
version of division (A) of section 3317.03 of the Revised Code in
effect during that fiscal year, adjusted as follows:

(1) Minus the average daily membership of handicapped
preschool children;

(2) Minus one-half of the average daily membership attending
kindergarten;

(3) Minus three-fourths of the average daily membership

attending a joint vocational school district; 2704

(4) Plus the average daily membership entitled under section 3313.64 or 3313.65 of the Revised Code to attend school in the district but receiving educational services in approved units from an educational service center or another school district under a compact or a cooperative education agreement, as determined by the department; 2705
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(5) Minus the average daily membership receiving educational services from the district in approved units but entitled under section 3313.64 or 3313.65 Of the Revised Code to attend school in another school district, as determined by the department. 2711
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2714

(F)(1) "Category one special education ADM" means the average daily membership of handicapped children receiving special education services for those handicaps specified in division (A) of section 3317.013 of the Revised Code and reported under division (B) of section 3317.03 of the Revised Code. 2715
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(2) "Category two special education ADM" means the average daily membership of handicapped children receiving special education services for those handicaps specified in division (B) of section 3317.013 of the Revised Code and reported under division (B) of section 3317.03 of the Revised Code. 2720
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(3) "Category three special education ADM" means the average daily membership of students receiving special education services for students identified as autistic, having traumatic brain injuries, or as both visually and hearing disabled as these terms are defined pursuant to Chapter 3323. of the Revised Code, and reported under division (B) of section 3317.03 of the Revised Code. 2725
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~~(G) "Family assistance" means assistance received under the Ohio works first program or, for the purpose of determining the five year average of recipients of family assistance for fiscal~~ 2732
2733
2734

~~years 1999 through 2002, assistance received under an antecedent~~ 2735
~~family assistance program known as TANF or ADC~~ Handicapped 2736
preschool child" means a handicapped child, as defined in section 2737
3323.01 of the Revised Code, who is at least age three but is not 2738
of compulsory school age, as defined in section 3321.01 of the 2739
Revised Code, and who has not entered kindergarten. 2740

~~(H) "DPIA ADM" means the five year average of the number of~~ 2741
~~children ages five to seventeen years residing in the school~~ 2742
~~district and living in a family receiving family assistance, as~~ 2743
~~certified or adjusted under section 3317.10 of the Revised Code~~ 2744
County MR/DD board" means a county board of mental retardation and 2745
developmental disabilities. 2746

~~(I)(1) "DPIA percentage" means a school district's DPIA ADM~~ 2747
~~for the fiscal year divided by the district's three year average~~ 2748
~~formulaADM for that fiscal year.~~ 2749

~~(2) "Three year average formulaADM" means the average of the~~ 2750
~~district's formula ADM for the current and preceding two fiscal~~ 2751
~~years, provided that in fiscal years 1999 and 2000, the department~~ 2752
~~shall calculate this average utilizing the district's ADMreported~~ 2753
~~for fiscal years 1997 and 1998 pursuant to division (A) of section~~ 2754
~~3317.03 of the Revised Code, minus one half the kindergarten~~ 2755
~~students~~ "Recognized valuation" means the amount calculated for a 2756
school district pursuant to section 3317.015 of the Revised Code. 2757

~~(J) "Transportation ADM" means the number of children~~ 2758
~~reported under division (B)(9) of section 3317.03 of the Revised~~ 2759
~~Code.~~ 2760

~~(K) "Most efficient transportation use cost per transported~~ 2761
~~student" for a district means the most efficient cost per~~ 2762
~~transported student for that district as developed a statistical~~ 2763
representation of transportation costs as calculated under 2764
division (D)(4) of section 3317.022 of the Revised Code. 2765

(L) "Taxes charged and payable" means the taxes charged and payable against real and public utility property after making the reduction required by section 319.301 of the Revised Code, plus the taxes levied against tangible personal property.

(M) "Total taxable value" means the sum of the amounts certified for a city, local, exempted village, or joint vocational school district under divisions (A)(1) and (2) of section 3317.021 of the Revised Code.

(N)(1) "Cost-of-doing-business factor" means the amount indicated in this division for the county in which the district is located, adjusted in accordance with division (N)(2) of this section. If the district is located in more than one county, the factor is the amount indicated for the county to which the district is assigned by the state department of education.

COST-OF-DOING-BUSINESS

COUNTY	FACTOR AMOUNT
Adams	1.0100
Allen	1.0272
Ashland	1.0362
Ashtabula	1.0540
Athens	1.0040
Auglaize	1.0300
Belmont	1.0101
Brown	1.0218
Butler	1.0662
Carroll	1.0180
Champaign	1.0432
Clark	1.0489
Clermont	1.0498
Clinton	1.0287
Columbiana	1.0320

Coshocton	1.0224
Crawford	1.0174
Cuyahoga	1.0725
Darke	1.0360
Defiance	1.0214
Delaware	1.0512
Erie	1.0414
Fairfield	1.0383
Fayette	1.0281
Franklin	1.0548
Fulton	1.0382
Gallia	1.0000
Geauga	1.0608
Greene	1.0418
Guernsey	1.0091
Hamilton	1.0750
Hancock	1.0270
Hardin	1.0384
Harrison	1.0111
Henry	1.0389
Highland	1.0177
Hocking	1.0164
Holmes	1.0275
Huron	1.0348
Jackson	1.0176
Jefferson	1.0090
Knox	1.0276
Lake	1.0627
Lawrence	1.0154
Licking	1.0418
Logan	1.0376
Lorain	1.0573
Lucas	1.0449

Madison	1.0475
Mahoning	1.0465
Marion	1.0289
Medina	1.0656
Meigs	1.0016
Mercer	1.0209
Miami	1.0456
Monroe	1.0152
Montgomery	1.0484
Morgan	1.0168
Morrow	1.0293
Muskingum	1.0194
Noble	1.0150
Ottawa	1.0529
Paulding	1.0216
Perry	1.0185
Pickaway	1.0350
Pike	1.0146
Portage	1.0595
Preble	1.0523
Putnam	1.0308
Richland	1.0232
Ross	1.0111
Sandusky	1.0361
Scioto	1.0082
Seneca	1.0265
Shelby	1.0274
Stark	1.0330
Summit	1.0642
Trumbull	1.0465
Tuscarawas	1.0109
Union	1.0488
Van Wert	1.0181

Vinton	1.0065
Warren	1.0678
Washington	1.0124
Wayne	1.0446
Williams	1.0316
Wood	1.0431
Wyandot	1.0227

(2) As used in this division, "multiplier" means the number 2871
for the corresponding fiscal year as follows: 2872

FISCAL YEAR OF THE

COMPUTATION

MULTIPLIER

1998	9.6/7.5
1999	11.0/7.5
2000	12.4/7.5
2001	13.8/7.5
2002	15.2/7.5
2003	<u>16.6/7.5</u>
2004 and thereafter	18.0/7.5

Beginning in fiscal year 1998, the department shall annually 2882
adjust the cost-of-doing-business factor for each county in 2883
accordance with the following formula: 2884

[(The cost-of-doing-business factor specified under division 2885
(N)(1) of this section - 1) X (the multiplier for the fiscal year 2886
of the calculation)] + 1 2887

The result of such formula shall be the adjusted 2888
cost-of-doing-business factor for that fiscal year. 2889

(O) "Tax exempt value" of a school district means the amount 2890
certified for a school district under division (A)(4) of section 2891
3317.021 of the Revised Code. 2892

(P) "Potential value" of a school district means the adjusted 2893
total taxable value of a school district plus the tax exempt value 2894

of the district. 2895

(Q) "District median income" means the median Ohio adjusted 2896
gross income certified for a school district. On or before the 2897
first day of July of each year, the tax commissioner shall certify 2898
to the department of education for each city, exempted village, 2899
and local school district the median Ohio adjusted gross income of 2900
the residents of the school district determined on the basis of 2901
tax returns filed for the second preceding tax year by the 2902
residents of the district. 2903

(R) "Statewide median income" means the median district 2904
median income of all city, exempted village, and local school 2905
districts in the state. 2906

(S) "Income factor" for a city, exempted village, or local 2907
school district means the quotient obtained by dividing that 2908
district's median income by the statewide median income. 2909

(T) "Valuation Except as provided in division (B)(3) of 2910
section 3317.012 Of the Revised Code, "valuation per pupil" for a 2911
city, exempted village, or local school district means the 2912
district's recognized valuation divided by the greater of the 2913
district's formula ADM or three-year average formula ADM. 2914

(U) Except as provided in section 3317.0213 of the Revised 2915
Code, "adjusted valuation per pupil" means the amount calculated 2916
in accordance with the following formula: 2917

District valuation per pupil - [\$60,000 X (1 - district income 2918
factor)] 2919

If the result of such formula is negative, the adjusted 2920
valuation per pupil shall be zero. 2921

(V) "Income adjusted valuation" means the product obtained by 2922
multiplying the district's adjusted valuation per pupil by the 2923
greater of the district's formula ADM or three-year average 2924

<u>formula ADM.</u>	2925
(W) <u>"Adjusted Except as provided in division (A)(2) of section 3317.022 Of the Revised Code, "adjusted total taxable value" means one of the following:</u>	2926
	2927
	2928
(1) In any fiscal year that a district's income factor is less than or equal to one, the amount calculated under the following formula:	2929
	2930
	2931
(Income adjusted valuation X 1/5) + (recognized valuation X 4/5)	2932
(2) In fiscal year 1999, if a district's income factor is greater than one, the amount calculated under the following formula:	2933
	2934
	2935
(Income adjusted valuation X 1/15) + (recognized valuation X 14/15)	2936
	2937
Thereafter, the adjusted total taxable value of a district with an income factor greater than one shall be its recognized valuation.	2938
	2939
	2940
(X) "Recognized valuation" means the amount calculated for a school district pursuant to section 3317.015 of the Revised Code.	2941
	2942
(Y) "CountyMR/DD board" means a county board of mental retardation and developmental disabilities.	2943
	2944
(Z) "Handicapped preschool child" means a handicapped child, as defined in section 3323.01 of the Revised Code, who is at least age three but is not of compulsory school age, as defined in section 3321.01 of the Revised Code, and who has not entered kindergarten.	2945
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(AA) "FY 1997 or FY 1998ADM" means for either fiscal year, as applicable, the district's average daily membership as described by division (A) of former section 3317.02 of the Revised Code, plus the district's average daily membership based upon full-time equivalency in approved vocational units as certified by the	2950
	2951
	2952
	2953
	2954

~~district under division (A)(2) of former section 3317.03 of the Revised Code and the district's average daily membership of all handicapped children, except for preschool handicapped children, in classes in the district as certified under division (a)(3) of former section 3317.03 of the Revised Code, as those divisions and sections existed in the applicable fiscal year.~~

Sec. 3317.021. (A) On or before the first day of June of each year, the tax commissioner shall certify to the department of education the following information for each city, exempted village, and local school district and the information required by divisions (A)(1) and (2) of this section for each joint vocational school district, and it shall be used, along with the information certified under division (B) of this section, in making the computations for the district under section 3317.022 or 3317.16 of the Revised Code:

(1) The taxable value of real and public utility real property in the school district subject to taxation in the preceding tax year, by class and by county of location;

(2) The taxable value of tangible personal property, including public utility personal property, subject to taxation by the district for the preceding tax year;

(3) The total property tax rate and total taxes charged and payable for the current expenses for the preceding tax year and the total property tax rate and the total taxes charged and payable to a joint vocational district for the preceding tax year that are limited to or to the extent apportioned to current expenses;

(4) The value of all real and public utility real property in the school district exempted from taxation minus both of the following:

(a) The value of real and public utility real property in the district owned by the United States government and used exclusively for a public purpose;

(b) The value of real and public utility real property in the district exempted from taxation under Chapter 725. or 1728. or section 3735.67, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code.

(5) The total effective operating tax rate for the district in the tax year for which the most recent data are available.

(B) On or before the first day of May each year, the tax commissioner shall certify to the department of education the total taxable real property value of railroads and, separately, the total taxable tangible personal property value of all public utilities for the preceding tax year, by school district and by county of location.

(C) If on the basis of the information certified under division (A) of this section, the department determines that any district fails in any year to meet the qualification requirement specified in division (A) of section 3317.01 of the Revised Code, the department shall immediately request the tax commissioner to determine the extent to which any school district income tax levied by the district under Chapter 5748. of the Revised Code shall be included in meeting that requirement. Within five days of receiving such a request from the department, the tax commissioner shall make the determination required by this division and report the quotient obtained under division (C)(3) of this section to the department. This quotient represents the number of mills that the department shall include in determining whether the district meets the qualification requirement of division (A) of section 3317.01 of the Revised Code.

The tax commissioner shall make the determination required by

this division as follows: 3016

(1) Multiply one mill times the total taxable value of the 3017
district as determined in divisions (A)(1) and (2) of this 3018
section; 3019

(2) Estimate the total amount of tax liability for the 3020
current tax year under taxes levied by Chapter 5748. of the 3021
Revised Code that are apportioned to current operating expenses of 3022
the district; 3023

(3) Divide the amount estimated under division (C)(2) of this 3024
section by the product obtained under division (C)(1) of this 3025
section. 3026

(D) As used in this section: 3027

(1) "Class I taxes charged and payable for current expenses" 3028
means taxes charged and payable for current expenses on land and 3029
improvements classified as residential/agricultural real property 3030
under section 5713.041 of the Revised Code. 3031

(2) "Class I taxable value" means the taxable value of land 3032
and improvements classified as residential/agricultural real 3033
property under section 5713.041 of the Revised Code. 3034

(3) "Class I effective operating tax rate" of a school 3035
district means the quotient obtained by dividing the school 3036
district's Class I taxes charged and payable for current expenses 3037
by the district's Class I taxable value. 3038

(4) "Income tax equivalent tax rate" of a school district 3039
means the quotient obtained by dividing the income tax ~~liability~~ 3040
~~for the most recently concluded~~ revenue disbursed during the 3041
current fiscal year under any tax levied pursuant to Chapter 5748. 3042
of the Revised Code by total taxable value of the district to the 3043
extent the revenue from the tax is allocated or apportioned to 3044
current expenses. 3045

(5) "Total effective operating tax rate" means the sum of the Class I effective operating tax rate and the income tax equivalent tax rate.

~~(6) "State taxable value per pupil" means the quotient obtained by dividing the total taxable value of all city, local, and exempted village school districts in this state by the sum of the formula ADMs of all city, local, and exempted village school districts in this state.~~

Sec. 3317.022. (A)(1) The department of education shall compute and distribute state basic aid to each school district for the fiscal year in accordance with the following formula, using adjusted total taxable value as defined under division (W) of section 3317.02 of the Revised Code or division (A)(2) of this section and the information obtained under section 3317.021 of the Revised Code in the calendar year in which the fiscal year begins.

Compute the following for each eligible district:

~~[(cost-of-doing-business factor X the formula amount X (the greater of formula ADM or three-year average formula ADM)] - (.023 X adjusted total taxable value)~~

If the difference obtained is a negative number, the district's computation shall be zero.

(2)(a) For each school district for which the tax exempt value of the district equals or exceeds twenty-five per cent of the potential value of the district, the department of education shall calculate the difference between the district's tax exempt value and twenty-five per cent of the district's potential value.

(b) For each school district to which division (A)(2)(a) of this section applies, the adjusted total taxable value used in the calculation under division (A)(1) of this section shall be the adjusted total taxable value modified by subtracting the amount

calculated under division (A)(2)(a) of this section. 3076

(B) As used in division (C) of this section and in section 3077
3317.024 of the Revised Code: 3078

(1) The "total special education weight" for a district means 3079
the sum of the following amounts: 3080

(a) The district's category one special education ADM 3081
multiplied by the multiple specified under division (A) of section 3082
3317.013 of the Revised Code; 3083

(b) The sum of the district's category two and category three 3084
special education ADMs multiplied by the multiple specified under 3085
division (B) of section 3317.013 of the Revised Code. 3086

(2) "State share percentage" means the percentage calculated 3087
for a district as follows: 3088

(a) Calculate the basic aid amount for the district for the 3089
fiscal year under division (A) of this section. If the district 3090
would not receive any state basic aid for that year under that 3091
division, the district's state share percentage is zero. 3092

(b) If the district would receive basic aid under that 3093
division, divide that basic aid amount by an amount equal to the 3094
following: 3095

Cost-of-doing-business factor X the formula amount X (the greater 3096
of formula ADM or three-year average formula ADM) 3097
3098

The resultant number is the district's state share 3099
percentage. 3100

(3) "Related services" includes: 3101

(a) Child study, special education supervisors and 3102
coordinators, speech and hearing services, adaptive physical 3103
development services, and occupational or physical therapy, as 3104
those terms are defined by the department; 3105

(b) Speech and language services provided to any student with a handicap, including any student whose primary or only handicap is a speech and language handicap; 3106
3107
3108

(c) Any related service not specifically covered by other state funds but specified in federal law, including but not limited to, audiology and psychology; 3109
3110
3111

(d) Any service included in units funded under former division (O)(1) of section 3317.023 of the Revised Code. 3112
3113

(C)(1) The department shall compute and distribute state basic special education and related services additional weighted costs funds to each school district in accordance with the following formula: 3114
3115
3116
3117

The district's state share percentage 3118

X ~~seven-eighths~~ of the formula amount for the year 3119

for which the aid is calculated 3120

X the district's total special education weight 3121

(2) In any fiscal year, a school district receiving funds under division (C)(1) of this section shall spend on related services the lesser of the following: 3122
3123
3124

(a) The amount the district spent on related services in the preceding fiscal year; 3125
3126

(b) 1/8 X [cost-of-doing-business factor X the formula amount X (the category one special education ADM + category two special education ADM + category three special education ADM)] + the amount calculated for the fiscal year under division (C)(1) of this section + the local share of special education and related services additional weighted costs 3127
3128
3129
3130
3131
3132

(3) The local share of special education and related services additional weighted costs equals: 3133
3134

(1 - the district's state share percentage) X the district's total 3135

special education weight X the formula amount 3136

(4) The department shall compute and pay in accordance with 3137
this division additional state aid to school districts for 3138
students in category three special education ADM. If a district's 3139
costs for the fiscal year for a student in its category three 3140
special education ADM are twenty-five thousand dollars or more, 3141
the district may submit to the superintendent of public 3142
instruction documentation, as prescribed by the superintendent, of 3143
all its costs for that student. Upon submission of documentation 3144
for a student of the type and in the manner prescribed, the 3145
department shall pay to the district an amount equal to the 3146
district's costs for the student in excess of twenty-five thousand 3147
dollars multiplied by the district's state share percentage. 3148

(D)(1) As used in this division, "log density" means a 3149
~~statistical representation of the most efficient transportation~~ 3150
~~use cost per transported student for each district based on a~~ 3151
~~statewide analysis~~ the logarithmic calculation (base 10) of each 3152
district's transportation ADM per linear mile. 3153

(2) In addition to funds paid under divisions (A) and (C) of 3154
this section, each district shall receive a payment equal to sixty 3155
per cent of the district's transportation ADM times the district's 3156
most efficient transportation use cost per transported student. 3157

(3) In fiscal years 1999 through 2002, notwithstanding the 3158
amount calculated for each district under division (D)(2) of this 3159
section, each district shall receive in the corresponding fiscal 3160
year the following percentage of the district's transportation ADM 3161
times the district's most efficient transportation use cost per 3162
transported student: 3163

FISCAL YEAR	PERCENTAGE
1999	50%
2000	52.5%
2001	55%

2002

57.5%

(4) For purposes of funding the student transportation 3169
portion, the department of education shall determine the most 3170
efficient transportation use cost per transported student for each 3171
school district. This cost per student shall be an amount equal to 3172
the number ten to a power calculated in accordance with the 3173
following formula: 3174

$$(-0.413148 \times \log \text{ density}) + 2.493129 \quad 3175$$

(5) The department of education shall ~~biennially~~ annually 3176
update the most efficient transportation use cost per transported 3177
student for each district in accordance with the formula in 3178
division (D)(4) of this section, including the figures and log 3179
density component of that formula, based on a ~~a~~ an annual statewide 3180
analysis of each district's transportation ADM per linear mile, 3181
and shall notify the office of budget and management of such 3182
update by September of ~~each even-numbered~~ every year. 3183

The department of education shall use the most recent 3184
available data as of the first day of July of each year to 3185
complete the annual update. The department shall apply a 2.8 per 3186
cent inflation cost adjustment factor for each fiscal year since 3187
the fiscal year for which the data applies to adjust the amount 3188
calculated for each district under division (D)(2) or (3) of this 3189
section to the current fiscal year level. 3190

(6) In addition to funds paid under division (D)(2) or (3) of 3191
this section, each district shall receive in accordance with rules 3192
adopted by the state board of education a payment for students 3193
transported by means other than board-owned or contractor-operated 3194
buses and whose transportation is not funded under division (J) of 3195
section 3317.024 of the Revised Code. The rules shall include 3196
provisions for school district reporting of such students. 3197

3198

Sec. 3317.023. (A) Notwithstanding section 3317.022 of the 3199
Revised Code, the amounts required to be paid to a district under 3200
~~that section~~ this chapter shall be adjusted by the amount of the 3201
computations made under divisions (B) to ~~(J)~~(K) of this section. 3202

As used in this section: 3203

(1) "Classroom teacher" means a licensed employee who 3204
provides direct instruction to pupils, excluding teachers funded 3205
from money paid to the district from federal sources; educational 3206
service personnel; and vocational and special education teachers. 3207

(2) "Educational service personnel" shall not include such 3208
specialists funded from money paid to the district from federal 3209
sources or assigned full-time to vocational or special education 3210
students and classes and may only include those persons employed 3211
in the eight specialist areas in a pattern approved by the 3212
department of education under guidelines established by the state 3213
board of education. 3214

(3) "Annual salary" means the annual base salary stated in 3215
the state minimum salary schedule for the performance of the 3216
teacher's regular teaching duties that the teacher earns for 3217
services rendered for the first full week of October of the fiscal 3218
year for which the adjustment is made under division (C) of this 3219
section. It shall not include any salary payments for supplemental 3220
teachers contracts. 3221

(4) "Regular student population" means the formula ADM plus 3222
the number of students reported as enrolled in the district 3223
pursuant to division (A)(1) of section 3313.981 Of the Revised 3224
Code; minus the number of students reported under division (A)(2) 3225
of section 3317.03 of the Revised Code ~~and;~~ minus the FTE of 3226
students reported under division (B)(5), (6), (7), or (8) of that 3227
section who are enrolled in a vocational education class or 3228

receiving special education⁷ⁱ and minus one-fourth of the students 3229
enrolled concurrently in a joint vocational school district. 3230

(B) If the district employs less than one full-time 3231
equivalent classroom teacher for each twenty-five pupils in the 3232
regular student population in any school district, deduct the sum 3233
of the amounts obtained from the following computations: 3234

(1) Divide the number of the district's full-time equivalent 3235
classroom teachers employed by one twenty-fifth; 3236

(2) Subtract the quotient in (1) from the district's regular 3237
student population; 3238

(3) Multiply the difference in (2) by seven hundred fifty-two 3239
dollars. 3240

(C) If a positive amount, add one-half of the amount obtained 3241
by multiplying the number of full-time equivalent classroom 3242
teachers by: 3243

(1) The mean annual salary of all full-time equivalent 3244
classroom teachers employed by the district at their respective 3245
training and experience levels minus; 3246

(2) The mean annual salary of all such teachers at their 3247
respective levels in all school districts receiving payments under 3248
this section. 3249

The number of full-time equivalent classroom teachers used in 3250
this computation shall not exceed one twenty-fifth of the 3251
district's regular student population. In calculating the 3252
district's mean salary under this division, those full-time 3253
equivalent classroom teachers with the highest training level 3254
shall be counted first, those with the next highest training level 3255
second, and so on, in descending order. Within the respective 3256
training levels, teachers with the highest years of service shall 3257
be counted first, the next highest years of service second, and so 3258

on, in descending order. 3259

(D) This division does not apply to a school district that 3260
has entered into an agreement under division (A) of section 3261
3313.42 of the Revised Code. Deduct the amount obtained from the 3262
following computations if the district employs fewer than five 3263
full-time equivalent educational service personnel, including 3264
elementary school art, music, and physical education teachers, 3265
counselors, librarians, visiting teachers, school social workers, 3266
and school nurses for each one thousand pupils in the regular 3267
student population: 3268

(1) Divide the number of full-time equivalent educational 3269
service personnel employed by the district by five 3270
one-thousandths; 3271

(2) Subtract the quotient in (1) from the district's regular 3272
student population; 3273

(3) Multiply the difference in (2) by ninety-four dollars. 3274

(E) If a local school district, or a city or exempted village 3275
school district to which a governing board of an educational 3276
service center provides services pursuant to section 3313.843 of 3277
the Revised Code, deduct the amount of the payment required for 3278
the reimbursement of the governing board under section 3317.11 of 3279
the Revised Code. 3280

(F)(1) If the district is required to pay to or entitled to 3281
receive tuition from another school district under division (C)(2) 3282
or (3) of section 3313.64 or section 3313.65 of the Revised Code, 3283
or if the superintendent of public instruction is required to 3284
determine the correct amount of tuition and make a deduction or 3285
credit under section 3317.08 of the Revised Code, deduct and 3286
credit such amounts as provided in division (I) of section 3313.64 3287
or section 3317.08 of the Revised Code. 3288

(2) For each child for whom the district is responsible for 3289
tuition or payment under division (A)(1) of section 3317.082 or 3290
section 3323.091 of the Revised Code, deduct the amount of tuition 3291
or payment for which the district is responsible. 3292

(G) If the district has been certified by the superintendent 3293
of public instruction under section 3313.90 of the Revised Code as 3294
not in compliance with the requirements of that section, deduct an 3295
amount equal to ten per cent of the amount computed for the 3296
district under section 3317.022 of the Revised Code. 3297

(H) If the district has received a loan from a commercial 3298
lending institution for which payments are made by the 3299
superintendent of public instruction pursuant to division (E)(3) 3300
of section 3313.483 of the Revised Code, deduct an amount equal to 3301
such payments. 3302

(I)(1) If the district is a party to an agreement entered 3303
into under division (D), (E), or (F) of section 3311.06 or 3304
division (B) of section 3311.24 of the Revised Code and is 3305
obligated to make payments to another district under such an 3306
agreement, deduct an amount equal to such payments if the district 3307
school board notifies the department in writing that it wishes to 3308
have such payments deducted. 3309

(2) If the district is entitled to receive payments from 3310
another district that has notified the department to deduct such 3311
payments under division (I)(1) of this section, add the amount of 3312
such payments. 3313

(J) If the district is required to pay an amount of funds to 3314
a cooperative education district pursuant to a provision described 3315
by division (B)(4) of section 3311.52 or division (B)(8) of 3316
section 3311.521 of the Revised Code, deduct such amounts as 3317
provided under that provision and credit those amounts to the 3318
cooperative education district for payment to the district under 3319

division (B)(1) of section 3317.19 of the Revised Code. 3320

(K)(1) If a district is educating a student entitled to 3321
attend school in another district pursuant to a shared education 3322
contract, compact, or cooperative education agreement other than 3323
an agreement entered into pursuant to section 3313.842 of the 3324
Revised Code, credit to that educating district on an FTE basis 3325
both of the following: 3326

(a) An amount equal to the formula amount times the cost of 3327
doing business factor of the school district where the student is 3328
entitled to attend school pursuant to section 3313.64 or 3313.65 3329
of the Revised Code; 3330

(b) An amount equal to the formula amount times the state 3331
share percentage times any multiple applicable to the student 3332
pursuant to section 3317.013 of the Revised Code. 3333

(2) Deduct any amount credited pursuant to division (K)(1) of 3334
this section from amounts paid to the school district in which the 3335
student is entitled to attend school pursuant to section 3313.64 3336
or 3313.65 of the Revised Code. 3337

(3) If the district is required by a shared education 3338
contract, compact, or cooperative education agreement to make 3339
payments to an educational service center, deduct the amounts from 3340
payments to the district and add them to the amounts paid to the 3341
service center pursuant to section 3317.11 Of the Revised Code. 3342

Sec. 3317.024. In addition to the moneys paid to eligible 3343
school districts pursuant to section 3317.022 of the Revised Code, 3344
moneys appropriated for the education programs in divisions (A) to 3345
(L), ~~and (O) to (Q)~~, and (P) of this section shall be distributed 3346
to school districts meeting the requirements of section 3317.01 of 3347
the Revised Code; in the case of divisions (I) and (J) and, in 3348
fiscal year 1999 only, division (P)(1) of this section, to 3349

educational service centers as provided in section 3317.11 of the Revised Code; in the case of ~~division~~ divisions (E), (M), and (N) of this section, to county MR/DD boards; in the case of division (I) of this section, to joint vocational and cooperative education school districts; in the case of division (K) of this section, to cooperative education school districts; ~~in the case of divisions (M) and (N) of this section, to county MR/DD boards;~~ and in the case of division ~~(R)~~(Q) of this section, to the institutions defined under section 3317.082 of the Revised Code providing elementary or secondary education programs to children other than children receiving special education under section 3323.091 of the Revised Code. The following shall be distributed monthly, quarterly, or annually as may be determined by the state board of education:

~~(A)(1) An amount for related services equal to one eighth of the district's total special education weight times the formula amount times the district's state share percentage.~~

~~(2) In any fiscal year, a school district receiving funds under this division shall spend on related services at least the lesser of:~~

~~(a) The amount the district spent on related services in the preceding fiscal year;~~

~~(b) The sum of the amount it receives under this division in state funds plus an amount equal to the local share of related services costs.~~

~~(3) As used in this division:~~

~~(a) "Local share of related services costs" equals the amount calculated under the following formula:~~

~~{(1 minus the district's state share) X 1/8 of the district's total special education weight X the formula amount}~~

~~(b) "Related services" means programs and services related to the provision of special education to handicapped students, and includes child study; special education supervisors and coordinators; speech and hearing services; adaptive physical development services; and occupational or physical therapy, as those terms are defined by the department of education. A per pupil amount to each school district that establishes a summer school remediation program that complies with rules of the state board of education.~~

(B) An amount for each island school district and each joint state school district for the operation of each high school and each elementary school maintained within such district and for capital improvements for such schools. Such amounts shall be determined on the basis of standards adopted by the state board of education.

(C) An amount for each school district operating classes for children of migrant workers who are unable to be in attendance in an Ohio school during the entire regular school year. The amounts shall be determined on the basis of standards adopted by the state board of education, except that payment shall be made only for subjects regularly offered by the school district providing the classes.

(D) An amount for each school district with guidance, testing, and counseling programs approved by the state board of education. The amount shall be determined on the basis of standards adopted by the state board of education.

(E) An amount for the emergency purchase of school buses as provided for in section 3317.07 of the Revised Code;

(F) An amount for each school district required to pay tuition for a child in an institution maintained by the department of youth services pursuant to section 3317.082 of the Revised

Code, provided the child was not included in the calculation of 3411
the district's average daily membership for the preceding school 3412
year. 3413

(G) An amount to each school district for supplemental salary 3414
allowances for each licensed employee except those licensees 3415
serving as superintendents, assistant superintendents, principals, 3416
or assistant principals, whose term of service in any year is 3417
extended beyond the term of service of regular classroom teachers, 3418
as described in section 3301.0725 of the Revised Code; 3419

(H) An amount for adult basic literacy education for each 3420
district participating in programs approved by the state board of 3421
education. The amount shall be determined on the basis of 3422
standards adopted by the state board of education. 3423

(I) Notwithstanding section 3317.01 of the Revised Code, to 3424
each city, local, and exempted village school district, an amount 3425
pursuant to section 3301.17 of the Revised Code for conducting 3426
driver education courses at high schools for which the state board 3427
of education prescribes minimum standards and to joint vocational 3428
and cooperative education school districts and educational service 3429
centers, an amount pursuant to such section for conducting driver 3430
education courses to pupils enrolled in a high school for which 3431
the state board prescribes minimum standards; 3432

(J) An amount for the approved cost of transporting 3433
developmentally handicapped pupils whom it is impossible or 3434
impractical to transport by regular school bus in the course of 3435
regular route transportation provided by the district or service 3436
center. No district or service center is eligible to receive a 3437
payment under this division for the cost of transporting any pupil 3438
whom it transports by regular school bus and who is included in 3439
the district's transportation ADM. The state board of education 3440
shall establish standards and guidelines for use by the department 3441

of education in determining the approved cost of such 3442
transportation for each district or service center. 3443

(K) An amount to each school district, including each 3444
cooperative education school district, pursuant to section 3313.81 3445
of the Revised Code to assist in providing free lunches to needy 3446
children and an amount to assist needy school districts in 3447
purchasing necessary equipment for food preparation. The amounts 3448
shall be determined on the basis of rules adopted by the state 3449
board of education. 3450

(L) An amount to each school district, for each pupil 3451
attending a chartered nonpublic elementary or high school within 3452
the district. The amount shall equal the amount appropriated for 3453
the implementation of section 3317.06 of the Revised Code divided 3454
by the average daily membership in grades kindergarten through 3455
twelve in nonpublic elementary and high schools within the state 3456
as determined during the first full week in October of each school 3457
year. 3458

(M) An amount for each county MR/DD board, distributed on the 3459
basis of standards adopted by the state board of education, for 3460
the approved cost of transportation required for children 3461
attending special education programs operated by the county MR/DD 3462
board under section 3323.09 of the Revised Code; 3463

(N) An amount for each county MR/DD board, distributed on the 3464
basis of standards adopted by the state board of education, for 3465
supportive home services for preschool children; 3466

(O) An amount for each school district that establishes a 3467
mentor teacher program that complies with rules of the state board 3468
of education. No school district shall be required to establish or 3469
maintain such a program in any year unless sufficient funds are 3470
appropriated to cover the district's total costs for the program. 3471

(P) ~~A per pupil amount to each school district that~~ 3472

~~establishes a summer school remediation program that complies with~~ 3473
~~rules of the state board of education;~~ 3474

~~(Q)~~(1) For fiscal year 1999 only, an amount to each school 3475
district or educational service center for the total number of 3476
gifted units approved pursuant to section 3317.05 of the Revised 3477
Code. The amount for each such unit shall be the sum of the 3478
minimum salary for the teacher of the unit, calculated on the 3479
basis of the teacher's training level and years of experience 3480
pursuant to section 3317.13 of the Revised Code, plus fifteen per 3481
cent of that minimum salary amount, plus two thousand six hundred 3482
seventy-eight dollars. 3483

(2) Beginning with fiscal year 2000, an amount for each 3484
school district for programs for gifted students calculated under 3485
the following formula: 3486

State share percentage X [.10 (the greater of formula ADM or 3487
three-year average formula ADM) multiplied by .10 (formula 3488
amount)] 3489

No money shall be distributed to a school district under 3490
division ~~(Q)~~(P)(2) of this section in any fiscal year unless the 3491
superintendent has on file by the first day of that year a 3492
district plan specifying the manner in which funds will be 3493
utilized to serve gifted students and the method for selecting 3494
students to participate in gifted programs and activities. 3495

(3) Prior to October 1, 1998, the general assembly shall 3496
begin a review and revision of the funding formula for gifted 3497
education services. The analysis and any resulting calculations 3498
shall be based upon a rational methodology for calculating the 3499
cost of adequate gifted education services. The analysis shall use 3500
data generated by a study funded through the department of 3501
education. 3502

~~(R)~~(O) An amount to each institution defined under section 3503

3317.082 of the Revised Code providing elementary or secondary 3504
education to children other than children receiving special 3505
education under section 3323.091 of the Revised Code. This amount 3506
for any institution in any fiscal year shall equal the total of 3507
all tuition amounts required to be paid to the institution under 3508
division (A)(1) of section 3317.082 of the Revised Code. 3509

The state board of education or any other board of education 3510
or governing board may provide for any resident of a district or 3511
educational service center territory any educational service for 3512
which funds are made available to the board by the United States 3513
under the authority of public law, whether such funds come 3514
directly or indirectly from the United States or any agency or 3515
department thereof or through the state or any agency, department, 3516
or political subdivision thereof. 3517

Sec. 3317.029. (A) As used in this section: 3518

(1) "DPIA percentage" means the quotient obtained by dividing 3519
the five-year average number of children ages five to seventeen 3520
residing in the school district and living in a family receiving 3521
family assistance, as certified or adjusted under section 3317.10 3522
of the Revised Code, by the district's three-year average formula 3523
ADM. 3524

(2) "Family assistance" means assistance received under the 3525
Ohio works first program or, for the purpose of determining the 3526
five-year average number of recipients of family assistance in 3527
fiscal years 1999 through 2002, assistance received under an 3528
antecedent program known as TANF or ADC. 3529

(3) "Statewide DPIA percentage" means the five-year average 3530
of the total number of children ages five to seventeen years 3531
residing in the state and receiving family assistance, divided by 3532
the average of the sum of the three-year average formula ADMs 3533
reported for all school districts in the state for the current and 3534

~~preceding two fiscal years, provided that in fiscal years 1999 and 3535
2000, the department shall calculate this three year average 3536
utilizing district ADMs reported pursuant to the version of 3537
division (A) of section 3317.03 of the Revised Code in effect in 3538
fiscal years 1997 and 1998;.~~ 3539

~~(2)(4) "DPIA index" means the quotient obtained by dividing 3540
the school district's DPIA percentage by the statewide DPIA 3541
percentage;.~~ 3542

~~(3)(5) "Kindergarten ADM" means the number of students 3543
reported under section 3317.03 of the Revised Code as enrolled in 3544
kindergarten;.~~ 3545

~~(4)(6) "Kindergarten through third grade ADM" means the sum 3546
obtained by multiplying amount calculated as follows: 3547~~

~~(a) Multiply the kindergarten ADM by two, adding the sum of 3548
one plus the all-day kindergarten percentage; 3549~~

~~(b) Add the kindergarten ADM to the product calculated under 3550
division (A)(6)(a) of this section; 3551~~

~~(c) Add to the sum calculated under division (A)(6)(b) of 3552
this section the number of students in grades one through three, 3553
and subtracting; 3554~~

~~(d) Subtract from the sum calculated under division (A)(6)(c) 3555
of this section the number of special education students in grades 3556
one kindergarten through three;. 3557~~

~~(5)(7) "Statewide average teacher salary" means thirty-nine 3558
thousand ninety-two dollars, which includes an amount for the 3559
value of fringe benefits;.~~ 3560

~~(6) "Statewide formulaADM" means the sum total of the formula 3561
ADM for all school districts in the state; 3562~~

~~(7)(8) "All-day kindergarten" means a kindergarten class that 3563
is in session five days per week for not less than the same number 3564~~

of clock hours each day as for pupils in grades one through six. 3565

3566

(9) "All-day kindergarten percentage" means the percentage of 3567
a district's actual total number of students enrolled in 3568
kindergarten who are enrolled in classes that are in session five 3569
days per week for not less than the same number of clock hours 3570
each day as for pupils in grades one through six; all-day 3571
kindergarten. 3572

~~(8)~~(10) "Buildings with the highest concentration of need" 3573
means the school buildings in a district with percentages of 3574
students receiving family assistance in grades kindergarten 3575
through three at least as high as the district-wide percentage of 3576
students receiving family assistance. If, however, the information 3577
provided by the department of human services under section 3317.10 3578
of the Revised Code is insufficient to determine the family 3579
assistance percentage in each building, "buildings with the 3580
highest concentration of need" has the meaning given in rules that 3581
the department of education shall adopt. The rules shall base the 3582
definition of "buildings with the highest concentration of need" 3583
on family income of students in grades kindergarten through three 3584
in a manner that, to the extent possible with available data, 3585
approximates the intent of this division and division (G) of this 3586
section to designate buildings where the family assistance 3587
percentage in those grades equals or exceeds the district-wide 3588
family assistance percentage. 3589

(B) In addition to the amounts required to be paid to a 3590
school district under section 3317.022 of the Revised Code, a 3591
school district shall receive the greater of the amount the 3592
district received in fiscal year 1998 pursuant to division (B) of 3593
section 3317.023 of the Revised Code as it existed at that time or 3594
the ~~amount of the~~ sum of the ~~following~~ computations made under 3595
divisions (C) to (E) of this section. 3596

(C) A supplemental payment that may be utilized for measures 3597
related to safety and security and for remediation or similar 3598
programs, calculated as follows: 3599

(1) If the DPIA index of the school district is greater than 3600
or equal to thirty-five-hundredths, but less than one, an amount 3601
obtained by multiplying the five-year average number of pupils in 3602
a district receiving family assistance by two hundred thirty 3603
dollars; 3604

(2) If the DPIA index of the school district is greater than 3605
or equal to one, an amount obtained by multiplying the DPIA index 3606
by two hundred thirty dollars and multiplying that product by the 3607
five-year average number of pupils in a district receiving family 3608
assistance. 3609

(D) A payment for all-day kindergarten if the DPIA index of 3610
the school district is greater than or equal to one or if the 3611
district's three-year average formula ADM exceeded seventeen 3612
thousand five hundred, calculated by multiplying the all-day 3613
kindergarten percentage by the kindergarten ADM and multiplying 3614
that product by the formula amount. 3615

(E) A class-size reduction payment based on calculating the 3616
number of new teachers necessary to achieve a lower 3617
student-teacher ratio, as follows: 3618

(1) Determine or calculate a formula number of teachers per 3619
one thousand students based on the DPIA index of the school 3620
district as follows: 3621

(a) If the DPIA index of the school district is less than 3622
six-tenths, the formula number of teachers is 43.478, which is the 3623
number of teachers per one thousand students at a student-teacher 3624
ratio of twenty-three to one; 3625

(b) If the DPIA index of the school district is greater than 3626

or equal to six-tenths, but less than two and one-half, the 3627
formula number of teachers is calculated as follows: 3628

$$43.478 + [(DPIA \text{ index} - 0.6) / 1.9] \times 23.188 \quad 3629$$

Where 43.478 is the number of teachers per one thousand 3630
students at a student-teacher ratio of twenty-three to one; 1.9 is 3631
the interval from a DPIA index of six-tenths to a DPIA index of 3632
two and one-half; and 23.188 is the difference in the number of 3633
teachers per one thousand students at a student-teacher ratio of 3634
fifteen to one and the number of teachers per one thousand 3635
students at a student-teacher ratio of twenty-three to one. 3636

(c) If the DPIA index of the school district is greater than 3637
or equal to two and one-half, the formula number of teachers is 3638
66.667, which is the number of teachers per one thousand students 3639
at a student-teacher ratio of fifteen to one. 3640

(2) Multiply the formula number of teachers determined or 3641
calculated in division (E)(1) of this section by the kindergarten 3642
through third grade ADM for the district and divide that product 3643
by one thousand; 3644

(3) Calculate the number of new teachers as follows: 3645

(a) Multiply the kindergarten through third grade ADM by 3646
43.478, which is the number of teachers per one thousand students 3647
at a student-teacher ratio of twenty-three to one, and divide that 3648
product by one thousand; 3649

(b) Subtract the quotient obtained in division (E)(3)(a) of 3650
this section from the product in division (E)(2) of this section. 3651

(4) Multiply the greater of the difference obtained under 3652
division (E)(3) of this section or zero by the statewide average 3653
teachers salary. 3654

(F) This division applies only to school districts whose DPIA 3655
index is one or greater. 3656

(1) Each school district subject to this division shall first 3657
utilize funds received under this section so that, when combined 3658
with other funds of the district, sufficient funds exist to 3659
provide all-day kindergarten to at least the number of children in 3660
the district's all-day kindergarten percentage. 3661

(2) Up to an amount equal to the district's DPIA index 3662
multiplied by the five-year average number of pupils in a district 3663
receiving family assistance multiplied by two hundred thirty 3664
dollars of the money distributed under this section may be 3665
utilized for one or both of the following: 3666

(a) Programs designed to ensure that schools are free of 3667
drugs and violence and have a disciplined environment conducive to 3668
learning; 3669

(b) Remediation for students who have failed or are in danger 3670
of failing any of the proficiency tests administered pursuant to 3671
section 3301.0710 of the Revised Code. 3672

(3) Except as otherwise required by division (G) of this 3673
section, all other funds distributed under this section to 3674
districts subject to this division ~~under this section~~ shall be 3675
utilized for the purpose of the third grade guarantee. The third 3676
grade guarantee consists of increasing the amount of instructional 3677
attention received per pupil in kindergarten through third grade, 3678
either by reducing the ratio of students to instructional 3679
personnel or by increasing the amount of instruction and 3680
curriculum-related activities by extending the length of the 3681
school day or the school year. 3682

School districts may implement a reduction of the ratio of 3683
students to instructional personnel through any or all of the 3684
following methods: 3685

(a) Reducing the number of students in a classroom taught by 3686
a single teacher; 3687

(b) Employing full-time educational aides or educational 3688
paraprofessionals issued a permit or license under section 3689
3319.088 of the Revised Code; 3690

(c) Instituting a team-teaching method that will result in a 3691
lower student-teacher ratio in a classroom. 3692

Districts may extend the school day either by increasing the 3693
amount of time allocated for each class, increasing the number of 3694
classes provided per day, offering optional academic-related 3695
after-school programs, providing curriculum-related extra 3696
curricular activities, or establishing tutoring or remedial 3697
services for students who have demonstrated an educational need. 3698
In accordance with section 3319.089 of the Revised Code, a 3699
district extending the school day pursuant to this division may 3700
utilize a participant of the work experience program who has a 3701
child enrolled in a public school in that district and who is 3702
fulfilling the work requirements of that program by volunteering 3703
or working in that public school. If the work experience program 3704
participant is compensated, the school district may use the funds 3705
distributed under this section for all or part of the 3706
compensation. 3707

Districts may extend the school year either through adding 3708
regular days of instruction to the school calendar or by providing 3709
summer programs. 3710

(G) Each district subject to division (F) of this section 3711
shall not expend any funds received under division (E) of this 3712
section in any school buildings that are not buildings with the 3713
highest concentration of need, unless there is a ratio of 3714
instructional personnel to students of no more than fifteen to one 3715
in each kindergarten and first grade class in all buildings with 3716
the highest concentration of need. This division does not require 3717
that the funds used in buildings with the highest concentration of 3718

need be spent solely to reduce the ratio of instructional 3719
personnel to students in kindergarten and first grade. A school 3720
district may spend the funds in those buildings in any manner 3721
permitted by division (F)(3) of this section, but may not spend 3722
the money in other buildings unless the fifteen-to-one ratio 3723
required by this division is attained. 3724

(H)(1) By the first day of August of each fiscal year, each 3725
school district wishing to receive any funds under division (D) of 3726
this section shall ~~certify~~ submit to the department of education 3727
an estimate of its all-day kindergarten percentage. Each district 3728
shall update its estimate throughout the fiscal year in the form 3729
and manner required by the department, and the department shall 3730
adjust payments under this section to reflect the updates. 3731

(2) Annually by the end of December, the department of 3732
education, utilizing data from the information system established 3733
under section 3301.0714 of the Revised Code and after consultation 3734
with the legislative office of education oversight, shall 3735
determine for each school district subject to division (F) of this 3736
section whether in the preceding fiscal year the district's ratio 3737
of instructional personnel to students; and its number of 3738
kindergarten students receiving all-day kindergarten appear 3739
reasonable, given the amounts of money the district received for 3740
that fiscal year pursuant to divisions (D) and (E) of this 3741
section. If the department is unable to verify from the data 3742
available that students are receiving reasonable amounts of 3743
instructional attention and all-day kindergarten, given the funds 3744
the district has received under this section and that class-size 3745
reduction funds are being used in school buildings with the 3746
highest concentration of need as required by division (G) of this 3747
section, the department shall conduct a more intensive 3748
investigation to ensure that funds have been expended as required 3749
by this section. The department shall file an annual report of its 3750

findings under this division with the chairpersons of the 3751
committees in each house of the general assembly dealing with 3752
finance and education. 3753

(I) Any school district with a DPIA index less than one and a 3754
three-year average formula ADM exceeding seventeen thousand five 3755
hundred shall first utilize funds received under this section so 3756
that, when combined with other funds of the district, sufficient 3757
funds exist to provide all-day kindergarten to at least the number 3758
of children in the district's all-day kindergarten percentage. 3759
Such a district shall expend at least seventy per cent of the 3760
remaining funds received under this section, and any other 3761
district with a DPIA index less than one shall expend at least 3762
seventy per cent of ~~the~~ all funds received under this section, for 3763
any of the following purposes: 3764

- (1) The purchase of technology for instructional purposes; 3765
- (2) All-day kindergarten; 3766
- (3) Reduction of class sizes; 3767
- (4) Summer school remediation; 3768
- (5) Dropout prevention programs; 3769
- (6) Guaranteeing that all third graders are ready to progress 3770
to more advanced work; 3771
- (7) Summer education and work programs; 3772
- (8) Adolescent pregnancy programs; 3773
- (9) Head start or preschool programs; 3774
- (10) Reading improvement programs described by the department 3775
of education; 3776
- (11) Programs designed to ensure that schools are free of 3777
drugs and violence and have a disciplined environment conducive to 3778
learning; 3779

(12) Furnishing, free of charge, materials used in courses of instruction, except for the necessary textbooks required to be furnished without charge pursuant to section 3329.06 of the Revised Code, to pupils living in families participating in Ohio works first in accordance with section 3313.642 of the Revised Code;

(13) School breakfasts provided pursuant to section 3313.813 of the Revised Code.

Each district shall submit to the department, in such format and at such time as the department shall specify, a report on the programs for which it expended funds under this division.

(J) If at any time the superintendent of public instruction determines that a school district ~~has used the~~ receiving funds ~~received~~ under division (D) of this section ~~for any purpose other than to provide all day kindergarten as required under this section, or if the superintendent determines that a school district~~ has enrolled less than the all-day kindergarten percentage reported for that fiscal year, the superintendent shall withhold from the funds otherwise due a the district under this section ~~the amount of the funds spent in violation of this section~~ ~~or~~ a proportional amount ~~of the funds~~ as determined by the difference in the certified all-day kindergarten percentage and the percentage actually enrolled in all-day kindergarten.

The superintendent shall also withhold an appropriate amount of funds otherwise due a district for any other misuse of funds not in accordance with this section.

Sec. 3317.0212. Divisions (B) and (C) of this section do not apply to a school district with a formula ADM of one ~~hundred~~ hundred fifty or less.

(A) As used in this section:

(1) "Fundamental FY 1997 state aid" or "fundamental FY 1998 state aid" for a district means the total amount of state money received by the district ~~under sections 3317.022 and 3317.023 of the Revised Code before any deductions required by division (G), (J), (K), or (L) of section 3317.023 of the Revised Code, plus any amounts for which the district was eligible pursuant to divisions (M), (N), and (O) of section 3317.024 and sections 3317.0212 and 3317.0213 of the Revised Code, as those divisions and sections existed in fiscal year 1998, plus the district's share of state funds for service center units in the applicable fiscal year as reported on the department of education's form "SF-12," adjusted as follows:~~

(a) Minus the amount for transportation;

(b) Minus any amounts for approved preschool handicapped units;

(c) Minus any additional amount attributable to the reappraisal guarantee of division (C) of section 3317.04 of the Revised Code;

(d) Plus the amount deducted for payments to an educational service center;

(e) Plus an estimated portion of the state money distributed in the applicable fiscal year to other school districts or educational service centers for approved units, other than preschool handicapped or gifted education units, attributable to the costs of providing services in those units to students entitled to attend school in the district;

(f) Minus an estimated portion of the state money distributed to the school district in the applicable fiscal year for approved units, other than preschool handicapped units or gifted education units, attributable to the costs of providing services in those units to students entitled to attend school in another school

district; 3841

(g) Plus any additional amount paid in the applicable fiscal year pursuant to the vocational education recomputation required by Section 45.12 of Am. Sub. H.B. No. 117 of the 121st general assembly or former Section 50.22 of Am. Sub. H.B. No. 215 of the 122nd general assembly; 3842
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(h) Plus any additional amount paid in the applicable fiscal year pursuant to the special education recomputation required by former division (I) of section 3317.023 of the Revised Code; 3847
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(i) Plus any amount paid for equity aid in the applicable fiscal year under section 3317.0213 of the Revised Code. 3850
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(2) "Enhanced FY 1998 state aid" for a district means its fundamental FY 1998 state aid plus any amounts for which the district was eligible pursuant to division (K) of section 3317.024 of the Revised Code, as that division existed in fiscal year 1998. 3852
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(3) "State basic aid" for a district in any fiscal year after fiscal year 1998 means the sum of the following: 3856
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(a) The amount computed for the district for basic formula aid and special education aid funding under divisions (A) and (C)(1) of section 3317.022 and sections 3317.025 to 3317.028 of the Revised Code and DPIA aid under section 3317.029 of the Revised Code in the current fiscal year but after before any deduction or credit required by division (B), (D), (E), (F), (G), (H), (I), (J), or (K) of section 3317.023 or division (J) of section 3317.029 of the Revised Code, plus any; 3858
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(b) Any amounts for which the district is eligible pursuant to division (C) of section 3317.023, divisions (G) and (Q)(P) of section 3317.024, and division (B) of section 3317.162 of the Revised Code, plus any amounts; 3866
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(c) Any equity aid for which the district is eligible under 3870

section 3317.0213 of the Revised Code. 3871

~~(4) "FY 1998ADM" for a district means the district's average 3872
daily membership as described by division (A) of section 3317.02 3873
of the Revised Code, for fiscal year 1998, plus the district's 3874
average daily membership based upon full time equivalency in 3875
approved vocational units as certified by the district in fiscal 3876
year 1998 under division (A)(2) of section 3317.03 of the Revised 3877
Code and the district's average daily membership of all 3878
handicapped children, except for preschool handicapped children, 3879
in classes in the district as certified in fiscal year 1998 under 3880
division (A)(3) of section 3317.03 of the Revised Code, as those 3881
divisions and sections existed in fiscal year 1998. 3882~~

~~(5) "District's share of state funds for service center 3883
units" means an estimated portion of the state money distributed 3884
to educational service centers for approved units in fiscal year 3885
1998 attributable to the costs of providing services in such units 3886
to students, other than preschool handicapped students, residing 3887
in the district. 3888~~

~~(6) "Fundamental FY 1997 state aid" for a district means the 3889
total amount of state money received by the district under 3890
sections 3317.022 and 3317.023 of the Revised Code before any 3891
deductions required by division (G), (J), (K), or (L) of section 3892
3317.023 of the Revised Code, plus any amounts for which the 3893
district was eligible pursuant to divisions (M), (N), and (O) of 3894
section 3317.024 and sections 3317.0212 and 3317.0213 of the 3895
Revised Code, as those divisions and sections existed in fiscal 3896
year 1997, plus the district's share of state funds for service 3897
center units. 3898~~

(B) Upon request of the department of education, the 3899
treasurer of any school district or educational service center 3900
shall furnish data needed to calculate the amounts specified in 3901
divisions (A)(1)(e) and (f) of this section. The department of 3902

education shall compute the state basic aid guarantee for each 3903
school district for the fiscal year as follows: 3904

(1) Subtract the amount of state basic aid from the amount of 3905
fundamental FY 1998 state aid. If a negative number, this 3906
computation shall be deemed to be zero+. 3907

(2) Compute the following amounts: 3908

(a) Formula ADM X (state basic aid/formula ADM); 3909

(b) ~~Formula~~ The greater of formula ADM or three-year average 3910
formula ADM X (fundamental FY 1998 state aid/FY 1998 ADM). 3911

(3) If the amount computed under division (B)(2)(b) of this 3912
section is greater than the amount computed under division 3913
(B)(2)(a) of this section, determine the amount by which it is 3914
greater. If the amount computed under division (B)(2)(b) of this 3915
section is not greater than the amount computed under division 3916
(B)(2)(a) of this section, this computation shall be deemed to be 3917
zero. 3918

(4) Except as provided in division (C) of this section, the 3919
department shall determine for each district the lesser of the 3920
amounts computed in divisions (B)(1) and ~~(2)~~(3) of this section 3921
and, if greater than zero, pay the district that amount. 3922

~~(C)(1)~~ In fiscal year 1999, ~~if a district's amount under~~ 3923
~~division (B)(4) of this section is zero,~~ the department shall 3924
~~determine~~ calculate for each ~~such~~ district the ~~following~~+. 3925

~~(2)~~ ~~Add to~~ sum of the district's state basic aid for fiscal 3926
year 1999 ~~the sum of~~ plus the transportation portion of state aid 3927
computed under division (D) of section 3317.022 of the Revised 3928
Code for the district for fiscal year 1999+. 3929

~~(3)~~+. If a district's enhanced FY 1998 state aid is greater 3930
than ~~the district's amount calculated in division (C)(2) of this~~ 3931
~~section~~ that sum, then the department shall pay the district in 3932

fiscal year 1999 one hundred per cent of the difference or the 3933
amount required by division (B)(4) of this section, whichever is 3934
greater. 3935

(D)(1) The state basic aid guarantee in any fiscal year for a 3936
school district with a formula ADM of one hundred fifty or less 3937
shall be the greatest of the following amounts: 3938

(a) The district's state basic aid for the fiscal year; 3939

(b) The district's fundamental FY 1998 state aid; 3940

(c) The district's fundamental FY 1997 state aid; 3941

(2) If in any fiscal year the state basic aid for a school 3942
district with a formula ADM of one hundred fifty or less is less 3943
than the guarantee amount determined for the district under 3944
division (D)(1) of this section, the department of education shall 3945
pay the district the amount of the difference. 3946

Sec. 3317.0213. No money shall be distributed under this 3947
section after fiscal year 2001. 3948

(A) As used in this section: 3949

(1) "ADM" for any school district means: 3950

(a) In fiscal year 1999, the ~~average daily membership~~ 3951
~~reported in fiscal year 1998 under division (A) of section 3317.03~~ 3952
~~of the Revised Code as that section existed in fiscal year 1998,~~ 3953
~~less one half of the kindergarten students, less three quarters of~~ 3954
~~the students enrolled in a joint vocational school district, and~~ 3955
~~less any students enrolled in preschool handicapped units approved~~ 3956
~~under division (E) of section 3317.05 of the Revised Code, as that~~ 3957
~~section existed in fiscal year~~ FY 1998 ADM; 3958

(b) In fiscal years 2000 and 2001, the formula ADM reported 3959
for the previous fiscal year. 3960

(2) "Average taxable value" means the average of the amounts 3961

certified for a district in the second, third, and fourth 3962
preceding fiscal years under divisions (A)(1) and (2) of section 3963
3317.021 of the Revised Code. 3964

(3)~~(a)~~ "Valuation per pupil" for a district ~~in~~ means: 3965

(a) In fiscal year 1999 ~~means~~, the district's average taxable 3966
value, divided by the district's ~~average daily membership for~~ 3967
~~fiscal year 1998, as described in division (A)(1)(a) of this~~ 3968
~~section.~~ FY 1998 ADM; 3969

(b) ~~"Valuation per pupil" for a district in~~ In a fiscal year 3970
that occurs after fiscal year 1999 ~~means~~, the district's average 3971
taxable value, divided by the district's formula ADM for the 3972
preceding fiscal year. 3973

(4) "Threshold valuation" means: 3974

(a) In fiscal year 1999, the adjusted valuation per pupil of 3975
the school district with the two hundred twenty-ninth lowest 3976
adjusted valuation per pupil in the state, according to data 3977
available at the time of the computation under division (B) of 3978
this section; 3979

(b) In fiscal year 2000, the adjusted valuation per pupil of 3980
the district with the one hundred sixty-third lowest such 3981
valuation in the state; 3982

(c) In fiscal year 2001, the adjusted valuation per pupil of 3983
the district with the one hundred eighteenth lowest such valuation 3984
in the state. 3985

(5) "Adjusted valuation per pupil" for a district means an 3986
amount calculated in accordance with the following formula: 3987

The district's valuation per pupil - (\$30,000 X (one minus the 3988
district's income factor)) 3989

(6) "Millage rate" means .012 in fiscal year 1999, .011 in 3990
fiscal year 2000, and .010 in fiscal year 2001. 3991

(B) Beginning in fiscal year 1993, during August of each 3992
fiscal year, the department of education shall distribute to each 3993
school district meeting the requirements of section 3317.01 of the 3994
Revised Code whose adjusted valuation per pupil is less than the 3995
threshold valuation, an amount calculated in accordance with the 3996
following formula: 3997

(The threshold valuation - the district's adjusted valuation per 3998
pupil) X millage rate X ADM 3999

Sec. 3317.0214. As used in this section, "average taxable 4000
value" has the same meaning as in ~~division (A)(2)~~ of section 4001
3317.0213 of the Revised Code. 4002

Beginning in fiscal year 1993, ~~during each August,~~ the 4003
department of education annually shall distribute to each school 4004
district with a formula ADM less than one thousand and an average 4005
taxable value equal to or less than eighty-five thousand dollars 4006
per pupil in formula ADM, an amount equal to fifty dollars 4007
multiplied by any amount by which one thousand exceeds the 4008
district's formula ADM. 4009

Sec. 3317.0215. (A) As used in this section, ~~"total:~~ 4010

(1) "Total effective operating tax rate" ~~has means~~ the same 4011
~~meaning as in amount certified under division (A)(5) of section~~ 4012
3317.021 of the Revised Code, ~~and "equalized.~~ 4013

(2) "Equalized tax rate" of a school district means the 4014
amount by which a district's total effective operating tax rate 4015
exceeds two and three-tenths per cent. 4016

(3) "State taxable value per pupil" means the quotient 4017
obtained by dividing the total taxable value of all city, local, 4018
and exempted village school districts in the state by the sum of 4019
the formula ADMs of all city, local, and exempted village school 4020
districts in the state. 4021

(4) "District's taxable value per pupil" means the quotient 4022
obtained by dividing the total taxable value of the school 4023
district by its formula ADM. 4024

(B) Upon receiving the certifications under division (A) of 4025
section 3317.021 of the Revised Code, the department of education 4026
shall determine the equalized tax rate for each city, local, and 4027
exempted village school district. If the total effective operating 4028
tax rate of a district is greater than two and three-tenths per 4029
cent, the district shall receive a payment computed by multiplying 4030
the lesser of two-tenths of one per cent or the equalized tax rate 4031
by the amount by which the state taxable value per pupil exceeds 4032
the district's total taxable value per pupil times the district's 4033
formula ADM. 4034

Sec. 3317.0216. (A) As used in this section: 4035

(1) "Total taxes charged and payable for current expenses" 4036
means the sum of the taxes charged and payable as certified under 4037
division (A)(3) of section 3317.021 of the Revised Code, and the 4038
tax liability for the preceding year under any school district 4039
income tax levied by the district pursuant to Chapter 5748. of the 4040
Revised Code to the extent the revenue from the income tax is 4041
allocated or apportioned to current expenses. 4042

(2) "State equalization enhancement payments" means any 4043
payment made to a school district pursuant to section 3317.0215 of 4044
the Revised Code for the preceding fiscal year. 4045

(3) "Charge-off amount" means the product obtained by 4046
multiplying two and three-tenths per cent by adjusted total 4047
taxable value. 4048

~~(4) "Local share percentage" means a percentage equal to one~~ 4049
~~minus the state share percentage.~~ 4050

~~(5) "Total receipts available for current expenses" of a~~ 4051

school district means the sum of total taxes charged and payable 4052
for current expenses and the district's state equalization 4053
enhancement payments. 4054

~~(6)(5) "Local share of special education expenses" means the 4055
district's local share percentage X the formula amount for the 4056
year for which the aid is calculated X the district's total 4057
special education weight. 4058~~

~~(7) "State share percentage" and "total special education 4059
weight" have the same meanings and related services additional 4060
weighted costs" has the same meaning as in division (C)(3) of 4061
section 3317.022 of the Revised Code. 4062~~

(B) Upon receiving the certifications under section 3317.021 4063
of the Revised Code, the department of education shall determine 4064
for each city, local, and exempted village school district whether 4065
the district's charge-off amount is greater than the district's 4066
total receipts available for current expenses, and if it is, shall 4067
pay the district the amount of the difference. A payment shall not 4068
be made to any school district for which the computation under 4069
division (A) of section 3317.022 of the Revised Code equals zero. 4070

(C)(1) If a district's charge-off amount is equal to or 4071
greater than its total receipts available for current expenses, 4072
the department shall, in addition to the payment required under 4073
division (B) of this section, pay the district the amount of the 4074
local share of special education expenses. 4075

(2) If a district's charge-off amount is less than its total 4076
receipts available for current expenses, the department shall pay 4077
the district ~~the difference between the~~ any amount by which its 4078
local share of special education ~~expenses and the amount by which 4079
the district's~~ and related services additional weighted costs 4080
exceeds its total receipts available for current expenses ~~exceeds 4081
minus its charge-off amount. 4082~~

Sec. 3317.03. Notwithstanding divisions (A)(1), (B)(1), and (C) of this section, any student enrolled in kindergarten more than half time shall be reported as one-half student under this section.

(A) The superintendent of each city and exempted village school district and of each educational service center shall, for the schools under the superintendent's supervision, certify to the state board of education on or before the fifteenth day of October in each year for the first full school week in October the formula ADM, which shall consist of the average daily membership during such week of the sum of the following:

(1) On an FTE basis, the number of students in grades kindergarten through twelve receiving any educational services from the district, except that the following categories of students shall not be included in the determination:

(a) Students enrolled in adult education classes;

(b) Adjacent or other district students enrolled in the district under an open enrollment policy pursuant to section 3313.98 of the Revised Code;

(c) Students receiving services in the district pursuant to a compact, cooperative education agreement, or a contract, but who are entitled to attend school in another district pursuant to section 3313.64 or 3313.65 Of the Revised Code;

(d) Students for whom tuition is payable pursuant to sections 3317.081 and 3323.141 of the Revised Code.

(2) On an FTE basis, the number of students entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised Code, but receiving educational services in grades kindergarten through twelve from one or more of the following entities:

(a) A community school pursuant to Chapter 3314. of the Revised Code or Section 50.52 of Amended Substitute House Bill No. 215 of the 122nd general assembly;	4113 4114 4115
(b) An alternative school pursuant to sections 3313.974 to 3313.979 of the Revised Code as described in division (I)(2)(a) or (b) of this section;	4116 4117 4118
(c) A college pursuant to Chapter 3365. of the Revised Code;	4119
(d) An adjacent or other school district under an open enrollment policy adopted pursuant to section 3313.98 of the Revised Code;	4120 4121 4122
(e) An educational service center or cooperative education district;	4123 4124
(f) Another school district under a cooperative education agreement, <u>compact, or contract.</u>	4125 4126
(3) One-fourth of the number of students enrolled both in a joint vocational school district and in the district, but who are not receiving regular education services in the school district.	4127 4128 4129
(B) To enable the department of education to obtain the data needed to complete the calculation of payments pursuant to this chapter, in addition to the formula ADM, each superintendent shall report separately the following student counts:	4130 4131 4132 4133
(1) The total average daily membership in regular day classes included in the report under division (A)(1) or (2) of this section for kindergarten, and each of grades one through twelve in schools under the superintendent's supervision;	4134 4135 4136 4137
(2) The average daily membership of all handicapped preschool children included in a unit approved for the district under section 3317.05 of the Revised Code, in accordance with rules adopted under that section;	4138 4139 4140 4141
(3) The number of children entitled to attend school in the	4142

district pursuant to section 3313.64 or 3313.65 of the Revised Code who are participating in a pilot project scholarship program established under sections 3313.974 to 3313.979 of the Revised Code as described in division (I)(2)(a) or (b) of this section, are enrolled in a college under Chapter 3365. of the Revised Code, are enrolled in an adjacent or other school district under section 3313.98 of the Revised Code, are enrolled in a community school established under Chapter 3314. of the Revised Code or Section 50.52 of Amended Substitute House Bill No. 215 of the 122nd general assembly, or are participating in a program operated by a county MR/DD board or a state institution;

(4) ~~The number of pupils enrolled both in schools under the superintendent's supervision and in joint vocational schools, but who are not in regular day classes in the school district;~~

(5) The average daily membership of handicapped children reported under division (A)(1) or (2) of this section receiving category one special education services, described in division (A) of section 3317.013 of the Revised Code;

(6) The average daily membership of handicapped children reported under division (A)(1) or (2) of this section receiving category two special education services, described in division (B) of section 3317.013 of the Revised Code;

(7) The average daily membership of handicapped children reported under division (A)(1) or (2) of this section identified as having any of the handicaps specified in division (F)(3) of section 3317.02 of the Revised Code;

(8) The average daily membership of pupils reported under division (A)(1) or (2) of this section enrolled in vocational education programs or classes operated by the school district or by another district other than a joint vocational school district or by an educational service center;

(9) The average number of children transported by the school district on board-owned or contractor-owned and operated buses, reported in accordance with rules adopted by the department of education.

(C) Except as otherwise provided in this section for kindergarten students, the average daily membership in divisions (B)(1) to (8) of this section shall be based upon the number of full-time equivalent students. The state board of education shall adopt rules defining full-time equivalent students and for determining the average daily membership therefrom for the purposes of divisions (A) and (B) of this section. No child shall be counted as more than a total of one child in the sum of the average daily memberships of a school district under division (A) or under divisions (B)(1) to (8) of this section. Based on the information reported under this section, the department of education shall determine the total student count, as defined in section 3301.011 of the Revised Code, for each school district.

(D) The superintendent of each joint vocational and cooperative education school district shall certify to the superintendent of public instruction, in a manner prescribed by the state board of education, the applicable average daily memberships for all students in the joint vocational or cooperative education school district, also indicating the city, local, or exempted village school district of residence for each pupil.

(E) In each school of each city, local, exempted village, joint vocational, and cooperative education school district there shall be maintained a record of school membership, which record shall accurately show, for each day the school is in session, the actual membership enrolled in regular day classes. For the purpose of determining average daily membership, the membership figure of any school shall not include any pupils except those pupils

described by division (A) of this section. The record of 4206
membership for each school shall be maintained in such manner that 4207
no pupil shall be counted as in membership prior to the actual 4208
date of entry in the school and also in such manner that where for 4209
any cause a pupil permanently withdraws from the school that pupil 4210
shall not be counted as in membership from and after the date of 4211
such withdrawal. There shall not be included in the membership of 4212
any school any of the following: 4213

(1) Any pupil who has graduated from the twelfth grade of a 4214
public high school; 4215

(2) Any pupil who is not a resident of the state; 4216

(3) Any pupil who was enrolled in the schools of the district 4217
during the previous school year when tests were administered under 4218
section 3301.0711 of the Revised Code but did not take one or more 4219
of the tests required by that section and was not excused pursuant 4220
to division (C)(1) of that section; 4221

(4) Any pupil who has attained the age of twenty-two years, 4222
except for the following: 4223

(a) Persons suffering from tuberculosis and receiving 4224
treatment in any approved state, county, district, or municipal 4225
tuberculosis hospital who have not graduated from the twelfth 4226
grade of a public high school; 4227

(b) Veterans of the armed services whose attendance was 4228
interrupted before completing the recognized twelve-year course of 4229
the public schools by reason of induction or enlistment in the 4230
armed forces and who apply for reenrollment in the public school 4231
system of their residence not later than four years after 4232
termination of war or their honorable discharge. 4233

If, however, any veteran described by division (E)(4)(b) of 4234
this section elects to enroll in special courses organized for 4235

veterans for whom tuition is paid under the provisions of federal laws, or otherwise, that veteran shall not be included in average daily membership. 4236
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Notwithstanding division (E)(3) of this section, the membership of any school may include a pupil who did not take a test required by section 3301.0711 of the Revised Code if the superintendent of public instruction grants a waiver from the requirement to take the test to the specific pupil. The superintendent may grant such a waiver only for good cause in accordance with rules adopted by the state board of education. 4239
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The average daily membership figure of any local, city, or exempted village school district shall be determined by dividing the figure representing the sum of the number of pupils enrolled during each day the school of attendance is actually open for instruction during the first full school week in October by the total number of days the school was actually open for instruction during that week. For purposes of state funding, "enrolled" persons are only those pupils who are attending school, those who have attended school during the current school year and are absent for authorized reasons, and those handicapped children currently receiving home instruction. 4246
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The average daily membership figure of any joint vocational or cooperative education school district shall be determined in accordance with rules adopted by the state board of education. 4257
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(F)(1) If the formula ADM for the first full school week in February is at least three per cent greater than that certified for the first full school week in the preceding October, the superintendent of schools of any city or exempted village school district or educational service center shall certify such increase to the superintendent of public instruction. Such certification shall be submitted no later than the fifteenth day of February. 4260
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For the balance of the fiscal year, beginning with the February 4267
payments, the superintendent of public instruction shall use the 4268
increased formula ADM in calculating or recalculating the amounts 4269
to be allocated in accordance with section 3317.022 of the Revised 4270
Code. In no event shall the superintendent use an increased 4271
membership certified to the superintendent after the fifteenth day 4272
of February. 4273

(2) If during the first full school week in February the 4274
total number of units for ~~preschool~~ handicapped preschool children 4275
that are eligible for approval under division (B) of section 4276
3317.05 of the Revised Code exceeds the number of such units that 4277
have been approved for the year under such division, the 4278
superintendent of schools of any city, exempted village, or 4279
cooperative education school district or educational service 4280
center shall make the certifications required by this section for 4281
such week. If the state board of education determines additional 4282
units can be approved for the fiscal year within any limitations 4283
set forth in the acts appropriating moneys for the funding of such 4284
units, the board shall approve additional units for the fiscal 4285
year on the basis of such average daily membership. For each unit 4286
so approved, the department of education shall pay an amount 4287
computed in the manner prescribed in section 3317.161 or 3317.19 4288
and section 3317.162 of the Revised Code. 4289

(3) If during the first full school week in February the 4290
total number of special education units that are eligible for 4291
approval under division (D)(1) of section 3317.05 of the Revised 4292
Code for a joint vocational school district exceeds the number of 4293
those units that have been approved for the year under that 4294
division, the superintendent of the district shall make the 4295
certifications required by this section for that week. If the 4296
state board of education determines additional units can be 4297
approved for the fiscal year within any limitations set forth in 4298

the acts appropriating moneys for the funding of such units, the
state board shall approve additional units for the fiscal year on
the basis of the average daily membership certified. For each unit
approved, the department of education shall pay an amount computed
in the manner prescribed by section 3317.16 of the Revised Code.

(G)(1)(a) The superintendent of an institution operating a
special education program pursuant to section 3323.091 of the
Revised Code shall, for the programs under such superintendent's
supervision, certify to the state board of education the average
daily membership of all handicapped children in classes or
programs approved annually by the state board of education, in the
manner prescribed by the superintendent of public instruction.

(b) The superintendent of an institution with vocational
education units approved under division (A) of section 3317.05 of
the Revised Code shall, for the units under the superintendent's
supervision, certify to the state board of education the average
daily membership in those units, in the manner prescribed by the
superintendent of public instruction.

(2) The superintendent of each county MR/DD board that
maintains special education classes or units approved by the state
board of education pursuant to section 3317.05 of the Revised Code
shall do both of the following:

(a) Certify to the state board, in the manner prescribed by
the board, the average daily membership in classes and units
approved under division (D)(1) of section 3317.05 of the Revised
Code for each school district that has placed children in the
classes or units;

(b) Certify to the state board, in the manner prescribed by
the board, the average daily membership in preschool handicapped
units approved under division (B) of section 3317.05 of the

Revised Code. 4330

(3) If during the first full school week in February the 4331
average daily membership of the classes or units maintained by the 4332
county MR/DD board that are eligible for approval under division 4333
(D)(1) of section 3317.05 of the Revised Code is greater than the 4334
average daily membership for the preceding October, the 4335
superintendent of the board shall make the certifications required 4336
by this section for such week and, if during the first full school 4337
week in February the average daily membership of the units 4338
maintained by the county MR/DD board that are eligible for 4339
approval under division (B) of section 3317.05 of the Revised Code 4340
is greater than the average daily membership for the preceding 4341
October, the superintendent shall certify the average daily 4342
membership for the first full school week in February for such 4343
units to the state board of education. If the state board 4344
determines that additional classes or units can be approved for 4345
the fiscal year within any limitations set forth in the acts 4346
appropriating moneys for the funding of such classes and units, 4347
the board shall approve and fund additional units for the fiscal 4348
year on the basis of such average daily membership. For each unit 4349
so approved, the department of education shall pay an amount 4350
computed in the manner prescribed in ~~section~~ sections 3317.161 and 4351
3317.162 of the Revised Code. 4352

(H) Except as provided in division (I) of this section, when 4353
any city, local, or exempted village school district provides 4354
instruction for a nonresident pupil whose attendance is 4355
unauthorized attendance as defined in section 3327.06 of the 4356
Revised Code, that pupil's membership shall not be included in 4357
that district's membership figure used in the calculation of that 4358
district's formula ADM or included in the determination of any 4359
unit approved for the district under section 3317.05 of the 4360
Revised Code. The reporting official shall report separately the 4361

average daily membership of all pupils whose attendance in the district is unauthorized attendance, and the membership of each such pupil shall be credited to the school district in which the pupil is entitled to attend school under division (B) of section 3313.64 or section 3313.65 of the Revised Code as determined by the department of education.

(I)(1) A school district admitting a scholarship student of a pilot project district pursuant to division (C) of section 3313.976 of the Revised Code may count such student in its average daily membership.

(2) In any year for which funds are appropriated for pilot project scholarship programs, a school district implementing a state-sponsored pilot project scholarship program that year pursuant to sections 3313.974 through 3313.979 of the Revised Code may count in average daily membership:

(a) All children residing in the district and utilizing a scholarship to attend kindergarten in any alternative school, as defined in division (A)(9) of section 3313.974 of the Revised Code;

(b) All children who were enrolled in the district in the preceding year who are utilizing a scholarship to attend any such alternative school.

Sec. 3317.05. (A) For the purpose of calculating payments under sections 3317.16 ~~and~~, 3317.161, and 3317.162 of the Revised Code, the state board of education shall determine for each joint vocational school district and institution, by the last day of January of each year and based on information certified under section 3317.03 of the Revised Code, the number of vocational education units or fractions of units approved by the state board on the basis of standards and rules adopted by the state board. As

used in this division, "institution" means an institution operated 4392
by a department specified in section 3323.091 of the Revised Code 4393
and that provides vocational education programs under the 4394
supervision of the division of vocational education of the 4395
department of education that meet the standards and rules for 4396
these programs, including licensure of professional staff involved 4397
in the programs, as established by the state board of education. 4398

(B) For the purpose of calculating payments under sections 4399
~~3317.024~~, 3317.11, 3317.161, 3317.162, and 3317.19 of the Revised 4400
Code, the state board shall determine, based on information 4401
certified under section 3317.03 of the Revised Code, the following 4402
by the last day of January of each year for each educational 4403
service center, for each school district, including each 4404
cooperative education school district, for each institution 4405
eligible for payment under section 3323.091 of the Revised Code, 4406
and for each county MR/DD board: the number of classes operated by 4407
the school district, service center, institution, or county MR/DD 4408
board for handicapped preschool children, or fraction thereof, 4409
including in the case of a district or service center that is a 4410
funding agent, classes taught by a licensed teacher employed by 4411
that district or service center under section 3313.841 of the 4412
Revised Code, approved annually by the state board on the basis of 4413
standards and rules adopted by the state board. 4414

(C) For the purpose of calculating payments under sections 4415
~~3317.024~~, 3317.11, 3317.161, 3317.162, and 3317.19 of the Revised 4416
Code, the state board shall determine, based on information 4417
certified under section 3317.03 of the Revised Code, the following 4418
by the last day of January of each year for each school district, 4419
including each cooperative education school district, for each 4420
institution eligible for payment under section 3323.091 of the 4421
Revised Code, and for each county MR/DD board: the number of 4422
preschool handicapped related services units for child study, 4423

occupational, physical, or speech and hearing therapy, special 4424
education supervisors, and special education coordinators approved 4425
annually by the state board on the basis of standards and rules 4426
adopted by the state board. 4427

(D) For the purpose of calculating payments under sections 4428
3317.16 ~~and~~, 3317.161, and 3317.162 of the Revised Code, the state 4429
board shall determine, based on information certified under 4430
section 3317.03 of the Revised Code, the following by the last day 4431
of January of each year for each joint vocational school district, 4432
for each institution eligible for payment under section 3323.091 4433
of the Revised Code, and for each county MR/DD board: 4434

(1) The number of classes operated by a joint vocational 4435
school district, institution, or county MR/DD board for 4436
handicapped children other than handicapped preschool children, or 4437
fraction thereof, approved annually by the state board on the 4438
basis of standards and rules adopted by the state board; 4439

(2) The number of related services units for children other 4440
than handicapped preschool children for child study, occupational, 4441
physical, or speech and hearing therapy, special education 4442
supervisors, and special education coordinators approved annually 4443
by the state board on the basis of standards and rules adopted by 4444
the state board. 4445

(E) All of the arithmetical calculations made under this 4446
section shall be carried to the second decimal place. The total 4447
number of units for school districts, service centers, and 4448
institutions approved annually by the state board under this 4449
section shall not exceed the number of units included in the state 4450
board's estimate of cost for these units and appropriations made 4451
for them by the general assembly. 4452

In the case of units described in division (D)(1) of this 4453
section operated by county MR/DD boards and institutions eligible 4454

for payment under section 3323.091 of the Revised Code, the state
board shall approve only units for persons who are under age
twenty-two on the first day of the academic year, but not less
than six years of age on the thirtieth day of September of that
year, except that such a unit may include one or more children who
are under six years of age on the thirtieth day of September if
such children have been admitted to the unit pursuant to rules of
the state board. In the case of handicapped preschool units
described in division (B) of this section operated by county MR/DD
boards and institutions eligible for payment under section
3323.091 of the Revised Code, the state board shall approve only
preschool units for children who are under age six but not less
than age three on the thirtieth day of September of the academic
year, except that such a unit may include one or more children who
are under age three or are age six or over on the thirtieth day of
September if such children have been admitted to the unit pursuant
to rules of the state board of education. The number of units for
county MR/DD boards and institutions eligible for payment under
section 3323.091 of the Revised Code approved by the state board
under this section shall not exceed the number that can be funded
with appropriations made for such purposes by the general
assembly.

No unit shall be approved under divisions (B) to (D) of this
section unless a plan has been submitted and approved under
Chapter 3323. of the Revised Code.

(F) For fiscal year 1999 only, the department shall approve
units or fractions thereof for gifted children on the basis of
standards and rules adopted by the board.

Sec. 3317.051. (A)(1) Notwithstanding sections 3317.05 and
3317.11 of the Revised Code, a unit funded pursuant to division
~~(Q)~~(P)(1) of section 3317.024 or division (A)(2) of section

3317.161 of the Revised Code shall not be approved for state 4486
funding in one school district, including any joint vocational or 4487
cooperative education school district or any educational service 4488
center, to the extent that such unit provides programs in or 4489
services to another district which receives payment pursuant to 4490
section 3317.04 of the Revised Code. 4491

(2) Any city, local, exempted village, or cooperative 4492
education school district or any educational service center may 4493
combine partial unit eligibility for handicapped preschool 4494
programs pursuant to section 3317.05 of the Revised Code, and such 4495
combined partial units may be approved for state funding in one 4496
school district or service center. 4497

(B) After units have been initially approved for any fiscal 4498
year under section 3317.05 of the Revised Code, no unit shall be 4499
subsequently transferred from a school district or educational 4500
service center to another city, exempted village, local, joint 4501
vocational, or cooperative education school district or 4502
educational service center or to an institution or county MR/DD 4503
board solely for the purpose of reducing the financial obligations 4504
of the school district in a fiscal year it receives payment 4505
pursuant to section 3317.04 of the Revised Code. 4506

Sec. 3317.06. Moneys paid to school districts under division 4507
(L) of section 3317.024 of the Revised Code shall be used for the 4508
following independent and fully severable purposes: 4509

(A) To purchase such secular textbooks as have been approved 4510
by the superintendent of public instruction for use in public 4511
schools in the state and to loan such textbooks to pupils 4512
attending nonpublic schools within the district or to their 4513
parents and to hire clerical personnel to administer such lending 4514
program. Such loans shall be based upon individual requests 4515

submitted by such nonpublic school pupils or parents. Such 4516
requests shall be submitted to the school district in which the 4517
nonpublic school is located. Such individual requests for the loan 4518
of textbooks shall, for administrative convenience, be submitted 4519
by the nonpublic school pupil or the pupil's parent to the 4520
nonpublic school which shall prepare and submit collective 4521
summaries of the individual requests to the school district. As 4522
used in this section, "textbook" means any book or book substitute 4523
which a pupil uses as a text or text substitute in a particular 4524
class or program in the school the pupil regularly attends. 4525

(B) To provide speech and hearing diagnostic services to 4526
pupils attending nonpublic schools within the district. Such 4527
service shall be provided in the nonpublic school attended by the 4528
pupil receiving the service. 4529

(C) To provide physician, nursing, dental, and optometric 4530
services to pupils attending nonpublic schools within the 4531
district. Such services shall be provided in the school attended 4532
by the nonpublic school pupil receiving the service. 4533

(D) To provide diagnostic psychological services to pupils 4534
attending nonpublic schools within the district. Such services 4535
shall be provided in the school attended by the pupil receiving 4536
the service. 4537

(E) To provide therapeutic psychological and speech and 4538
hearing services to pupils attending nonpublic schools within the 4539
district. Such services shall be provided in the public school, in 4540
nonpublic schools, in public centers, or in mobile units located 4541
on or off of the nonpublic premises. If such services are provided 4542
in the public school or in public centers, transportation to and 4543
from such facilities shall be provided by the school district in 4544
which the nonpublic school is located. 4545

(F) To provide guidance and counseling services to pupils 4546

attending nonpublic schools within the district. Such services 4547
shall be provided in the public school, in nonpublic schools, in 4548
~~public~~ public centers, or in mobile units located on or off of the 4549
nonpublic premises. If such services are provided in the public 4550
school or in public centers, transportation to and from such 4551
facilities shall be provided by the school district in which the 4552
nonpublic school is located. 4553

(G) To provide remedial services to pupils attending 4554
nonpublic schools within the district. Such services shall be 4555
provided in the public school, in nonpublic schools, in public 4556
centers, or in mobile units located on or off of the nonpublic 4557
premises. If such services are provided in the public school or in 4558
public centers, transportation to and from such facilities shall 4559
be provided by the school district in which the nonpublic school 4560
is located. 4561

(H) To supply for use by pupils attending nonpublic schools 4562
within the district such standardized tests and scoring services 4563
as are in use in the public schools of the state; 4564

(I) To provide programs for children who attend nonpublic 4565
schools within the district and are handicapped children as 4566
defined in division (A) of section 3323.01 of the Revised Code or 4567
gifted children. Such programs shall be provided in the public 4568
school, in nonpublic schools, in public centers, or in mobile 4569
units located on or off of the nonpublic premises. If such 4570
programs are provided in the public school or in public centers, 4571
transportation to and from such facilities shall be provided by 4572
the school district in which the nonpublic school is located. 4573

(J) To hire clerical personnel to assist in the 4574
administration of programs pursuant to divisions (B), (C), (D), 4575
(E), (F), (G), and (I) of this section and to hire supervisory 4576
personnel to supervise the providing of services and textbooks 4577

pursuant to this section. 4578

(K) To purchase any secular, neutral, and nonideological 4579
computer software, prerecorded video laserdiscs, compact discs, 4580
and video cassette cartridges and mathematics or science equipment 4581
and materials that are in general use in the public schools of the 4582
state and loan such computer software, prerecorded video 4583
laserdiscs, compact discs, and video cassette cartridges, 4584
equipment, and materials to pupils attending nonpublic schools 4585
within the district or to their parents, and to hire clerical 4586
personnel to administer the lending program. Only computer 4587
software, prerecorded video laserdiscs, compact discs, and video 4588
cassette cartridges, equipment, and materials that are incapable 4589
of diversion to religious use and that are susceptible of loan to 4590
individual pupils and are furnished for the use of individual 4591
pupils shall be purchased and loaned under this division. 4592

(L) To purchase instructional equipment, including computer 4593
hardware, for use by pupils attending nonpublic schools within the 4594
district, if such usage only occurs when these pupils are being 4595
provided the secular remedial, diagnostic, or therapeutic services 4596
pursuant to division (B), (D), (E), (F), (G), or (I) of this 4597
section. 4598

(M) To purchase mobile units to be used for the provision of 4599
services pursuant to divisions (E), (F), (G), and (I) of this 4600
section and to pay for necessary repairs and operating costs 4601
associated with these units. 4602

Clerical and supervisory personnel hired pursuant to division 4603
(J) of this section shall perform their services in the public 4604
schools, in nonpublic schools, public centers, or mobile units 4605
where the services are provided to the nonpublic school pupil, 4606
except that such personnel may accompany pupils to and from the 4607
service sites when necessary to ensure the safety of the children 4608

receiving the services. 4609

Health services provided pursuant to divisions (B), (C), (D), 4610
and (E) of this section may be provided under contract with the 4611
department of health, city or general health districts, or private 4612
agencies whose personnel are properly licensed by an appropriate 4613
state board or agency. 4614

Transportation of pupils provided pursuant to divisions (E), 4615
(F), (G), and (I) of this section shall be provided by the school 4616
district from its general funds and not from moneys paid to it 4617
under division ~~(J)~~(L) of section 3317.024 of the Revised Code 4618
unless a special transportation request is submitted by the parent 4619
of the child receiving service pursuant to such divisions. If such 4620
an application is presented to the school district, it may pay for 4621
the transportation from moneys paid to it under division ~~(J)~~(L) of 4622
section 3317.024 of the Revised Code. 4623

No school district shall provide health or remedial services 4624
to nonpublic school pupils as authorized by this section unless 4625
such services are available to pupils attending the public schools 4626
within the district. 4627

Materials, equipment, computer software, textbooks, and 4628
health and remedial services provided for the benefit of nonpublic 4629
school pupils pursuant to this section and the admission of pupils 4630
to such nonpublic schools shall be provided without distinction as 4631
to race, creed, color, or national origin of such pupils or of 4632
their teachers. 4633

No school district shall provide services for use in 4634
religious courses, devotional exercises, religious training, or 4635
any other religious activity. 4636

As used in this section, "parent" includes a person standing 4637
in loco parentis to a child. 4638

Notwithstanding section 3317.01 of the Revised Code, payments 4639
shall be made under this section to any city, local, or exempted 4640
village school district within which is located one or more 4641
nonpublic elementary or high schools. 4642

The allocation of payments for materials, equipment, 4643
textbooks, health services, and remedial services to city, local, 4644
and exempted village school districts shall be on the basis of the 4645
state board of education's estimated annual average daily 4646
membership in nonpublic elementary and high schools located in the 4647
district. 4648

Payments made to city, local, and exempted village school 4649
districts under this section shall be equal to specific 4650
appropriations made for the purpose. All interest earned by a 4651
school district on such payments shall be used by the district for 4652
the same purposes and in the same manner as the payments may be 4653
used. 4654

The department of education shall adopt guidelines and 4655
procedures under which such programs and services shall be 4656
provided, under which districts shall be reimbursed for 4657
administrative costs incurred in providing such programs and 4658
services, and under which any unexpended balance of the amounts 4659
appropriated by the general assembly to implement this section may 4660
be transferred to the auxiliary services personnel unemployment 4661
compensation fund established pursuant to section 4141.47 of the 4662
Revised Code. The department shall also adopt guidelines and 4663
procedures limiting the purchase and loan of computer software, 4664
equipment, and materials under division (K) of this section to 4665
items that are in general use in the public schools of the state, 4666
that are incapable of diversion to religious use, and that are 4667
susceptible to individual use rather than classroom use. Within 4668
thirty days after the end of each biennium, each board of 4669
education shall remit to the department all moneys paid to it 4670

under division ~~(J)~~(L) of section 3317.024 of the Revised Code and 4671
any interest earned on those moneys that are not required to pay 4672
expenses incurred under this section during the biennium for which 4673
the money was appropriated and during which the interest was 4674
earned. If a board of education subsequently determines that the 4675
remittal of moneys leaves the board with insufficient money to pay 4676
all valid expenses incurred under this section during the biennium 4677
for which the remitted money was appropriated, the board may apply 4678
to the department of education for a refund of money, not to 4679
exceed the amount of the insufficiency. If the department 4680
determines the expenses were lawfully incurred and would have been 4681
lawful expenditures of the refunded money, it shall certify its 4682
determination and the amount of the refund to be made to the 4683
administrator of the bureau of employment services who shall make 4684
a refund as provided in section 4141.47 of the Revised Code. 4685

Sec. 3317.082. As used in this section, "institution" means a 4686
residential facility that receives and cares for children 4687
maintained by the department of youth services and that operates a 4688
school chartered by the state board of education under section 4689
3301.16 of the Revised Code. 4690

(A) On or before the thirty-first day of each January and 4691
July, the superintendent of each institution that during the 4692
six-month period immediately preceding each January or July 4693
provided an elementary or secondary education for any child, other 4694
than a child receiving special education under section 3323.091 of 4695
the Revised Code, shall prepare and submit to the department of 4696
education, a statement for each such child indicating the child's 4697
name, any school district responsible to pay tuition for the child 4698
as determined by the superintendent in accordance with division 4699
(C)(2) or (3) of section 3313.64 of the Revised Code, and the 4700
period of time during that six-month period that the child 4701

received an elementary or secondary education. If any school
district is responsible to pay tuition for any such child, the
department of education, no later than the immediately succeeding
last day of February or August, as applicable, shall calculate the
amount of the tuition of the district under section 3317.08 of the
Revised Code for the period of time indicated on the statement and
do one of the following:

(1) If the tuition amount is equal to or less than the amount
of state basic aid funds payable to the district under sections
3317.022 and 3317.023 of the Revised Code, pay to the institution
submitting the statement an amount equal to the tuition amount, as
provided under division ~~(R)~~(Q) of section 3317.024 of the Revised
Code, and deduct the tuition amount from the state basic aid funds
payable to the district, as provided under division (F)(2) of
section 3317.023 of the Revised Code;

(2) If the tuition amount is greater than the amount of state
basic aid funds payable to the district under sections 3317.022
and 3317.023 of the Revised Code, require the district to pay to
the institution submitting the statement an amount equal to the
tuition amount.

(B) In the case of any disagreement about the school district
responsible to pay tuition for a child pursuant to this section,
the superintendent of public instruction shall make the
determination in any such case in accordance with division (C)(2)
or (3) of section 3313.64 of the Revised Code.

Sec. 3317.10. (A) On or before the first day of March of each
year, the department of human services shall certify to the state
board of education the number of children ages five through
seventeen residing in each school district and living in a family
that participated in Ohio works first under Chapter 5107. of the
Revised Code during the preceding October according to the school

district of residence for each child. Except as provided under 4733
division (B) of this section, the number of children so certified 4734
in any year shall be used by the department of education in 4735
~~determining the DPIA ADM for purposes of~~ calculating the 4736
distribution of moneys for the ensuing fiscal year provided in 4737
section 3317.029 of the Revised Code. 4738

(B) Upon the transfer of part of the territory of one school 4739
district to the territory of one or more other school districts, 4740
the department of education may adjust the number certified under 4741
division (A) of this section for any district gaining or losing 4742
territory in such a transfer in order to take into account the 4743
effect of the transfer on the number of children ages five through 4744
seventeen who reside in the district and live in a family that 4745
participates in Ohio works first. Within sixty days of receipt of 4746
a request for information from the department of education, the 4747
department of human services shall provide any information the 4748
department of education determines is necessary to make such 4749
adjustments. The department of education may use the adjusted 4750
number for any district for the applicable fiscal year, in lieu of 4751
the number certified for the district for that fiscal year under 4752
division (A) of this section, in the calculation of the 4753
distribution of moneys provided in section 3317.029 of the Revised 4754
Code. 4755

Sec. 3317.11. (A) Annually, on or before a date designated by 4756
the state board of education, each educational service center 4757
governing board shall prepare a budget of operating expenses for 4758
the ensuing year for the service center on forms prepared and 4759
furnished by the state board of education and shall certify the 4760
budget to the state board of education, together with such other 4761
information as the board may require. Such budget shall consist of 4762
two parts. Part (A) shall include the cost of the salaries, 4763

employers retirement contributions, and travel expenses of 4764
supervisory teachers approved by the state board of education. The 4765
amount derived from the calculation for such units in part (A) of 4766
the governing board budget shall be the sum of: 4767

(1) The sum of the minimum salaries calculated, pursuant to 4768
section 3317.13 of the Revised Code, for each approved licensed 4769
employee of the governing board; 4770

(2) An additional salary allowance proportional to the length 4771
of the extended term of service not to exceed three months for 4772
each supervisory and child study teacher whose term of service in 4773
any year is extended beyond the terms of service of regular 4774
classroom teachers; 4775

(3) An allowance equal to fifteen per cent of the amount 4776
computed under division (A)(1) of this section; 4777

(4) An allowance for necessary travel expenses, for each of 4778
the personnel approved in part (A) of the budget, limited to two 4779
hundred twenty-three dollars and sixteen cents per month, or two 4780
thousand six hundred seventy-eight dollars per year per person 4781
employed, whichever is the lesser. ~~Part~~ 4782

Part (B) shall include the cost of all other lawful 4783
expenditures of the governing board. The state board of education 4784
shall review such budget and may approve, increase, or decrease 4785
such budget. 4786

The governing board shall be reimbursed by the state board of 4787
education from state funds for the cost of part (A) of the budget. 4788
The governing board shall be reimbursed by the state board of 4789
education, from state funds for the cost of part (B) of the 4790
approved budget that is in excess of six dollars and fifty cents 4791
times the service center ADM. If the governing board provides 4792
services to city or exempted village school districts pursuant to 4793

section 3313.843 of the Revised Code, the governing board shall be
reimbursed from state funds for the cost of part (B) of the budget
that is in excess of six dollars and fifty cents times the sum of
the service center ADM and the ~~formula~~ client ADMs of the city or
exempted village districts to which such services are provided.
The cost of part (B) not in excess of six dollars and fifty cents
times the number of such ADM shall be apportioned by the state
board of education among the local school districts in the
territory of the service center, or among all districts to which
the governing board provides services, on the basis of the total
number of pupils in each school district.

If part (B) of the budget is in excess of that approved by
the state board of education, the excess cost shall be apportioned
by the state board of education among the local school districts
in the territory of the service center on the basis of the total
number of such pupils in each such school district, provided that
a majority of the boards of education of such local school
districts approve such apportionment. The state board of education
shall initiate and supervise the procedure by which the local
boards shall approve or disapprove such apportionment.

The amounts so apportioned shall be certified to the
treasurers of the various school districts. In the case of each
district such amount shall be deducted by the state board of
education from funds allocated to the district pursuant to
division (E) of section 3317.023 of the Revised Code.

The state board of education shall certify to the director of
budget and management for payment the total of the deductions,
whereupon the amount shall be paid to the governing board of each
service center, to be deposited to the credit of a separate fund,
hereby created, to be known as the educational service center
governing board fund.

An educational service center may provide special education 4825
to students in its local districts or in client districts. A 4826
service center is eligible for funding under division (J) of 4827
section 3317.024 of the Revised Code and eligible for state 4828
subsidies for the purchase of school buses under section 3317.07 4829
of the Revised Code. Special education units for gifted children 4830
may be operated by a governing board. Vocational education may be 4831
provided by a governing board. A governing board may conduct 4832
driver education for pupils enrolled in a high school for which 4833
the state board of education prescribes minimum standards and 4834
which is eligible for funding under division (I) of section 4835
3317.024 of the Revised Code. 4836

Every local school district shall be provided supervisory 4837
services by its governing board as approved by the state board of 4838
education. A city or exempted village school district shall be 4839
considered to be provided supervisory services by a governing 4840
board if it has entered into an agreement for the governing board 4841
to provide any services under section 3313.843 of the Revised 4842
Code. Supervisory services shall not exceed one supervisory 4843
teacher for the first fifty classroom teachers employed in all 4844
districts that are provided supervisory services calculated under 4845
section 3317.023 of the Revised Code and one supervisory teacher 4846
for every additional one hundred such classroom teachers so 4847
calculated. Reimbursement for such supervisory services shall be a 4848
deduction by the state board of education from the payment to the 4849
school district pursuant to division (E) of section 3317.023 of 4850
the Revised Code. Deductions for all supervisory services and 4851
extended services for supervisory and child study shall be 4852
apportioned among local school districts within the territory of 4853
the service center and any city or exempted village districts that 4854
have entered into agreements with a service center pursuant to 4855
section 3313.843 of the Revised Code by the state board of 4856

education on the basis of the total number of pupils in each 4857
school district, except that where such services are provided to 4858
districts other than local school districts within the service 4859
center territory and city or exempted village districts having 4860
agreements with the service center, such charges shall be 4861
apportioned among all participating districts on the basis of the 4862
total number of pupils in each school district. All deductions 4863
from state funding to school districts required for reimbursement 4864
of governing boards by division (E) of section 3317.023 of the 4865
Revised Code shall be made from the total of the payment computed 4866
for the district under ~~sections 3317.022 and 3317.023 of the~~ 4867
~~Revised Code~~ this chapter, after making any other adjustments in 4868
that payment required by law. 4869

(B)(1) In addition to the payments made under division (A) of 4870
this section, except as otherwise provided in division (C) of this 4871
section, the department of education shall pay each governing 4872
board, each fiscal year, an amount equal to thirty-four dollars 4873
times the sum of the service center ADM and thirty-four dollars 4874
times the sum of the client ADMs of all its client districts. 4875

(2) In addition to other payments under this section, the 4876
department shall pay each educational service center the amounts 4877
due to it from school districts pursuant to contracts, compacts, 4878
or agreements under which the service center furnishes services to 4879
the districts or their students. In order to receive payment under 4880
this division, an educational service center shall furnish either 4881
a copy of the applicable contract, compact, or agreement clearly 4882
indicating the amounts of the payments, or a written statement of 4883
the payments owed signed by the superintendent or treasurer of the 4884
responsible school district. 4885

The amounts paid to service centers under division (B)(2) of 4886
this section shall be deducted from payments to school districts 4887
pursuant to division (K)(2) of section 3317.023 Of the Revised 4888

<u>Code.</u>	4889
(C) Beginning with the fiscal year that starts July 1, 1997,	4890
in lieu of the payment specified under division (B) of this	4891
section, each multicounty service center shall receive a payment	4892
each fiscal year equal to one per cent times the formula amount	4893
times the sum of the service center ADM and the client ADMs of all	4894
its client districts.	4895
(D) Each city, exempted village, local, joint vocational, or	4896
cooperative education school district shall pay to the governing	4897
board of an educational service center any amounts agreed to for	4898
each child enrolled in the district who receives special education	4899
and related services or vocational education from the educational	4900
service center.	4901
(E) As used in this section:	4902
(1) "Service center ADM" means the total of each of the	4903
following for all local school districts within the limits of an	4904
educational service center's territory:	4905
(a) The formula ADM;	4906
(b) One half of the <u>The</u> kindergarten average daily membership	4907
included in the formula ADM;	4908
(c) Three-quarters of the number of students reported under	4909
division (B)(4) of section 3317.03 of the Revised Code;	4910
(d) The average daily membership of handicapped preschool	4911
children reported under division (B)(2) of section 3317.03 of the	4912
Revised Code;	4913
(e) The number of preschool students certified under division	4914
(B) of section 3317.032 of the Revised Code.	4915
(2) "Client ADM" means the total of each number described	4916
under divisions (E)(1)(a) to (e) of this section for a client	4917
district.	4918

(3) "Client district" means a city or exempted village school district that has entered into an agreement to receive services from a service center pursuant to section 3313.843 of the Revised Code.

(4) "Multicounty service center" means a service center that includes territory that formerly was included in the territory of at least three former service centers or county school districts, which former centers or districts engaged in one or more mergers pursuant to section 3311.053 of the Revised Code to form the present center.

Sec. 3317.161. As used in this section, "institution" means an institution operated by a department specified in section 3323.091 of the Revised Code.

(A)(1) The department of education shall pay each school district, educational service center, institution eligible for payment under section 3323.091 of the Revised Code, or county ~~MR/DD~~ MR/DD board an amount for the total of all classroom units for handicapped preschool children approved under division (B) of section 3317.05 of the Revised Code. For each unit, the amount shall be the sum of the minimum salary for the teacher of the unit, calculated on the basis of the teacher's training level and years of experience pursuant to section 3317.13 of the Revised Code, plus fifteen per cent of that minimum salary amount, and eight thousand twenty-three dollars.

(2) The department shall pay each school district, educational service center, institution eligible for payment under section 3323.091 of the Revised Code, or county MR/DD board an amount for the total of all related services units for handicapped preschool children approved under division (C) of section 3317.05 of the Revised Code. For each such unit, the amount shall be the sum of the minimum salary for the teacher of the unit calculated

on the basis of the teacher's training level and years of 4950
experience pursuant to section 3317.13 of the Revised Code, 4951
fifteen per cent of that minimum salary amount, and two thousand 4952
one hundred thirty-two dollars. 4953

(B) If a school district or educational service center has 4954
had additional handicapped preschool units approved for the year 4955
under division (F)(2) of section 3317.03 of the Revised Code, or 4956
if a county MR/DD board has had additional handicapped preschool 4957
units approved under division (G)(3) of section 3317.03 of the 4958
Revised Code, the district, educational service center, or board 4959
shall receive an additional amount during the last half of the 4960
fiscal year. For each district, center, or board, the additional 4961
amount for each unit shall equal fifty per cent of the ~~amount~~ 4962
amounts computed for the unit in the manner prescribed by division 4963
(A) of this section and division (C) of section 3317.162 Of the 4964
Revised Code. 4965

(C)(1) The department shall pay each institution eligible for 4966
payment under section 3323.091 of the Revised Code or county MR/DD 4967
board an amount for the total of all special education units 4968
approved under division (D)(1) of section 3317.05 of the Revised 4969
Code. The amount for each unit shall be the sum of the minimum 4970
salary for the teacher of the unit, calculated on the basis of the 4971
teacher's training level and years of experience pursuant to 4972
section 3317.13 of the Revised Code, plus fifteen per cent of that 4973
minimum salary amount, and eight thousand twenty-three dollars. 4974

(2) The department shall pay each institution eligible for 4975
payment under section 3323.091 of the Revised Code or county MR/DD 4976
board an amount for the total of all related services units 4977
approved under division (D)(2) of section 3317.05 of the Revised 4978
Code. The amount for each unit shall be the sum of the minimum 4979
salary for the teacher of the unit, calculated on the basis of the 4980
teacher's training level and years of experience pursuant to 4981

section 3317.13 of the Revised Code, plus fifteen per cent of that
minimum salary amount, and two thousand one hundred thirty-two
dollars.

(3) If a county MR/DD board has had additional ~~handicapped~~
~~preschool~~ units for handicapped children other than handicapped
preschool children approved under division (G)(3) of section
3317.03 of the Revised Code, the board shall receive an additional
amount during the last half of the fiscal year. For each board,
the additional amount for each unit shall equal fifty per cent of
the amount computed for the unit in the manner prescribed by
division (C)(1) of this section and division (C) of section
3317.162 Of the Revised Code.

(D) The department shall pay each institution approved for
vocational education units under division (A) of section 3317.05
of the Revised Code an amount for the total of all the units
approved under that division. The amount for each unit shall be
the sum of the minimum salary for the teacher of the unit,
calculated on the basis of the teacher's training level and years
of experience pursuant to section 3317.13 of the Revised Code,
plus fifteen per cent of that minimum salary amount, and nine
thousand five hundred ten dollars.

Sec. ~~50.11~~ 3317.162. Supplemental Unit Allowance

(A) As used ~~under~~ in this ~~heading~~ section:

(1) "State share percentage" has the same meaning as in
~~division (B) of~~ section 3317.022 of the Revised Code.

(2) "Dollar amount" means the amount shown in the following
table for the corresponding type of unit and the appropriate
fiscal year:

TYPE OF UNIT	DOLLAR AMOUNT FY 1999
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Division (B) of R.C. section 3317.05 <u>Of the Revised Code</u>	\$8,334
Division (C) of R.C. 3317.05 that <u>section</u>	\$3,234
Division (F) of R.C. 3317.05 that <u>section</u>	\$3,550

(3) "Average unit amount" means the amount shown in the following table for the corresponding type of unit and the appropriate fiscal year:

TYPE OF UNIT	AVERAGE UNIT AMOUNT FY 1999	
Division (B) of R.C. section 3317.05 <u>Of the Revised Code</u>	\$7,799	5018
Division (C) of R.C. 3317.05 that <u>section</u>	\$2,966	5019
Division (F) of R.C. 3317.05 that <u>section</u>	\$3,251	5020

(B) In the case of each unit described in division (B), (C), or (F) of section 3317.05 of the Revised Code and allocated to a city, local, or exempted village school district, the ~~Department~~ department of Education education, in addition to the amounts specified in ~~such divisions~~ division (P)(1) of section 3317.024 and sections 3317.16, 3317.161, and 3317.19 Of the Revised Code, shall pay a supplemental unit allowance equal to the sum of the following amounts:

(1) An amount equal to 50% of the average unit amount for the unit;

(2) An amount equal to the percentage of the dollar amount for the unit that equals the district's state share percentage.

If, prior to the fifteenth day of May of a fiscal year, a

school district's aid computed under section 3317.022 of the Revised Code is recomputed pursuant to section 3317.027 or 3317.028 of the Revised Code, the department shall also recompute the district's entitlement to payment under this section utilizing a new state share percentage. Such new state share percentage shall be determined using the district's recomputed basic aid amount pursuant to section 3317.027 or 3317.028 of the Revised Code. During the last six months of the fiscal year, the department shall pay the district a sum equal to one-half of the recomputed payment in lieu of one-half the payment otherwise calculated under this section.

(C)(1) In the case of each unit allocated to a joint vocational school district or institution pursuant to division (A) of section 3317.05 of the Revised Code, the ~~Department~~ department, in addition to the amount specified in section 3317.16 or 3317.161 of the Revised Code, shall pay a supplemental unit allowance of \$7,227 in fiscal year 1999.

(2) In the case of each unit described in division (B) or (D)(1) of section 3317.05 of the Revised Code that is allocated to any entity other than a city, exempted village, or local school district, the ~~Department~~ department, in addition to the amount specified in section 3317.161 of the Revised Code, shall pay a supplemental unit allowance of \$7,799 in fiscal year 1999.

(3) In the case of each unit described in division (C) or (D)(2) of section 3317.05 of the Revised Code and allocated to any entity other than a city, exempted village, or local school district, the ~~Department~~ department, in addition to the amounts specified in section 3317.161 of the Revised Code, shall pay a supplemental unit allowance of \$2,966 in fiscal year 1999.

(4) In the case of each unit described in division (F) of section 3317.05 of the Revised Code and allocated to any entity

other than a city, exempted village, or local school district, the 5067
~~Department~~ department, in addition to the amounts specified in 5068
section 3317.161 of the Revised Code, shall pay a supplemental 5069
unit allowance of \$3,251 in fiscal year 1999. 5070

Sec. 3317.19. (A) As used in this section, "total unit 5071
allowance" means an amount equal to the sum of the following: 5072

(1) The total of the salary allowances for the teachers 5073
employed in the cooperative education school district for all 5074
units approved under division (B) or (C) of section 3317.05 of the 5075
Revised Code. The salary allowance for each unit shall equal the 5076
minimum salary for the teacher of the unit calculated on the basis 5077
of the teacher's training level and years of experience pursuant 5078
to section 3317.13 of the Revised Code. 5079

(2) Fifteen per cent of the total computed under division 5080
(A)(1) of this section; 5081

(3) The total of the unit operating allowances for all 5082
approved units. The amount of each allowance shall equal one of 5083
the following: 5084

(a) Eight thousand twenty-three dollars times the number of 5085
preschool handicapped units or fraction thereof approved for the 5086
year under division (B) of section 3317.05 of the Revised Code; 5087

(b) Two thousand one hundred thirty-two dollars times the 5088
number of units or fraction thereof approved for the year under 5089
division (C) of section 3317.05 of the Revised Code. 5090

(B) The state board of education shall compute and distribute 5091
to each cooperative education school district for each fiscal year 5092
an amount equal to the sum of the following: 5093

(1) An amount equal to the total of the amounts credited to 5094
the cooperative education school district pursuant to division (K) 5095
of section 3317.023 of the Revised Code; 5096

(2) The total unit allowance;	5097
(3) An amount for driver education pursuant to division	5098
(H) <u>(I)</u> of section 3317.024 of the Revised Code;	5099
(4) An amount for assisting in providing free lunches to	5100
needy children and an amount for assisting needy school districts	5101
in purchasing necessary equipment for food preparation pursuant to	5102
division (K) of section 3317.024 of the Revised Code.	5103
(C) If a cooperative education school district has had	5104
additional special education units approved for the year under	5105
division (F)(2) of section 3317.03 of the Revised Code, the	5106
district shall receive an additional amount during the last half	5107
of the fiscal year. For each unit, the additional amount shall	5108
equal fifty per cent of the amount computed under division (A) of	5109
this section for a unit approved under division (B) of section	5110
3317.05 of the Revised Code.	5111
Sec. 3318.06. After receipt of the conditional approval of	5112
the Ohio school facilities commission, the school district board	5113
by a majority of all of its members shall, if it desires to	5114
proceed with the project, declare all of the following by	5115
resolution:	5116
(A) That with a net bonded indebtedness of within five	5117
thousand dollars of the required level of indebtedness or by	5118
issuing bonds in an amount equal to the required percentage of the	5119
project costs, the district is unable to provide adequate	5120
classroom facilities without assistance from the state;	5121
(B) That to qualify for such state assistance it is necessary	5122
to levy a tax outside the ten-mill limitation the proceeds of	5123
which shall be used to pay the cost of maintaining the classroom	5124
facilities included in the project, except that in any year the	5125
district's adjusted valuation per pupil is greater than the	5126

state-wide median adjusted valuation per pupil one-half of the 5127
proceeds of the tax shall be used for such maintenance and 5128
one-half of such proceeds shall be used to pay the cost of the 5129
purchase of the classroom facilities from the state; 5130

(C) That the question of such tax levy shall be submitted to 5131
the electors of the school district at the next general or primary 5132
election, if there be a general or primary election not less than 5133
seventy-five and not more than ninety-five days after the day of 5134
the adoption of such resolution or, if not, at a special election 5135
to be held at a time specified in the resolution which shall be 5136
not less than seventy-five days after the day of the adoption of 5137
the resolution and which shall be in accordance with the 5138
requirements of section 3501.01 of the Revised Code. 5139

Such resolution shall also state, ~~if such be the case,~~ that 5140
the question of issuing bonds of the board shall be combined in a 5141
single proposal with the question of such tax levy. More than one 5142
election under this section may be held in any one calendar year. 5143
Such resolution shall specify both of the following: 5144

(1) That the rate which it is necessary to levy shall be at 5145
the rate of one-half mill for each one dollar of valuation, and 5146
that such tax shall be levied until the purchase price is paid but 5147
in no case longer than twenty-three years; 5148

(2) That the proceeds of the tax shall be used to pay the 5149
cost of maintaining the classroom facilities included in the 5150
project, except in any year the district's adjusted valuation per 5151
pupil is greater than the statewide median adjusted valuation per 5152
pupil one-half of the proceeds of the tax shall be used for such 5153
maintenance and one-half of the proceeds of the tax shall be used 5154
to pay the cost of the purchase of the classroom facilities from 5155
the state under sections 3318.01 to 3318.20 of the Revised Code. 5156

A copy of such resolution shall after its passage and not 5157

less than seventy-five days prior to the date set therein for the 5158
election be certified to the county board of elections. 5159

~~If the question of issuing bonds of the board is to be~~ 5160
~~combined with the question of levying the tax, the~~ The resolution 5161
of the school district board, in addition to meeting other 5162
applicable requirements of section 133.18 of the Revised Code, 5163
shall state that the amount of bonds to be issued will be either 5164
whatever amount may be necessary to raise the net bonded 5165
indebtedness of the school district to within five thousand 5166
dollars of the required level of indebtedness calculated for the 5167
year preceding the year in which such resolution is adopted or an 5168
amount equal to the required percentage of the basic project 5169
costs, whichever is greater and state that the maximum maturity of 5170
the bonds which, notwithstanding section 133.20 of the Revised 5171
Code, may be any number of years not exceeding twenty-three as 5172
determined by the board. In estimating the amount of bonds to be 5173
issued, the board shall take into consideration the amount of 5174
moneys then in the bond retirement fund and the amount of moneys 5175
to be collected for and disbursed from the bond retirement fund 5176
during the remainder of the year in which the resolution of 5177
necessity is adopted. 5178

Notice of the election shall include the fact that the tax 5179
levy shall be at the rate of one-half mill for each one dollar of 5180
valuation, that the levy shall be made until the purchase price is 5181
paid but in no case longer than twenty-three years, and that the 5182
proceeds of the tax shall be used to pay the cost of maintaining 5183
the classroom facilities included in the project, except in any 5184
year the district's adjusted valuation per pupil is greater than 5185
the statewide median adjusted valuation per pupil one-half of the 5186
proceeds of the tax shall be used for such maintenance and 5187
one-half of the proceeds of the tax shall be used to pay the cost 5188
of the purchase of the classroom facilities from the state under 5189

sections 3318.01 to 3318.20 of the Revised Code. 5190

The form of the ballot to be used at such election shall be: 5191

"A majority affirmative vote is necessary for passage. 5192

Shall bonds be issued by the Board of Education of the 5193
..... (here insert name of school district) for the purpose 5194
of (here insert purpose of bond issue) in either an 5195
amount sufficient to raise the net indebtedness of the school 5196
district to within five thousand dollars of (here 5197
insert five, six, or seven per cent depending on the district's 5198
required level of indebtedness) of the total value of all property 5199
in the school district as listed and assessed for taxation on the 5200
tax duplicate for the year (here insert the year 5201
preceding the year in which the resolution declaring the necessity 5202
of the election was adopted) or an amount equal to 5203
(here insert the required percentage of the basic project costs), 5204
whichever is greater, and a levy of taxes be made outside of the 5205
ten-mill limitation for a maximum period of (here 5206
insert longest maturity) years to pay the principal and interest 5207
of such bonds, the amount of such bonds being estimated to be 5208
..... (here insert estimated amount of bond issue) for 5209
which the levy of taxes is estimated by the county auditor to 5210
average (here insert number of mills) mills for each 5211
one dollar of valuation, which amounts to (here 5212
insert rate expressed in dollars and cents) for each one hundred 5213
dollars of valuation?" 5214

and 5215

"Shall an additional levy of taxes be made for the benefit of 5216
the (name of school district), the proceeds of which 5217
shall be used to pay the cost of maintaining the classroom 5218
facilities included in the project, except that in any year the 5219
district's adjusted valuation per pupil is greater than the 5220

state-wide median adjusted valuation per pupil one-half of the 5221
proceeds of the tax shall be used for such maintenance and 5222
one-half of such proceeds shall be used to pay the cost of the 5223
purchase of classroom facilities from the state, at the rate of 5224
one-half mill for each one dollar of valuation until the purchase 5225
price is paid but in no case longer than twenty-three years? 5226

FOR THE BOND ISSUE AND TAX LEVY 5227
5228

AGAINST THE BOND ISSUE AND TAX LEVY 5229
5230

" 5231

~~Where it is not necessary to include the question of issuing 5232
bonds of the school district board with the question of levying 5233
the tax, the first paragraph of the foregoing ballot form shall be 5234
omitted and the question to be voted on shall be "For the Tax 5235
Levy" and "Against the Tax Levy." 5236~~

(D) If it is necessary for the school district to acquire a 5237
site for the classroom facilities to be acquired pursuant to 5238
sections 3318.01 to 3318.20 of the Revised Code, the district 5239
board may propose either to issue bonds of the board or to levy a 5240
tax to pay for the acquisition of such site, and may combine the 5241
question of doing so with the questions specified in division (C) 5242
of this section. Bonds issued under this division for the purpose 5243
of acquiring a site are a general obligation of the school 5244
district and are Chapter 133. securities. 5245

The form of that portion of the ballot to include the 5246
question of either issuing bonds or levying a tax for site 5247
acquisition purposes shall be one of the following: 5248

(1) "Shall bonds be issued by the board of education of the 5249
..... (name of the school district) for the purpose of 5250
..... (purpose of the bond issue, which shall be for the 5251

purpose of acquiring a site for classroom facilities) in the 5252
principal amount of (principal amount of the bond issue), 5253
to be repaid annually over a maximum period of (maximum 5254
number of years over which the principal of the bonds may be paid) 5255
years, and an annual levy of property taxes be made outside the 5256
ten-mill limitation, estimated by the county auditor to average 5257
over the repayment period of the bond issue (number of 5258
mills) mills for each one dollar of tax valuation, which amount to 5259
..... (rate expressed in dollars and cents) for each one hundred 5260
dollars of valuation?" 5261

(2) "Shall an additional levy of taxes be made for the 5262
benefit of the (name of the school district) 5263
for the purpose (purpose of the levy, which shall be for 5264
the purpose of acquiring a site for classroom facilities) in the 5265
sum of (annual amount the levy is to produce) and a levy 5266
of taxes to be made outside of the ten-mill limitation estimated 5267
by the county auditor to average (number of mills) mills 5268
for each one hundred dollars of valuation, for a period of 5269
..... (number of years the millage is to be imposed) years?" 5270

Where it is necessary to combine the question of issuing 5271
bonds of the school district and levying a tax as described in 5272
division (C) of this section with the question of issuing bonds of 5273
the school district for acquisition of a site, the question 5274
specified in division (C) of this section to be voted on shall be 5275
"For the Bond Issues and the Tax Levy" and "Against the Bond 5276
Issues and the Tax Levy." ~~In the event it is not necessary to 5277
include the question of issuing bonds as described in division (C) 5278
of this section, the question specified in that division to be 5279
voted on shall be "For the Bond Issue and the Tax Levy" and 5280
"Against the Bond Issue and the Tax Levy."~~ 5281

Where it is necessary to combine the question of issuing 5282
bonds of the school district and levying a tax as described in 5283

division (C) of this section with the question of levying a tax 5284
for the acquisition of a site, the question specified in division 5285
(C) of this section to be voted on shall be "For the Bond Issue 5286
and the Tax Levies" and "Against the Bond Issue and the Tax 5287
Levies." ~~In the event it is not necessary to include the question 5288
of issuing bonds as described in division (C) of this section, the 5289
question specified in that division to be voted on shall be "For 5290
the Tax Levies" and "Against the Tax Levies."~~ 5291

If a majority of those voting upon a proposition hereunder 5292
which includes the question of issuing bonds vote in favor 5293
thereof, and if the agreement provided for by section 3318.08 of 5294
the Revised Code has been entered into, the school district board 5295
may proceed under Chapter 133. of the Revised Code, with the 5296
issuance of bonds or bond anticipation notes in accordance with 5297
the terms of the agreement. 5298

Sec. 3318.08. If the requisite favorable vote on the election 5299
is obtained, the Ohio school facilities commission, upon 5300
certification of the results of the election to it, shall enter 5301
into a written agreement with the school district board for the 5302
construction and sale of the project, which agreement shall 5303
include, but need not be limited to, the following provisions: 5304

(A) The sale and issuance of bonds or notes in anticipation 5305
thereof, as soon as practicable after the execution of the 5306
agreement, in either an amount which will raise the net bonded 5307
indebtedness of the school district, as of the date of the 5308
resolution authorizing the issuance of such bonds or notes, to 5309
within five thousand dollars of the required level of indebtedness 5310
calculated for the year preceding the year in which the resolution 5311
declaring the necessity of the election was adopted or an amount 5312
equal to the required percentage of the basic project costs, 5313
whichever is greater; provided, that if at that time the county 5314

5315 treasurer of each county in which the school district is located
5316 has not commenced the collection of taxes on the general duplicate
5317 of real and public utility property for such year, the school
5318 district board shall authorize the issuance of a first installment
5319 of bond anticipation notes in an amount specified by the
5320 agreement, which amount shall not exceed an amount necessary to
5321 raise the net bonded indebtedness of the school district as to the
5322 date of such authorizing resolution to within five thousand
5323 dollars of the required level of indebtedness for the preceding
5324 year. In the event that a first installment of bond anticipation
5325 notes is issued, the school district board shall, as soon as
5326 practicable after the county treasurer of each county in which the
5327 school district is located has commenced the collection of taxes
5328 on the general duplicate of real and public utility property for
5329 the year in which the resolution declaring the necessity of the
5330 election was adopted, authorize the issuance of a second and final
5331 installment of bond anticipation notes or a first and final issue
5332 of bonds. The combined value of the first and second installment
5333 of bond anticipation notes or the value of the first and final
5334 issue of bonds shall be equal to either an amount which will raise
5335 the net indebtedness of the school district as of the date of such
5336 authorizing resolution to within five thousand dollars of the
5337 required level of indebtedness, or an amount equal to the required
5338 percentage of the project costs, whichever is greater. The
5339 proceeds of any such bonds shall be used first to retire any bond
5340 anticipation notes. Otherwise, the proceeds of such bonds and of
5341 any bond anticipation notes, except the premium and accrued
5342 interest thereon, shall be deposited in the school district's
5343 project construction fund. In determining the amount of net
5344 indebtedness for the purpose of fixing the amount of an issue of
5345 either bonds or bond anticipation notes, gross indebtedness shall
5346 be reduced by moneys in the bond retirement fund only to the
5347 extent of the moneys therein on the first day of the year

preceding the year in which the resolution authorizing such bonds 5348
or notes is adopted. Should there be a decrease in the tax 5349
valuation of the school district so that the amount of 5350
indebtedness which can be incurred on the tax duplicates for the 5351
year in which the resolution declaring the necessity of the 5352
election was adopted is less than the amount of the first 5353
installment of bond anticipation notes, there shall be paid from 5354
the school district's project construction fund to the school 5355
district's bond retirement fund to be applied against such notes 5356
an amount sufficient to cause the net indebtedness of the school 5357
district, as of the first day of the year following the year in 5358
which the resolution declaring the necessity of the election was 5359
adopted, to be within five thousand dollars of the required level 5360
of indebtedness for the year in which that resolution was adopted. 5361
The maximum amount of indebtedness to be incurred by any school 5362
district board as its share of the cost of the project is either 5363
an amount which will cause its net indebtedness, as of the first 5364
day of the year following the year in which the resolution 5365
declaring the necessity of the bond issue was adopted, to be 5366
within five thousand dollars of the required level of indebtedness 5367
calculated for the year preceding the year in which that 5368
resolution was adopted or an amount equal to the required 5369
percentage of the basic project costs, whichever is greater. All 5370
bonds and bond anticipation notes shall be issued in accordance 5371
with Chapter 133. of the Revised Code, and notes may be renewed as 5372
provided in section 133.22 of the Revised Code. 5373

(B) The transfer of such funds of the school district board 5374
available for the project, together with the proceeds of the sale 5375
of the bonds or notes, except premium, accrued interest, and 5376
interest included in the amount of the issue, to the school 5377
district's project construction fund; 5378

(C) The levy of the tax authorized at the election for the 5379

payment of maintenance costs or the cost of purchasing the 5380
classroom facilities; 5381

(D) Ownership of the project during the period of 5382
construction, which shall be divided between the commission and 5383
the school district board in proportion to their respective 5384
contributions to the school district's project construction fund; 5385

(E) The transfer of the state's interest in the project to 5386
the school district upon completion of the project; 5387

(F) The insurance of the project by the school district from 5388
the time there is an insurable interest therein and so long as any 5389
part of the purchase price remains unpaid, in such amounts and 5390
against such risks as the commission shall require; provided, that 5391
the cost of any required insurance until the project is completed 5392
shall be a part of the basic project cost; 5393

(G) The certification by the director of budget and 5394
management that funds are available and have been set aside to 5395
meet the state's share of the basic project cost as approved by 5396
the controlling board pursuant to section 3318.04 of the Revised 5397
Code; 5398

(H) Authorization of the school district board to advertise 5399
for and receive construction bids for the project, for and on 5400
behalf of the commission, and to award contracts in the name of 5401
the state subject to approval by the commission; 5402

(I) Provisions for the disbursement of moneys from the school 5403
district's project account upon issuance by the commission or the 5404
commission's designated representative of vouchers for work done 5405
to be certified to the commission by the treasurer of the school 5406
district board; 5407

(J) Disposal of any balance left in the school district's 5408
project construction fund upon completion of the project; 5409

(K) Prohibition against alienation of any interest in the 5410
project by the school district board or its successor in interest 5411
without the consent of the commission so long as any part of the 5412
purchase price of the project remains unpaid, but in no case 5413
longer than twenty-three years; 5414

(L) Limitations upon use of the project or any part of it so 5415
long as any part of the purchase price of the project remains 5416
unpaid, but in no case longer than twenty-three years; 5417

~~(M) Suspension of the power to issue bonds or notes by the 5418
school district board for permanent improvements without the prior 5419
consent of the commission for so long as any part of the purchase 5420
price of the project remains unpaid, but in no case longer than 5421
twenty three years; 5422~~

~~(N) Provision for vesting absolute interest in the project in 5423
the school district board when the purchase price has been paid or 5424
at the expiration of the period of twenty-three years; 5425~~

~~(O)(N) Provision for deposit of an executed copy of the 5426
agreement in the office of the commission and the office of the 5427
county recorder of the county or counties in which the project is 5428
situated; 5429~~

~~(P)(O) Provision for termination of the contract and release 5430
of the funds encumbered at the time of the conditional approval, 5431
if the proceeds of the sale of the bonds of the school district 5432
board are not paid into the school district's project construction 5433
fund and if bids for the construction of the project have not been 5434
taken within such period after the execution of the agreement as 5435
may be fixed by the commission; 5436~~

~~(Q)(P) Provision for the school district to maintain the 5437
project in accordance with a plan approved by the commission; 5438~~

~~(R)(O) Provision that all state funds reserved and encumbered 5439~~

to pay the state share of the cost of the project pursuant to 5440
section 3318.03 of the Revised Code be spent on the construction 5441
or acquisition of the project prior to the expenditure of any 5442
funds provided by the school district to pay for its share of the 5443
project cost, unless the school district certifies to the 5444
commission that expenditure by the school district is necessary to 5445
maintain the tax-exempt status of notes or bonds issued by the 5446
school district to pay for its share of the project cost in which 5447
case, the school district may commit to spend, or spend, a portion 5448
of the funds it provides. 5449

Sec. 3318.10. When such working drawings, specifications, and 5450
estimates of cost have been approved by the school district board 5451
and the Ohio school facilities commission, the treasurer of the 5452
school district board shall advertise for construction bids for 5453
the project once a week for ~~four~~ three consecutive weeks in a 5454
newspaper published in and of general circulation in the county in 5455
which the project is located. Such notices shall state that plans 5456
and specifications for the project are on file in the office of 5457
the commission and such other place as may be designated in such 5458
notice, and the time and place when and where bids therefor will 5459
be received. 5460

The form of proposal to be submitted by bidders shall be 5461
supplied by the commission. Bidders may be permitted to bid upon 5462
all the branches of work and materials to be furnished and 5463
supplied, upon any branch thereof, or upon all or any thereof. 5464

A proposal shall be invalid and not considered unless it 5465
meets the requirements of section 153.54 of the Revised Code. 5466

When the construction bids for all branches of work and 5467
materials have been tabulated, the commission shall cause to be 5468
prepared a revised estimate of the basic project cost based upon 5469
the lowest responsible bids received. If such revised estimate 5470

exceeds the estimated basic project cost as approved by the 5471
controlling board pursuant to section 3318.04 of the Revised Code, 5472
no contracts may be entered into pursuant to this section unless 5473
such revised estimate is approved by the commission and by the 5474
controlling board referred to in section 3318.04 of the Revised 5475
Code. When such revised estimate has been prepared, and after such 5476
approvals are given, if necessary, and if the school district 5477
board has caused to be transferred to the project construction 5478
fund the proceeds from the sale of the first or first and final 5479
installment of its bonds or bond anticipation notes pursuant to 5480
the provision of written agreement required by division (B) of 5481
section 3318.08 of the Revised Code, and when the director of 5482
budget and management has certified that there is a balance in the 5483
appropriation, not otherwise obligated to pay precedent 5484
obligations, pursuant to which the state's share of such revised 5485
estimate is required to be paid, the contract for all branches of 5486
work and materials to be furnished and supplied, or for any branch 5487
thereof as determined by the school district board, shall be 5488
awarded by the school district board to the lowest responsible 5489
bidder subject to the approval of the commission. Such award shall 5490
be made within ~~thirty~~ sixty days after the date on which the bids 5491
are opened, and the successful bidder shall enter into a contract 5492
within ten days after the successful bidder is notified of the 5493
award of the contract. 5494

Subject to the approval of the commission, the school 5495
district board may reject all bids and readvertise. Any contract 5496
made under this section shall be made in the name of the state and 5497
executed on its behalf by the president and treasurer of the 5498
school district board. 5499

The provisions of sections 153.50 to 153.99 of the Revised 5500
Code, which are applicable to construction contracts of boards of 5501
education and which permit bids to be made for two or more trades 5502

or kinds of work, shall apply to construction contracts for the 5503
project to the exclusion of sections 153.01 to 153.20 of the 5504
Revised Code applicable to state construction contracts. 5505

The remedies afforded to any subcontractor, materials 5506
supplier, laborer, mechanic, or persons furnishing material or 5507
machinery for the project under sections 1311.26 to 1311.32 of the 5508
Revised Code, shall apply to contracts entered into under this 5509
section and the itemized statement required by section 1311.26 of 5510
the Revised Code shall be filed with the school district board. 5511

Sec. 3323.091. (A) The department of mental health, the 5512
department of mental retardation and developmental disabilities, 5513
the department of youth services, and the department of 5514
rehabilitation and correction shall establish and maintain special 5515
education programs for handicapped children in institutions under 5516
their jurisdiction according to standards adopted by the state 5517
board of education. The superintendent of each institution 5518
providing special education under this chapter may apply to the 5519
state department of education for unit funding, which shall be 5520
paid in accordance with ~~section~~ sections 3317.161 and 3317.162 of 5521
the Revised Code. 5522

(B) On or before the thirtieth day of June of each year, the 5523
superintendent of each institution that during the school year 5524
provided special education pursuant to this section shall prepare 5525
a statement for each handicapped child under twenty-two years of 5526
age who has received special education. The statement shall 5527
contain the child's name and the name of the child's school 5528
district of residence. Within sixty days after receipt of such 5529
statement, the department of education shall perform one of the 5530
following: 5531

(1) For any child except a handicapped preschool child 5532
described in division (B)(2) of this section, pay to the 5533

institution submitting the statement an amount equal to the 5534
tuition calculated under division (A) of section 3317.08 of the 5535
Revised Code for the period covered by the statement, and deduct 5536
the same from the amount of state funds, if any, payable under 5537
sections 3317.022 and 3317.023 of the Revised Code, to the child's 5538
school district of residence or, if the amount of such state funds 5539
is insufficient, require the child's school district of residence 5540
to pay the institution submitting the statement an amount equal to 5541
the amount determined under this division. 5542

(2) For any handicapped preschool child not included in a 5543
unit approved under division (B) of section 3317.05 of the Revised 5544
Code, perform the following: 5545

(a) Pay to the institution submitting the statement an amount 5546
equal to the tuition calculated under division (B) of section 5547
3317.08 of the Revised Code for the period covered by the 5548
statement, except that in calculating the tuition under that 5549
section the operating expenses of the institution submitting the 5550
statement under this section shall be used instead of the 5551
operating expenses of the school district of residence; 5552

(b) Deduct from the amount of state funds, if any, payable 5553
under sections 3317.022 and 3317.023 of the Revised Code to the 5554
child's school district of residence an amount equal to the amount 5555
paid under division (B)(2)(a) of this section. 5556

Sec. 3323.12. The board of education of a school district 5557
shall provide home instruction for handicapped children three to 5558
twenty-one years of age who are unable to attend school, even with 5559
the help of special transportation. The board may arrange for the 5560
provision of home instruction for a child by a cooperative 5561
agreement or contract with a county board of mental retardation 5562
and developmental disabilities or other educational agency. For 5563
the purposes of determining ~~average~~ formula ADM under section 5564

3317.03 of the Revised Code, five hours of home instruction shall 5565
be equivalent to attendance for five school days. 5566

Sec. 3345.122. Notwithstanding any other provision of law, a 5567
member of a board of trustees of an institution of higher 5568
education, as defined in section 3345.12 Of the Revised Code, is 5569
not liable in damages in a civil action for injury, death, or loss 5570
to person or property that allegedly is caused by an expenditure 5571
made or a contract entered into by the institution of higher 5572
education unless the trustee acted with malicious purpose, in bad 5573
faith, or in a wanton or reckless manner with respect to the 5574
expenditure or contract. 5575

Sec. 3704.14. (A) As used in this section: 5576

(1) "Basic motor vehicle inspection and maintenance program" 5577
or "basic program" means a motor vehicle inspection and 5578
maintenance program that complies with the requirements governing 5579
motor vehicle inspection and maintenance programs under the "Clean 5580
Air Act Amendments" and that is not an enhanced motor vehicle 5581
inspection and maintenance program. 5582

(2) "Clean Air Act Amendments" means the "Clean Air Act 5583
Amendments of 1990," 91 Stat. 685, 42 U.S.C.A. 7401, as amended, 5584
and regulations adopted under it. 5585

(3) "Contractor" means any person who has entered into a 5586
contract under division (D) of this section. 5587

(4) "District of registration" means the district of 5588
registration of a motor vehicle as determined under section 5589
4503.10 of the Revised Code. 5590

(5) "Enhanced motor vehicle inspection and maintenance 5591
program" or "enhanced program" means a motor vehicle inspection 5592
and maintenance program that complies with the requirements 5593
governing an enhanced motor vehicle inspection and maintenance 5594

program under the "Clean Air Act Amendments." 5595

(6) "Licensee" means any person licensed under division (C) 5596
of this section. 5597

(7) "Metropolitan planning organization" means a metropolitan 5598
planning organization designated under section 9(a) of the 5599
"Federal-Aid Highway Act of 1962," 76 Stat. 1148, 23 U.S.C.A. 134, 5600
as amended. 5601

(8) "Motor vehicle" and "vehicle" have the same meanings as 5602
in section 4501.01 of the Revised Code. 5603

(9) "Waiver limit" means the cost of repairs needed for a 5604
motor vehicle to pass a motor vehicle emissions inspection under 5605
this section above which the owner of the motor vehicle need not 5606
have the repairs performed on the vehicle and may receive a waiver 5607
under division (F) of this section. For a motor vehicle the 5608
district of registration of which is or is located in a county 5609
classified as moderate nonattainment that is subject to a basic or 5610
an enhanced motor vehicle inspection and maintenance program, 5611
"waiver limit" means more than one hundred dollars for a vehicle 5612
of a 1980 or earlier model year and more than two hundred dollars 5613
for a vehicle of a 1981 or later model year. For a motor vehicle 5614
the district of registration of which is in a county classified as 5615
serious, severe, or extreme nonattainment and that is subject to 5616
an enhanced motor vehicle inspection and maintenance program, 5617
"waiver limit" means more than four hundred fifty dollars. "Waiver 5618
limit" also includes the cumulative amount of the annual 5619
adjustments to each of the amounts specified in this division made 5620
by the director pursuant to regulations adopted under section 5621
502(b)(3)(B)(v) of the "Clean Air Act Amendments." "Waiver limit" 5622
does not include the cost of any repairs performed on a vehicle 5623
for the purpose of restoring the vehicle in accordance with the 5624
findings of the visual anti-tampering portion of a motor vehicle 5625

emissions inspection conducted under this section. 5626

(B) The director of environmental protection shall implement 5627
and supervise a motor vehicle inspection and maintenance program 5628
in any county classified as moderate, serious, severe, or extreme 5629
nonattainment for carbon monoxide or ozone in accordance with the 5630
"Clean Air Act Amendments." The director shall implement and 5631
supervise a basic or an enhanced motor vehicle inspection and 5632
maintenance program in a county that is within an area classified 5633
as nonattainment for carbon monoxide or ozone when such a program 5634
is included in the air quality maintenance plan or contingency 5635
plan for the nonattainment area that includes the county and that 5636
is submitted to the United States environmental protection agency 5637
by the director as required under section 175A of the "Clean Air 5638
Act Amendments" as part of a request for redesignation of the 5639
nonattainment area as attainment for carbon monoxide or ozone 5640
under section 107(d) of that act, and the director determines that 5641
the conditions requiring implementation of such a program and set 5642
forth in either such plan have been met. The director shall 5643
implement and supervise the enhanced program in any county as 5644
required under section 3704.142 of the Revised Code. The director 5645
may terminate the program in any county that is subject to this 5646
section in accordance with division (K)(2) of this section. The 5647
director shall adopt, and may amend or rescind, rules to 5648
facilitate the implementation, supervision, administration, 5649
operation, and enforcement of the program, including, without 5650
limitation, rules providing for all of the following: 5651

(1) The form of all inspection certificates, distribution of 5652
inspection certificates to reinspection stations licensed under 5653
division (C) of this section, and form and distribution of any 5654
other papers or documents necessary or convenient to the program. 5655
The rules shall include, without limitation, the requirement that 5656
all inspection certificates bear a statement that reads: "This 5657

automobile inspection is the result of requirements under the 5658
Clean Air Act Amendments enacted by the United States Congress. 5659
Any questions or comments you may have about this program may be 5660
directed to your United States senator in care of the United 5661
States Senate, The Capitol, Washington, D.C. 20510 or to your 5662
United States representative in care of ~~The~~ the United States 5663
House of Representatives, The Capitol, Washington, D.C. 20515." 5664

(2) The replacement of lost or stolen certificates, papers, 5665
or documents; 5666

(3) Inspection procedures and standards to be used in motor 5667
vehicle emissions inspections conducted under this section, 5668
including, without limitation, a requirement that the inspections 5669
test for carbon monoxide and hydrocarbons at idle or loaded mode 5670
conditions; a requirement that the inspections test opacity for 5671
particulates for diesel fueled vehicles; standards establishing 5672
maximum allowable emissions of those pollutants, for both gasoline 5673
fueled and diesel fueled vehicles, for each model year of motor 5674
vehicles inspected; a requirement that beginning with the 1994 5675
model year, the inspections utilize the on-board diagnostic 5676
computer links mandated by the "Clean Air Act Amendments"; 5677
requirements governing the computerized exhaust analyzer system to 5678
be used by any contractor conducting inspections and any licensees 5679
conducting reinspections; tampering parameter inspection 5680
procedures and standards to be used in the visual anti-tampering 5681
portion of an inspection conducted under this section; 5682
requirements governing the engine tune-up that shall be performed 5683
on any motor vehicle that fails an inspection conducted under this 5684
section, including, without limitation, requirements that specific 5685
items be checked and repaired, replaced, or adjusted as necessary 5686
to restore the motor vehicle to proper working order or 5687
specifications; tailpipe emissions improvement requirements 5688
specified by percentage; a waiver repair verification system; and 5689

any other necessary waiver procedures for motor vehicles that fail	5690
an inspection under this section;	5691
(4) A system for the maintenance and reporting of inspection	5692
and reinspection station data and records;	5693
(5) The manner of identifying exempt vehicles;	5694
(6) Inspection, and supervision thereof, of fleets and	5695
governmental vehicles under divisions (G) and (H) of this section;	5696
(7) Establishment of specifications for an identification	5697
sign that reinspection stations licensed under division (C) of	5698
this section shall display in a conspicuous manner;	5699
(8) The issuance of motor vehicle inspection certificates	5700
only to reinspection stations licensed under division (C) of this	5701
section that continue to comply with this section;	5702
(9) The surveillance of reinspection stations licensed under	5703
division (C) of this section and of inspection stations operated	5704
by any contractor hired to conduct inspections under this section	5705
to ensure that quality testing and this section and rules adopted	5706
under it are being adhered to throughout the inspection and	5707
reinspection process;	5708
(10) The information to be included in applications for	5709
licenses filed under division (C) of this section and the	5710
procedure for filing those applications;	5711
(11) The establishment of a referee inspection system by the	5712
director to resolve disagreements between owners of motor vehicles	5713
and inspection and reinspection stations regarding inspection and	5714
reinspection results, including, without limitation, procedures	5715
for the collection of an inspection fee that a referee inspection	5716
station may charge for any motor vehicle inspection conducted by	5717
it. The fee shall not exceed the amount of the inspection or	5718
reinspection fee paid by the owner of the motor vehicle	5719

established under division (D)(7) of this section for the original 5720
inspection or a reinspection of the motor vehicle under this 5721
section. 5722

(12) The locations of computerized, high-volume, 5723
contractor-operated motor vehicle inspection stations conducting 5724
inspections for the purposes of this section. The rules shall 5725
require both of the following: 5726

(a) In urban metropolitan statistical areas and consolidated 5727
metropolitan statistical areas, as defined by the bureau of the 5728
census in the United States department of commerce, eighty per 5729
cent of the population that is subject to this section be no more 5730
than five miles from an inspection station and one hundred per 5731
cent of that population be no more than ten miles from an 5732
inspection station; 5733

(b) In rural areas, as defined by the bureau of the census in 5734
the United States department of commerce, one hundred per cent of 5735
the population that is subject to this section be no more than 5736
fifteen miles from an inspection station. 5737

(13) A requirement that contractor-operated inspection 5738
stations conducting inspections under this section be in operation 5739
for at least forty-five hours per week, which shall include, 5740
without limitation, operating hours in the evening and on 5741
Saturdays; 5742

(14) A requirement that any contractor hired to conduct 5743
inspections under this section not allow vehicle waiting time to 5744
exceed an average of fifteen minutes and the establishment of 5745
minimum performance penalties for failure to comply with that 5746
requirement; 5747

(15) An adequate queuing area, as determined by the director, 5748
at each contractor-operated inspection station conducting 5749
inspections under this section. The rules adopted under division 5750

(B)(15) of this section shall not arbitrarily discriminate against
any person who ~~can~~ reasonably can be expected to submit a proposal
under this section for any contract provided for in division (D)
of this section.

(16) Conditions for the suspension and revocation of licenses
and inspector certifications issued under this section;

(17) The commencement date of the basic motor vehicle
inspection and maintenance program established under this section
shall be July 1, 1994, in all affected counties classified as
moderate nonattainment for carbon monoxide or ozone under the
"Clean Air Act Amendments" on ~~the effective date of this amendment~~
September 27, 1993, other than Cuyahoga county. The commencement
date of the enhanced program in a county so classified as moderate
nonattainment for carbon monoxide or ozone on ~~the effective date~~
~~of this amendment~~ September 27, 1993, for which the implementation
and supervision of the enhanced program was requested under
section 3704.142 of the Revised Code shall be January 1, 1995. The
commencement date of the program in any other affected counties,
other than Cuyahoga county, shall be the date established by the
director.

(18) A requirement that reinspections under the enhanced
motor vehicle inspection and maintenance program be conducted only
by a contractor hired to conduct inspections under this section;

(19) A requirement that each inspection station operated by a
contractor, each licensed reinspection station, and each referee
inspection station, prominently display in a location that is
readily visible to persons whose motor vehicles are being tested
pursuant to this section a sign that contains the same language
that is required to be printed on inspection certificates under
division (B)(1) of this section.

(C)(1) The director of environmental protection shall issue

licenses for reinspection stations for the purposes of the basic 5782
motor vehicle inspection and maintenance program established under 5783
this section for two-year periods, except that for the initial 5784
license period for any station, the director may issue the license 5785
for a period not to exceed five years. The director may include 5786
terms and conditions as part of any license issued to ensure 5787
compliance with this section and rules adopted under it. 5788

The director may issue a license for each reinspection 5789
station for which an application is filed that complies with this 5790
section and rules adopted under it. Each application shall include 5791
both of the following: 5792

(a) A nonrefundable fee of one hundred dollars for each 5793
initial license or a nonrefundable fee of fifty dollars for 5794
renewal of any license; 5795

(b) A demonstration that the reinspection station will comply 5796
with this section and the director's rules adopted under it. 5797
5798

(2) Each licensee shall conduct reinspections as required by 5799
the director's rules. The licensee shall provide an inspection 5800
certificate for vehicles that pass a reinspection under this 5801
section. 5802

(3) A licensee shall charge the fee under the basic program 5803
that is established under division (D)(7) of this section for any 5804
reinspection performed by the licensee under this section. 5805

(4) A licensee may charge each person for services. However, 5806
fees for reinspection shall be separately stated from any other 5807
charge to the person. 5808

(5) No licensee shall require as a condition of performing a 5809
reinspection that any needed repairs or adjustments to a vehicle 5810
be done by the licensee. 5811

(6) A licensee shall maintain and make available for 5812
inspection by the director or the director's authorized 5813
representative accurate records as required by rules adopted under 5814
this section. 5815

(7) The director shall credit the moneys the director 5816
receives under division (C) of this section to the motor vehicle 5817
inspection and maintenance fund created in division (I) of this 5818
section. 5819

(D)(1) The initial motor vehicle inspections conducted under 5820
the basic motor vehicle inspection and maintenance program, and 5821
all inspections and reinspections conducted under the enhanced 5822
program, required under this section shall be conducted by one or 5823
more private contractors. The director of administrative services 5824
shall issue and award contracts pursuant to a request for proposal 5825
process. In doing so, the director shall consider factors in the 5826
interest of consumers, including at least consumer price, service 5827
quality, service delivery time, and convenience. The director 5828
shall use the director's best efforts to secure as many proposals 5829
as possible for each contract to be entered into under division 5830
(D) of this section, which shall include the division of the state 5831
into independent zones for the purpose of submission of the 5832
proposals and awarding of the contracts. Each such zone shall 5833
consist of a consolidated metropolitan statistical area or, if 5834
such an area does not exist, of a metropolitan statistical area, 5835
as defined by the bureau of the census ~~of~~ in the United States 5836
department of commerce. 5837

Contracts awarded under division (D) of this section are 5838
subject to section 153.012 of the Revised Code. For the purpose of 5839
that section, the operation of the motor vehicle inspection and 5840
maintenance program is hereby deemed to be a public improvement. 5841

The director shall not enter into a contract for the purposes 5842

of this section with any person holding a current, valid contract 5843
to act as a deputy registrar under section 4503.03 of the Revised 5844
Code. 5845

A contractor shall be paid from moneys generated by the 5846
applicable inspection fee established by the director of 5847
environmental protection under division (D)(7) of this section. No 5848
general revenue funds shall be used to pay any contractor. A 5849
contractor shall assume, or in accordance with a lease required 5850
under division (E) of this section shall provide for the 5851
assumption of, all initial capital investment costs of the motor 5852
vehicle inspection and maintenance program established under this 5853
section with regard to the initial inspections and reinspections 5854
required to be conducted by a contractor under this section and 5855
shall amortize, or in accordance with such a lease shall provide 5856
for the amortization of, those costs over the period of the 5857
initial contract. 5858

(2) The director of administrative services shall require 5859
each potential contractor to include as a part of the potential 5860
contractor's proposal detailed information concerning, without 5861
limitation, all of the following: 5862

(a) The financial condition of the potential contractor; 5863

(b) Any specialized experience and technical competence of 5864
the potential contractor in connection with the type of services 5865
required for the program; 5866

(c) The potential contractor's past record of performance 5867
with other government agencies or public entities and with private 5868
industry, including, without limitation, such matters as the 5869
ability to meet schedules and the names of persons who will serve 5870
as references concerning the quality of the potential contractor's 5871
work; 5872

(d) The capacity of the potential contractor to perform the 5873

work within the specified time limitations; 5874

(e) The potential contractor's proposed method and equipment 5875
to accomplish the work required; 5876

(f) The person from whom the potential contractor proposes to 5877
lease real property, including land, buildings, and other 5878
structures, necessary for the operation of the program as required 5879
in division (E) of this section, including information concerning 5880
at least all of the following: 5881

(i) Any specialized experience and technical competence of 5882
the person; 5883

(ii) The person's past record of performance with other 5884
government agencies or public entities and with private industry, 5885
including the ability to meet schedules; 5886

(iii) Names of individuals who will serve as references 5887
concerning the quality of the person's work; 5888

(iv) The capacity of the person to perform the work within 5889
the specified time limitations. 5890

(g) The potential contractor's proposed schedule for leasing 5891
of inspection sites, equipping of facilities, training of 5892
personnel, and implementation of a public education program. 5893

Each potential contractor shall include with the potential 5894
contractor's proposal a signed statement from the person 5895
identified under division (D)(2)(f) of this section indicating 5896
that the person understands the applicable requirements 5897
established under this section and rules adopted under it and 5898
intends to comply with those requirements. 5899

(3) The director of administrative services shall require a 5900
performance bond of not less than one million dollars. Each 5901
proposal shall be accompanied by a letter of commitment from a 5902
bonding company stating that if the proposal is accepted, the 5903

bonding company will issue such a bond. 5904

(4)(a) The director of administrative services shall review 5905
all information submitted with proposals under division (D)(2) of 5906
this section for compliance with proposal specifications. The 5907
director may require any potential contractor to supplement the 5908
potential contractor's proposal with oral commentary for 5909
clarification of the proposal document and to determine the 5910
qualifications of the potential contractor. Any clarification of 5911
information included in the proposal also shall be in writing. The 5912
director shall reject the proposal of any potential contractor 5913
whom the director determines to be unqualified. 5914

(b) Although the director may require clarification of 5915
information submitted with a proposal in accordance with division 5916
(D)(4)(a) of this section, the director shall not change the 5917
proposal specifications for a contract following the issuance of 5918
the request for proposals for that contract. 5919

(5)(a) The director of administrative services shall award an 5920
initial contract for a period of operation of not more than ten 5921
years. Except as otherwise provided in division (D)(5)(b) of this 5922
section, a contract may be renewed for periods of not more than 5923
five years each, by mutual agreement of the director and the 5924
contractor. Any contract awarded under division (D)(5)(a) of this 5925
section is subject to the approval of the controlling board. 5926

(b) If the implementation and supervision of the enhanced 5927
motor vehicle inspection and maintenance program in Cuyahoga 5928
county is requested under section 3704.142 of the Revised Code and 5929
the initial contract for the operation of the motor vehicle 5930
inspection and maintenance program in that county is modified to 5931
provide for the operation of the enhanced program in that county, 5932
the initial contract for the operation of the motor vehicle 5933
inspection and maintenance program in that county that is in 5934

effect on ~~the effective date of this amendment~~ September 27, 1993, 5935
as so modified, may be renewed for a period of not more than ten 5936
years so that the first renewal of that contract will expire on 5937
the same date as the initial contract for the operation of the 5938
enhanced program in the other counties in the same nonattainment 5939
area as Cuyahoga county. That first renewal shall be made by 5940
mutual agreement of the director and the contractor and is subject 5941
to the approval of the controlling board. Any subsequent renewals 5942
of the contract for the operation of the program in Cuyahoga 5943
county are subject to division (D)(5)(a) of this section. 5944

(6) A contract entered into under division (D) of this 5945
section shall include, without limitation, all of the following 5946
provisions: 5947

(a) A requirement that the contractor enter into a lease with 5948
the person identified in the contractor's proposal under division 5949
(D)(2)(f) of this section for real property, including land, 5950
buildings, and other structures, necessary for the operation of 5951
the program as required in division (E) of this section; 5952

(b) A requirement that the contractor provide any equipment, 5953
parts, tools, services, personnel, supplies, materials, and 5954
program software and software updates, and design and implement a 5955
comprehensive public information program, necessary to conduct 5956
motor vehicle inspections and reinspections required to be 5957
conducted by a contractor under this section and data 5958
communication links for reinspection stations licensed under 5959
division (C) of this section; 5960

(c) A provision allowing reasonable compensation, as 5961
determined by the director of environmental protection, as 5962
liquidated damages to the contractor if the motor vehicle 5963
inspection and maintenance program established under this section 5964
is terminated by law or its operation is discontinued during the 5965

term of a contract or renewal, including, without limitation, 5966
reasonable compensation for the unamortized costs of the 5967
buildings, improvements, equipment, parts, tools, services, 5968
supplies, and materials used by the contractor in the operation of 5969
the program and the value of the remaining term of the contract to 5970
the contractor. If a dispute arises as to the amount of the 5971
compensation to be paid, it shall be submitted to and determined 5972
by the court of claims under Chapter 2743. of the Revised Code. 5973
The contractor shall remit any compensation so received for the 5974
unamortized costs of the buildings and improvements to the person 5975
with whom the contractor has entered into a lease in accordance 5976
with division (E) of this section. 5977

(d) A provision specifying that the forms for inspection 5978
certificates are to be furnished by the contractor to the director 5979
of environmental protection and that they shall conform to the 5980
standards established by the director of environmental protection 5981
in rules adopted under division (B)(1) of this section. The 5982
director of environmental protection shall distribute the 5983
inspection certificates to reinspection stations licensed under 5984
division (C) of this section as needed. 5985

(e) A provision allowing the director to require the 5986
contractor to upgrade testing equipment in response to 5987
improvements in technology and to negotiate reasonable 5988
compensation for that upgrading. 5989

(7) The director of environmental protection shall establish 5990
inspection and reinspection fees to be paid by owners of motor 5991
vehicles inspected under this section, ~~provided that an owner~~ 5992
~~shall pay the inspection fee for the initial, annual, or biennial~~ 5993
~~inspection, as appropriate, only if the owner's vehicle passes~~ 5994
~~that inspection. The. Beginning July 1, 1998, or fifteen days~~ 5995
~~after the effective date of this amendment, whichever is later, an~~ 5996
~~owner shall pay the inspection fee for each initial inspection~~ 5997

conducted on the owner's motor vehicle during each inspection 5998
period. An owner shall not pay the reinspection fee for a first 5999
reinspection conducted on the owner's motor vehicle, if a 6000
reinspection is required, unless an inspection fee was not 6001
collected for the motor vehicle's initial inspection. An owner 6002
shall pay the reinspection fee for the second and each subsequent 6003
reinspection conducted on the owner's motor vehicle, if any, 6004
during each inspection period. 6005

The fees shall be sufficient to provide the contractor's 6006
compensation identified in any contract entered into under 6007
division (D) of this section plus the costs of the environmental 6008
protection agency in implementing and administering the motor 6009
vehicle inspection and maintenance program established in this 6010
section. The inspection and reinspection fees shall not differ in 6011
amount and shall not exceed ten dollars and fifty cents under the 6012
basic motor vehicle inspection and maintenance program or 6013
twenty-five dollars under the enhanced program. The director, 6014
during the term of a contract or renewal, may increase the 6015
inspection and reinspection fees if the director determines that 6016
it is necessary to cover costs of the program, including increased 6017
costs resulting from any upgrading of testing equipment pursuant 6018
to division (D)(6)(e) of this section, or to prevent a possible 6019
breach of contract, but shall not increase the fees above ten 6020
dollars and fifty cents under the basic program or twenty-five 6021
dollars under the enhanced program. 6022

(8) The contractor shall do both of the following: 6023

(a) Collect the fees established under division (D)(7) of 6024
this section and forward to the director of environmental 6025
protection the portion due the environmental protection agency; 6026

(b) Maintain and make available for inspection by the 6027
director of environmental protection, the auditor of state, or 6028
their authorized representatives accurate records concerning the 6029

collection of the fees. For the purposes of division (D)(8)(b) of 6030
this section, record-keeping and accounting practices shall be 6031
approved by the director. Failure to maintain or falsification of 6032
fee collection records is grounds for breach of contract. 6033

(9) The director of environmental protection shall credit the 6034
moneys the director receives under division (D)(8)(a) of this 6035
section to the motor vehicle inspection and maintenance fund 6036
created in division (I) of this section. 6037

(10) A contractor shall maintain and make available for 6038
inspection by the director of environmental protection or the 6039
director's authorized representative accurate records as required 6040
by rules adopted under this section. 6041

(11) If a contractor fails to perform an obligation imposed 6042
by the contract entered into under division (D) of this section, 6043
the director of environmental protection shall request the 6044
attorney general to bring a civil action to recover the amount of 6045
the bond executed under division (D)(3) of this section as well as 6046
other appropriate relief. The director shall deposit any moneys 6047
recovered in such a civil action in the motor vehicle inspection 6048
and maintenance fund created in division (I) of this section. 6049

(12) The director of environmental protection shall compile 6050
and periodically revise lists of reinspection stations licensed 6051
under division (C) of this section and located within individual 6052
areas that are subject to the basic motor vehicle inspection and 6053
maintenance program under this section. Each such list also shall 6054
contain the locations of inspection stations operated by a 6055
contractor within the applicable area. A contractor shall provide 6056
the appropriate list to any owner whose motor vehicle fails the 6057
initial inspection required under this section. 6058

(13) The director of environmental protection shall compile 6059
and periodically revise lists of inspection stations operated by a 6060

contractor located within individual areas subject to the enhanced 6061
motor vehicle inspection and maintenance program under this 6062
section. A contractor shall provide the appropriate list to any 6063
owner whose motor vehicle fails the initial inspection required 6064
under this section. 6065

(14) No owners, officers, or employees of a contractor 6066
submitting a proposal or awarded a contract under division (D) of 6067
this section shall have a principal interest in the person 6068
identified by the contractor under division (D)(2)(f) of this 6069
section or in any reinspection station licensed under division (C) 6070
of this section. 6071

(15) The department of administrative services may issue to 6072
the environmental protection agency a release and permit under 6073
section 125.06 of the Revised Code pursuant to which that agency 6074
may issue and award a contract or contracts under division (D) of 6075
this section. If a release and permit is issued, any reference to 6076
the director of administrative services under divisions (D) and 6077
(E) of this section is deemed to be a reference to the director of 6078
environmental protection. 6079

(E)(1) Notwithstanding section 3704.01 of the Revised Code, 6080
as used in division (E) of this section, "person" has the same 6081
meaning as in section 1.59 of the Revised Code. 6082

(2) In order to fulfill the requirements of this section and 6083
to comply with the "Clean Air Act Amendments," any contractor that 6084
is awarded one or more contracts under division (D) of this 6085
section shall enter into one or more assignable and renewable 6086
leases with another person for the rental and use of real 6087
property, including land, buildings, and other structures. 6088

(3) The director of administrative services shall require a 6089
contractor to make assignments of all leases under which the 6090
contractor is lessee for real property to another contractor 6091

awarded a contract under division (D) of this section. The
director shall require any contractor that is awarded a subsequent
contract under that division to renew the lease into which the
contractor entered under division (E)(2) of this section, or, if a
different contractor is awarded such a subsequent contract, the
director shall require that contractor to enter into a lease with
the person who was the lessor of the previous contractor.

(F)(1)(a) Except as otherwise provided in this section and
rules adopted under it, the owner of any self-propelled motor
vehicle the district of registration of which is or is located in
a county that is subject to this section shall have the vehicle
inspected annually, within three hundred sixty-five days prior to
the registration deadline established pursuant to rules adopted
under section 4503.101 of the Revised Code, by a contractor in
accordance with rules adopted under division (B)(3) of this
section if that county is subject to the basic motor vehicle
inspection and maintenance program pursuant to rules adopted under
that division or shall have the vehicle so inspected biennially
within three hundred sixty-five days prior to the registration
deadline so established if that county is subject to the enhanced
program pursuant to those rules. If the district of registration
of the motor vehicle is or is located in a county that is subject
to the enhanced program pursuant to rules adopted under division
(B)(3) of this section, the owner of the motor vehicle shall have
it inspected and, if necessary, reinspected only in a county that
is subject to the enhanced program under those rules. Any motor
vehicle that fails the inspection shall be reinspected in
accordance with rules adopted under that division. ~~If the owner's
vehicle passes the inspection or any reinspection, the~~ The owner,
at the time of the initial inspection ~~or~~ and the second and each
subsequent reinspection, if any, shall pay the applicable fee
established under division (D)(7) of this section. An owner of a

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motor vehicle the district of registration of which is or is 6124
located in a county that is subject to the basic program under 6125
this section and for which a multi-year registration is in effect 6126
under section 4503.103 of the Revised Code or rules adopted under 6127
it, in each of the years intervening between the year of the 6128
issuance of that registration and its expiration, shall have the 6129
vehicle inspected annually within the three hundred sixty-five 6130
days prior to the anniversary of the registration deadline 6131
applicable in the year in which the multi-year registration was 6132
issued. An owner of a motor vehicle the district of registration 6133
of which is or is located in a county that is subject to the 6134
enhanced program under this section for which a multi-year 6135
registration is in effect under section 4503.103 of the Revised 6136
Code or rules adopted under it, biennially during the years 6137
intervening between the year of issuance of that registration and 6138
its expiration, shall have the vehicle inspected within three 6139
hundred sixty-five days prior to each of the biennial 6140
anniversaries of the registration deadline applicable in the year 6141
in which the multi-year registration was issued. An owner who 6142
registers a motor vehicle after the registration deadline for the 6143
vehicle has passed in a year in which the vehicle is required to 6144
be inspected under division (F)(1)(a) of this section may have the 6145
vehicle inspected at any time between the registration deadline 6146
and the actual registration date. 6147

Division (F)(1) of this section does not require the 6148
inspection of a motor vehicle upon transfer of ownership or 6149
possession. 6150

Except as otherwise provided in division (F)(3) or (4) of 6151
this section, proof that an inspection certificate was issued for 6152
a motor vehicle during the previous twelve months shall be 6153
provided before the registrar of motor vehicles may issue license 6154
plates for that vehicle under section 4503.40 or 4503.42 of the 6155

Revised Code. 6156

The owner of any motor vehicle that is required to be 6157
inspected under this section, but that is leased to another person 6158
may require the lessee to have the vehicle inspected and obtain 6159
the inspection certificate on behalf of the owner. 6160

(b) If a vehicle required to be inspected passes the 6161
inspection, the contractor shall give the owner an inspection 6162
certificate for the vehicle. 6163

(c) The contractor shall include as part of the inspection 6164
required under this section a visual anti-tampering inspection 6165
that meets the requirements established by rules adopted under 6166
division (B)(3) of this section. If the visual anti-tampering 6167
inspection indicates that any emission control device has been 6168
removed, modified, or impaired, the owner shall have performed on 6169
the vehicle whatever repairs are necessary to pass the visual 6170
anti-tampering inspection and to restore the vehicle to its proper 6171
condition, including, without limitation, the restoration of any 6172
emission control device that was removed, modified, or impaired. 6173
If the district of registration of the vehicle is or is located in 6174
a county that is subject to the basic motor vehicle inspection and 6175
maintenance program under this section, the owner then shall take 6176
the vehicle to a contractor or a licensee. If the district of 6177
registration of the vehicle is or is located in a county that is 6178
subject to the enhanced program under this section, the owner then 6179
shall take the vehicle to a contractor. If the contractor or 6180
licensee determines that the vehicle has been restored to its 6181
proper condition and the vehicle then passes the tailpipe 6182
emissions inspection required under this section, the contractor 6183
or licensee shall give the owner an inspection certificate for the 6184
vehicle. 6185

(d) Except as otherwise provided in division (F)(1)(f) of 6186

this section, if a vehicle required to be inspected under this 6187
section fails the inspection, and the contractor's visual 6188
anti-tampering inspection conducted under division (F)(1)(c) of 6189
this section does not reveal any removal, modification, or 6190
impairment of an emission control device or, if the original 6191
visual anti-tampering inspection revealed such a removal, 6192
modification, or impairment, the vehicle again fails the tailpipe 6193
emissions inspection after the owner has performed all necessary 6194
repairs to restore the vehicle to its proper condition, the owner 6195
shall have the cost of repairs necessary to pass the tailpipe 6196
emissions inspection estimated by a repair facility, which cost 6197
shall include the cost of an engine tune-up. If the cost of the 6198
repairs that are necessary for the vehicle to pass the tailpipe 6199
emissions inspection ~~do~~ does not exceed the waiver limit for that 6200
vehicle, the owner shall have the repairs performed on the 6201
vehicle. The owner then shall have the vehicle reinspected by a 6202
contractor or licensee. 6203

If the vehicle passes the reinspection, the contractor or 6204
licensee shall give the owner an inspection certificate for the 6205
vehicle. If the vehicle fails the reinspection, and the cost of 6206
the repairs already performed on the vehicle is less than the 6207
applicable waiver limit, the owner shall have additional repairs 6208
performed on the vehicle in order to enable it to pass another 6209
reinspection. If, after repairs costing at least the applicable 6210
waiver limit have been performed on the vehicle under division 6211
(F)(1)(d) of this section, the vehicle fails the reinspection, but 6212
the reinspection indicates an improvement in tailpipe emissions of 6213
the pollutant concerning which the vehicle initially failed the 6214
inspection as specified in rules adopted under division (B)(3) of 6215
this section and if, following the repairs, no emission levels 6216
increase above the standard established by rules adopted under 6217
that division for any pollutant concerning which the vehicle did 6218

not initially fail, the contractor shall give the owner an
inspection certificate for the vehicle that includes a waiver
indicating that the vehicle did not pass the required inspection,
but that the owner had repairs costing at least the applicable
waiver limit performed on the vehicle.

For the purposes of divisions (F)(1)(d) to (f) of this
section, only a contractor may do either of the following:

(i) Issue inspection certificates that include waivers;

(ii) Notwithstanding any provision of those divisions,
conduct reinspections of vehicles the district of registration of
which is or is located in a county that is subject to the enhanced
program under this section.

(e) Except as otherwise provided in division (F)(1)(f) of
this section, if the cost of the repairs that are necessary for
the vehicle to pass the tailpipe emissions inspection is estimated
to be more than the applicable waiver limit, the owner need not
have all of those repairs performed on the vehicle, but shall have
an engine tune-up performed on the vehicle that meets the
standards established by rules adopted under division (B)(3) of
this section as well as any other necessary repairs the cost of
which, together with the cost of the engine tune-up, equals at
least the applicable waiver limit. Upon the owner's presentation
of original repair receipts attesting that repairs costing at
least the applicable waiver limit, including, without limitation,
the engine tune-up required under division (F)(1)(e) of this
section, have been performed on the vehicle, the contractor or
licensee shall reinspect the vehicle to determine the
effectiveness of the required engine tune-up. If the reinspection
indicates an improvement in tailpipe emissions of the pollutant
concerning which the vehicle initially failed the inspection as
specified in rules adopted under division (B)(3) of this section

and if, following the engine tune-up, no emission levels increase 6250
above the standard established by rules adopted under that 6251
division for any pollutant concerning which the vehicle did not 6252
initially fail, the contractor shall give the owner an inspection 6253
certificate for the vehicle that includes a waiver indicating that 6254
the vehicle did not pass the required inspection, but that the 6255
owner complied with all requirements governing waivers. 6256

(f) If a vehicle required to be inspected under this section 6257
fails the inspection, and the contractor's visual anti-tampering 6258
inspection conducted under division (F)(1)(c) of this section does 6259
not reveal any removal, modification, or impairment of an emission 6260
control device or, if the original visual anti-tampering 6261
inspection revealed such a removal, modification, or impairment, 6262
the vehicle again fails the tailpipe emissions inspection after 6263
the owner has performed all necessary repairs to restore the 6264
vehicle to its proper condition, the owner may perform the repairs 6265
necessary for the vehicle to pass the tailpipe emissions 6266
inspection. The owner shall keep a detailed record of the costs 6267
incurred in performing those repairs. After performing repairs on 6268
the vehicle costing not more than the applicable waiver limit, the 6269
owner shall have the vehicle reinspected by the contractor or a 6270
licensee. 6271

If the vehicle passes the reinspection, the contractor or 6272
licensee shall give the owner an inspection certificate for the 6273
vehicle. If the vehicle fails the reinspection and the documented 6274
cost of the repairs performed by the owner is less than the 6275
applicable waiver limit, the owner shall have the cost of repairs 6276
necessary to pass the tailpipe emissions inspection estimated by a 6277
repair facility. The estimate shall include, without limitation, 6278
the cost of an engine tune-up that meets the standards established 6279
by rules adopted under division (B)(3) of this section. If the 6280
cost of the engine tune-up, together with the documented cost of 6281

the repairs performed by the owner, does not exceed the applicable 6282
waiver limit, the owner shall have the engine tune-up performed on 6283
the vehicle as well as any other necessary repairs the cost of 6284
which, together with that documented cost and the cost of the 6285
engine tune-up, equals at least the applicable waiver limit. 6286

If the documented cost of repairs performed by the owner and 6287
the estimated cost of an engine tune-up that meets the standards 6288
established in rules adopted under division (B)(3) of this section 6289
exceed the applicable waiver limit, the owner shall have 6290
additional repairs performed on the vehicle by a repair facility 6291
in order to enable it to pass another reinspection or until a 6292
minimum expenditure equal to the applicable waiver limit is met, 6293
whichever occurs first. 6294

If, after repairs costing at least the applicable waiver 6295
limit have been performed on the vehicle under division (F)(1)(f) 6296
of this section, the vehicle fails the tailpipe reinspection, but 6297
the reinspection indicates an improvement in the tailpipe 6298
emissions of the pollutant concerning which the vehicle initially 6299
failed the inspection as specified in rules adopted under division 6300
(B)(3) of this section and if, following the repairs, no emission 6301
levels increase above the standard established by rules adopted 6302
under that division for any pollutant concerning which the vehicle 6303
did not initially fail, the contractor shall give the owner an 6304
inspection certificate for the vehicle that includes a waiver 6305
indicating that the vehicle did not pass the required inspection, 6306
but that the owner performed or had performed on the vehicle 6307
repairs costing at least the applicable waiver limit. 6308

(g) If a motor vehicle that is required to be inspected under 6309
this section is covered by a valid and unexpired emission 6310
performance warranty as provided under section 207(b) of the 6311
"Clean Air Act Amendments," the owner shall have any repairs 6312
necessary for the vehicle to pass that inspection performed on the 6313

vehicle under that warranty. Such a vehicle is not eligible for a 6314
waiver under division (F)(1)(d), (e), or (f) of this section. 6315

(2) An owner or lessee of a motor vehicle required to be 6316
inspected under this section and applicable rules adopted under it 6317
shall present an inspection certificate issued for that vehicle by 6318
a contractor or a licensee under this section when registering the 6319
vehicle under Chapter 4503. of the Revised Code. 6320

(3) The following motor vehicles are exempt from the 6321
inspection requirements of this section and applicable rules 6322
adopted under it: 6323

(a) Vehicles over twenty-five years old, as determined by 6324
model year, on the date on which proof of an annual inspection 6325
otherwise would be required to be submitted with an application 6326
for registration of the vehicles under this section and Chapter 6327
4503. of the Revised Code; 6328

(b) Vehicles registered to military personnel assigned to 6329
military reservations outside this state, the district of 6330
registration of which is or is located in any county that is 6331
subject to this section; 6332

(c) Passenger cars and noncommercial motor vehicles, as 6333
defined in section 4501.01 of the Revised Code, that weigh over 6334
ten thousand pounds gross vehicle weight; 6335

(d) Commercial cars, as defined in section 4501.01 of the 6336
Revised Code, having a taxable gross vehicle weight of more than 6337
ten thousand pounds as provided in section 4503.042 of the Revised 6338
Code; 6339

(e) Historical vehicles registered under section 4503.181 of 6340
the Revised Code; 6341

(f) Licensed collector's vehicles as defined in section 6342
4501.01 of the Revised Code; 6343

(g) Parade and exhibition vehicles registered under section 6344
4503.18 of the Revised Code; 6345

(h) Motorcycles as defined in section 4511.01 of the Revised 6346
Code; 6347

(i) Electrically powered and alternatively fueled vehicles, 6348
including at least those that are equipped to operate using 6349
primarily one hundred per cent propane, butane, hydrogen, alcohol, 6350
or natural gas as fuel; 6351

(j) Recreational vehicles as defined in section 4501.01 of 6352
the Revised Code. 6353

(4) A motor vehicle, the legal title to which has never been 6354
transferred by a manufacturer, distributor, or dealer to an 6355
ultimate purchaser as defined in section 4517.01 of the Revised 6356
Code, is exempt from the inspection requirements of this section 6357
and rules adopted under it for a period of one year commencing on 6358
the date when the first certificate of title to the vehicle was 6359
issued on behalf of the ultimate purchaser under Chapter 4503. of 6360
the Revised Code if the district of registration of the vehicle is 6361
or is located in a county that is subject to the basic motor 6362
vehicle inspection and maintenance program under this section and 6363
rules adopted under it or is exempt from those inspection 6364
requirements for a period of two years commencing on the date when 6365
the first certificate of title to the vehicle was issued on behalf 6366
of the ultimate purchaser under that chapter if the district of 6367
registration of the vehicle is or is located in a county that is 6368
subject to the enhanced program under this section and rules 6369
adopted under it. 6370

(5) The director shall notify, by mail, the owners of all 6371
motor vehicles, the district of registration of which is or is 6372
located in any county that is subject to this section, of the 6373
applicable requirements established under this section. 6374

(G) The owner of a fleet of twenty-five or more vehicles 6375
required to be inspected under this section, instead of having the 6376
owner's motor vehicles inspected by a contractor or reinspected by 6377
a contractor or a licensee, may conduct self-inspection of those 6378
vehicles in accordance with rules adopted by the director of 6379
environmental protection under this section. The rules shall 6380
establish, without limitation, requirements governing inspections 6381
and reinspections conducted by any such owner, any inspection 6382
stations owned and operated by any such owner for that purpose, 6383
and inspection equipment used for that purpose; an annual 6384
reporting requirement to assist the director in determining 6385
compliance with this division; and the method of and procedures 6386
for payment of a fee that shall not exceed three dollars for each 6387
vehicle that is included in the self-inspection program. 6388

(H) The federal government, the state, any political 6389
subdivision, and any agency or instrumentality of those entities, 6390
in accordance with rules adopted by the director of environmental 6391
protection under this section, shall have inspected by a 6392
contractor or reinspected by a contractor or a licensee or shall 6393
self-inspect any motor vehicles that they own and operate in any 6394
county that is subject to this section. The director shall adopt 6395
rules under this section for the purposes of this division. The 6396
rules shall establish, without limitation, an annual reporting 6397
requirement to assist the director in determining compliance with 6398
this division. The director may issue a notice of violation to a 6399
governmental entity that the director finds has violated any 6400
specific prohibition or has failed to comply with any affirmative 6401
requirement of this section or any rule adopted under it. The 6402
notice of violation shall set forth the specific violation or 6403
failure to comply allegedly committed by the governmental entity 6404
and shall be accompanied by an order requiring the governmental 6405
entity to pay to the director the appropriate civil penalty 6406

prescribed in this division. A governmental entity that receives a
notice of violation and order under this division for a violation
or failure to comply is liable for a civil penalty of two hundred
fifty dollars. The director may request the attorney general to
take appropriate action to effect compliance. Notwithstanding
division (A) of this section, as used in this division, "motor
vehicle" has the same meaning as in section 4511.01 of the Revised
Code.

(I) There is hereby created in the state treasury the motor
vehicle inspection and maintenance fund, which shall consist of
moneys received by the director under this section and section
3704.17 of the Revised Code. The director shall use moneys in the
fund solely for administration, supervision, and enforcement of
the program established under this section and rules adopted under
it and public education concerning the program.

(J) The director periodically shall review the information
submitted to the director by licensed reinspection stations
pursuant to rules adopted under division (C)(6) of this section,
information submitted to the director by any contractor under
division (D)(10) of this section, annual reports submitted by
motor vehicle fleet owners under division (G) of this section and
rules adopted under that division, and the list of motor vehicles
for which multi-year registrations are in effect provided to the
director under division (I)(2)(b) of section 4503.10 of the
Revised Code, as necessary to determine whether owners of motor
vehicles who have obtained multi-year registrations under section
4503.103 of the Revised Code or rules adopted under it have
complied with the requirement of division (F)(1)(a) of this
section to have their vehicles inspected and obtain inspection
certificates for them annually or biennially, whichever is
applicable. If the director finds from that information that, in a
year intervening between the years of issuance and expiration of a

multi-year registration in which an owner is required to have a
vehicle inspected and obtain an inspection certificate for it
under that division, the owner has not done so within the
applicable three hundred sixty-five day period, the director
immediately shall send written notice of that fact to the
registrar of motor vehicles. Upon receipt of information submitted
pursuant to rules adopted under division (C)(6) of this section,
information submitted under division (D)(10) of this section, or
the annual report of a fleet owner submitted pursuant to rules
adopted under division (G) of this section indicating that an
owner who was the subject of an earlier notice to the registrar
under this division has had the vehicle named in the notice
inspected and has obtained an inspection certificate for it in
compliance with division (F)(1)(a) of this section, the director
immediately shall send written notice of that fact to the
registrar.

(K)(1)(a) If a redesignation request demonstrating compliance
with the national ambient air quality standard for carbon monoxide
or ozone in a county designated as nonattainment for carbon
monoxide or ozone and demonstrating that operation of a motor
vehicle inspection and maintenance program is not necessary for
attainment and maintenance of those standards in that county has
been submitted to and is pending before the United States
environmental protection agency under the "Clean Air Act
Amendments," and if no release and permit has been issued to the
environmental protection agency under division (D)~~(14)~~(15) of this
section and section 125.06 of the Revised Code, the director of
environmental protection may submit a written request to the
director of administrative services to indefinitely delay the
issuance of a request for proposals or the award of a contract
under division (D) of this section for the operation of a motor
vehicle inspection and maintenance program in that county or, if

such a request for proposals has been issued under that division, 6471
to withdraw it. Upon receipt of such a written request from the 6472
director of environmental protection, the director of 6473
administrative services shall take the requested actions. 6474

(b) If a release and permit has been issued to the 6475
environmental protection agency under division (D)~~(14)~~(15) of this 6476
section and section 125.06 of the Revised Code, the director of 6477
environmental protection may indefinitely delay the issuance of a 6478
request for proposals and award of a contract under division (D) 6479
of this section for the operation of a motor vehicle inspection 6480
and maintenance program or may withdraw any such request that has 6481
been issued under that division in connection with a county for 6482
which a redesignation request making the demonstrations described 6483
in division (K)(1)(a) of this section has been submitted to and is 6484
pending before the United States environmental protection agency 6485
under the "Clean Air Act Amendments." 6486

(c) If no release and permit has been issued to the 6487
environmental protection agency under division (D)~~(14)~~(15) of this 6488
section and section 125.06 of the Revised Code, the director of 6489
environmental protection may submit a written request to the 6490
director of administrative services to proceed with the issuance 6491
of a request for proposals and the award of a contract for the 6492
operation of a motor vehicle inspection and maintenance program 6493
under division (D) of this section in a county for which a 6494
redesignation request described in division (K)(1)(a) of this 6495
section was submitted to the United States environmental 6496
protection agency or, if such a release and permit has been issued 6497
to the environmental protection agency, the director of 6498
environmental protection may proceed with the issuance of such a 6499
request under either of the following circumstances: 6500

(i) Upon disapproval of the redesignation request by the 6501
United States environmental protection agency; 6502

(ii) Upon approval of the redesignation request by the United States environmental protection agency if the director of environmental protection determines that operation of a motor vehicle inspection and maintenance program in the county is necessary to protect and maintain compliance with the national ambient air quality standard for carbon monoxide or ozone in the county.

If no such release and permit has been issued to the environmental protection agency, the director of administrative services, upon receipt of a written request from the director of environmental protection under division (K)(1)(c) of this section, shall take the requested actions.

(2) If at any time air quality monitoring data in any county where a motor vehicle inspection and maintenance program is required under this section and rules adopted under it demonstrate that that county has attained and maintained compliance for three consecutive years with the national ambient air quality standard for carbon monoxide or ozone under the "Clean Air Act Amendments," the director, at the earliest possible date, shall prepare and submit to the administrator of the United States environmental protection agency a demonstration that such attainment has been so achieved and maintained in that county. If the administrator approves the director's submittal as demonstrating that compliance with the national ambient air quality standard for carbon monoxide or ozone under that act has been achieved and maintained in the county and if the director determines that continued operation of a motor vehicle inspection and maintenance program in the county is not necessary to protect and maintain compliance with the national ambient air quality standard for carbon monoxide or ozone, the director may rescind the rules adopted under division (B) of this section requiring implementation and operation of the program in that county. A rescission shall take effect in such a

county on the date of the expiration of the contract or renewal 6535
thereof provided for in division (D) of this section that next 6536
succeeds the administrator's approval of the demonstration in that 6537
county. 6538

(L) There is hereby created the motor vehicle inspection and 6539
maintenance program legislative oversight committee, which shall 6540
be comprised of six members. The speaker of the house of 6541
representatives shall appoint three members of the house of 6542
representatives to the committee, not more than two of whom shall 6543
be from any one political party, and the president of the senate 6544
shall appoint three members of the senate to the committee, not 6545
more than two of whom shall be from any one political party. Each 6546
member shall serve at the pleasure of the member's appointing 6547
authority. During the first year of any legislative session, the 6548
~~chairman~~ chairperson of the committee shall be a member from the 6549
house of representatives and the ~~vice-chairman~~ vice-chairperson 6550
shall be a member from the senate, as designated by their 6551
appointing authorities. During the second year of any legislative 6552
session, the ~~chairman~~ chairperson shall be a member from the 6553
senate and the ~~vice-chairman~~ vice-chairperson shall be a member 6554
from the house of representatives, as designated by their 6555
appointing authorities. 6556

The committee shall monitor the motor vehicle inspection and 6557
maintenance program established under this section and, in doing 6558
so, shall work in complete cooperation with the Ohio environmental 6559
protection agency and the United States environmental protection 6560
agency. The former agency shall provide to the committee any data, 6561
reports, and other information and materials requested by the 6562
committee. 6563

The director shall notify the committee whenever the program 6564
established under this section is required to be implemented in a 6565
county because of a change in that county's nonattainment 6566

classification under the "Clean Air Act Amendments" or if an 6567
enhanced program is required to be implemented in a county under 6568
section 3704.142 of the Revised Code. 6569

If at any time the program established under this section is 6570
terminated, the committee shall cease to exist on the date of 6571
termination. 6572

(M) Implementation of the motor vehicle inspection and 6573
maintenance program established under this section is an essential 6574
state function mandated by the "Clean Air Act Amendments." The 6575
director or the director's authorized representative may perform 6576
essential governmental duties that are necessary to implement the 6577
program properly within any county that is subject to this 6578
section, including at least the placement of directional traffic 6579
signs to assist citizens in finding inspection stations. The 6580
director or the director's authorized representative need not 6581
comply with any applicable ordinances or resolutions of any 6582
political subdivisions if that compliance would prevent the 6583
director or the director's authorized representative from 6584
performing any such essential governmental duties. 6585

Sec. 3734.57. (A) For the purposes of paying the state's 6586
long-term operation costs or matching share for actions taken 6587
under the "Comprehensive Environmental Response, Compensation, and 6588
Liability Act of 1980," 94 Stat. 2767, 42 U.S.C.A. 9601, as 6589
amended; paying the costs of measures for proper clean-up of sites 6590
where polychlorinated biphenyls and substances, equipment, and 6591
devices containing or contaminated with polychlorinated biphenyls 6592
have been stored or disposed of; paying the costs of conducting 6593
surveys or investigations of solid waste facilities or other 6594
locations where it is believed that significant quantities of 6595
hazardous waste were disposed of and for conducting enforcement 6596
actions arising from the findings of such surveys or 6597

investigations; and paying the costs of acquiring and cleaning up, 6598
or providing financial assistance for cleaning up, any hazardous 6599
waste facility or solid waste facility containing significant 6600
quantities of hazardous waste, that constitutes an imminent and 6601
substantial threat to public health or safety or the environment; 6602
and, from July 1, ~~1995~~ 1997, through June 30, ~~1997~~ 1999, for the 6603
purposes of paying the costs of administering and enforcing the 6604
laws pertaining to solid wastes, infectious wastes, and 6605
construction and demolition debris, including, without limitation, 6606
ground water evaluations related to solid wastes, infectious 6607
wastes, and construction and demolition debris, under this chapter 6608
and Chapter 3714. of the Revised Code and any rules adopted under 6609
them, and paying a share of the administrative costs of the 6610
environmental protection agency pursuant to section 3745.014 of 6611
the Revised Code, the following fees are hereby levied on the 6612
disposal of solid wastes in this state: 6613

(1) One dollar per ton on and after July 1, 1993; 6614

(2) An additional seventy-five cents per ton on and after 6615
July 1, 1997, through June 30, 1999. 6616

The owner or operator of a solid waste disposal facility 6617
shall collect the fees levied under this division as a trustee for 6618
the state and shall prepare and file with the director of 6619
environmental protection monthly returns indicating the total 6620
tonnage of solid wastes received for disposal at the gate of the 6621
facility and the total amount of the fees collected under this 6622
division. Not later than thirty days after the last day of the 6623
month to which such a return applies, the owner or operator shall 6624
mail to the director the return for that month together with the 6625
fees collected during that month as indicated on the return. The 6626
owner or operator may request an extension of not more than thirty 6627
days for filing the return and remitting the fees, provided that 6628

the owner or operator has submitted such a request in writing to 6629
the director together with a detailed description of why the 6630
extension is requested, the director has received the request not 6631
later than the day on which the return is required to be filed, 6632
and the director has approved the request. If the fees are not 6633
remitted within sixty days after the last day of the month during 6634
which they were collected, the owner or operator shall pay an 6635
additional fifty per cent of the amount of the fees for each month 6636
that they are late. 6637

One-half of the moneys remitted to the director under 6638
division (A)(1) of this section shall be credited to the hazardous 6639
waste facility management fund created in section 3734.18 of the 6640
Revised Code, and one-half shall be credited to the hazardous 6641
waste clean-up fund created in section 3734.28 of the Revised 6642
Code. The moneys remitted to the director under division (A)(2) of 6643
this section shall be credited to the solid waste fund, which is 6644
hereby created in the state treasury. The environmental protection 6645
agency shall use moneys in the solid waste fund only to pay the 6646
costs of administering and enforcing the laws pertaining to solid 6647
wastes, infectious wastes, and construction and demolition debris, 6648
including, without limitation, ground water evaluations related to 6649
solid wastes, infectious wastes, and construction and demolition 6650
debris, under this chapter and Chapter 3714. of the Revised Code 6651
and rules adopted under them and to pay a share of the 6652
administrative costs of the environmental protection agency 6653
pursuant to section 3745.014 of the Revised Code. 6654

The fees levied under this division and divisions (B) and (C) 6656
of this section are in addition to all other applicable fees and 6657
taxes and shall be added to any other fee or amount specified in a 6658
contract that is charged by the owner or operator of a solid waste 6659
disposal facility or to any other fee or amount that is specified 6660

in a contract entered into on or after March 4, 1992, and that is 6661
charged by a transporter of solid wastes. 6662

(B) For the purpose of preparing, revising, and implementing 6663
the solid waste management plan of the county or joint solid waste 6664
management district, including, without limitation, the 6665
development and implementation of solid waste recycling or 6666
reduction programs; providing financial assistance to boards of 6667
health within the district, if solid waste facilities are located 6668
within the district, for the enforcement of this chapter and rules 6669
adopted and orders and terms and conditions of permits, licenses, 6670
and variances issued under it, other than the hazardous waste 6671
provisions of this chapter and rules adopted and orders and terms 6672
and conditions of permits issued under those provisions; providing 6673
financial assistance to the county to defray the added costs of 6674
maintaining roads and other public facilities and of providing 6675
emergency and other public services resulting from the location 6676
and operation of a solid waste facility within the county under 6677
the district's approved solid waste management plan; paying the 6678
costs incurred by boards of health for collecting and analyzing 6679
water samples from public or private wells on lands adjacent to 6680
solid waste facilities that are contained in the approved or 6681
amended plan of the district; paying the costs of developing and 6682
implementing a program for the inspection of solid wastes 6683
generated outside the boundaries of this state that are disposed 6684
of at solid waste facilities included in the district's approved 6685
solid waste management plan or amended plan; providing financial 6686
assistance to boards of health within the district for enforcing 6687
laws prohibiting open dumping; providing financial assistance to 6688
local law enforcement agencies within the district for enforcing 6689
laws and ordinances prohibiting littering; providing financial 6690
assistance to boards of health of health districts within the 6691
district that are on the approved list under section 3734.08 of 6692

the Revised Code for the training and certification required for
their employees responsible for solid waste enforcement by rules
adopted under division (L) of section 3734.02 of the Revised Code;
providing financial assistance to individual municipal
corporations and townships within the district to defray their
added costs of maintaining roads and other public facilities and
of providing emergency and other public services resulting from
the location and operation within their boundaries of a
composting, energy or resource recovery, incineration, or
recycling facility that either is owned by the district or is
furnishing solid waste management facility or recycling services
to the district pursuant to a contract or agreement with the board
of county commissioners or directors of the district; and payment
of any expenses that are agreed to, awarded, or ordered to be paid
under section 3734.35 of the Revised Code and of any
administrative costs incurred pursuant to that section, the solid
waste management policy committee of a county or joint solid waste
management district may levy fees upon the following activities:

(1) The disposal at a solid waste disposal facility located
in the district of solid wastes generated within the district;

(2) The disposal at a solid waste disposal facility within
the district of solid wastes generated outside the boundaries of
the district, but inside this state;

(3) The disposal at a solid waste disposal facility within
the district of solid wastes generated outside the boundaries of
this state.

If any such fees are levied prior to January 1, 1994, fees
levied under division (B)(1) of this section always shall be equal
to one-half of the fees levied under division (B)(2) of this
section, and fees levied under division (B)(3) of this section,
which shall be in addition to fees levied under division (B)(2) of

this section, always shall be equal to fees levied under division 6724
(B)(1) of this section, except as otherwise provided in this 6725
division. The solid waste management plan of the county or joint 6726
district approved under section 3734.521 or 3734.55 of the Revised 6727
Code and any amendments to it, or the resolution adopted under 6728
this division, as appropriate, shall establish the rates of the 6729
fees levied under divisions (B)(1), (2), and (3) of this section, 6730
if any, and shall specify whether the fees are levied on the basis 6731
of tons or cubic yards as the unit of measurement. Although the 6732
fees under divisions (A)(1) and (2) of this section are levied on 6733
the basis of tons as the unit of measurement, the solid waste 6734
management plan of the district and any amendments to it or the 6735
solid waste management policy committee in its resolution levying 6736
fees under this division may direct that the fees levied under 6737
those divisions be levied on the basis of cubic yards as the unit 6738
of measurement based upon a conversion factor of three cubic yards 6739
per ton generally or one cubic yard per ton for baled wastes if 6740
the fees under divisions (B)(1) to (3) of this section are being 6741
levied on the basis of cubic yards as the unit of measurement 6742
under the plan, amended plan, or resolution. 6743

On and after January 1, 1994, the fee levied under division 6744
(B)(1) of this section shall be not less than one dollar per ton 6745
nor more than two dollars per ton, the fee levied under division 6746
(B)(2) of this section shall be not less than two dollars per ton 6747
nor more than four dollars per ton, and the fee levied under 6748
division (B)(3) of this section shall be not more than the fee 6749
levied under division (B)(1) of this section, except as otherwise 6750
provided in this division and notwithstanding any schedule of 6751
those fees established in the solid waste management plan of a 6752
county or joint district approved under section 3734.55 of the 6753
Revised Code or a resolution adopted and ratified under this 6754
division that is in effect on that date. If the fee that a 6755

district is levying under division (B)(1) of this section on that
date under its approved plan or such a resolution is less than one
dollar per ton, the fee shall be one dollar per ton on and after
January 1, 1994, and if the fee that a district is so levying
under that division exceeds two dollars per ton, the fee shall be
two dollars per ton on and after that date. If the fee that a
district is so levying under division (B)(2) of this section is
less than two dollars per ton, the fee shall be two dollars per
ton on and after that date, and if the fee that the district is so
levying under that division exceeds four dollars per ton, the fee
shall be four dollars per ton on and after that date. On that
date, the fee levied by a district under division (B)(3) of this
section shall be equal to the fee levied under division (B)(1) of
this section. Except as otherwise provided in this division, the
fees established by the operation of this amendment shall remain
in effect until the district's resolution levying fees under this
division is amended or repealed in accordance with this division
to amend or abolish the schedule of fees, the schedule of fees is
amended or abolished in an amended plan of the district approved
under section 3734.521 or division (A) or (D) of section 3734.56
of the Revised Code, or the schedule of fees is amended or
abolished through an amendment to the district's plan under
division (E) of section 3734.56 of the Revised Code; the
notification of the amendment or abolishment of the fees has been
given in accordance with this division; and collection of the
amended fees so established commences, or collection of the fees
ceases, in accordance with this division.

The solid waste management policy committee of a district
levying fees under divisions (B)(1) to (3) of this section on
October 29, 1993, under its solid waste management plan approved
under section 3734.55 of the Revised Code or a resolution adopted
and ratified under this division that are within the ranges of

rates prescribed by this amendment, by adoption of a resolution 6788
not later than December 1, 1993, and without the necessity for 6789
ratification of the resolution under this division, may amend 6790
those fees within the prescribed ranges, provided that the 6791
estimated revenues from the amended fees will not substantially 6792
exceed the estimated revenues set forth in the district's budget 6793
for calendar year 1994. Not later than seven days after the 6794
adoption of such a resolution, the committee shall notify by 6795
certified mail the owner or operator of each solid waste disposal 6796
facility that is required to collect the fees of the adoption of 6797
the resolution and of the amount of the amended fees. Collection 6798
of the amended fees shall take effect on the first day of the 6799
first month following the month in which the notification is sent 6800
to the owner or operator. The fees established in such a 6801
resolution shall remain in effect until the district's resolution 6802
levying fees that was adopted and ratified under this division is 6803
amended or repealed, and the amendment or repeal of the resolution 6804
is ratified, in accordance with this division, to amend or abolish 6805
the fees, the schedule of fees is amended or abolished in an 6806
amended plan of the district approved under section 3734.521 or 6807
division (A) or (D) of section 3734.56 of the Revised Code, or the 6808
schedule of fees is amended or abolished through an amendment to 6809
the district's plan under division (E) of section 3734.56 of the 6810
Revised Code; the notification of the amendment or abolishment of 6811
the fees has been given in accordance with this division; and 6812
collection of the amended fees so established commences, or 6813
collection of the fees ceases, in accordance with this division. 6814

Prior to the approval of the solid waste management plan of 6815
the district under section 3734.55 of the Revised Code, the solid 6816
waste management policy committee of a district may levy fees 6817
under this division by adopting a resolution establishing the 6818
proposed amount of the fees. Upon adopting the resolution, the 6819

committee shall deliver a copy of the resolution to the board of 6820
county commissioners of each county forming the district and to 6821
the legislative authority of each municipal corporation and 6822
township under the jurisdiction of the district and shall prepare 6823
and publish the resolution and a notice of the time and location 6824
where a public hearing on the fees will be held. Upon adopting the 6825
resolution, the committee shall deliver written notice of the 6826
adoption of the resolution; of the amount of the proposed fees; 6827
and of the date, time, and location of the public hearing to the 6828
director and to the fifty industrial, commercial, or institutional 6829
generators of solid wastes within the district that generate the 6830
largest quantities of solid wastes, as determined by the 6831
committee, and to their local trade associations. The committee 6832
shall make good faith efforts to identify those generators within 6833
the district and their local trade associations, but the 6834
nonprovision of notice under this division to a particular 6835
generator or local trade association does not invalidate the 6836
proceedings under this division. The publication shall occur at 6837
least thirty days before the hearing. After the hearing, the 6838
committee may make such revisions to the proposed fees as it 6839
considers appropriate and thereafter, by resolution, shall adopt 6840
the revised fee schedule. Upon adopting the revised fee schedule, 6841
the committee shall deliver a copy of the resolution doing so to 6842
the board of county commissioners of each county forming the 6843
district and to the legislative authority of each municipal 6844
corporation and township under the jurisdiction of the district. 6845
Within sixty days after the delivery of a copy of the resolution 6846
adopting the proposed revised fees by the policy committee, each 6847
such board and legislative authority, by ordinance or resolution, 6848
shall approve or disapprove the revised fees and deliver a copy of 6849
the ordinance or resolution to the committee. If any such board or 6850
legislative authority fails to adopt and deliver to the policy 6851
committee an ordinance or resolution approving or disapproving the 6852

revised fees within sixty days after the policy committee
delivered its resolution adopting the proposed revised fees, it
shall be conclusively presumed that the board or legislative
authority has approved the proposed revised fees.

In the case of a county district or a joint district formed
by two or three counties, the committee shall declare the proposed
revised fees to be ratified as the fee schedule of the district
upon determining that the board of county commissioners of each
county forming the district has approved the proposed revised fees
and that the legislative authorities of a combination of municipal
corporations and townships with a combined population within the
district comprising at least sixty per cent of the total
population of the district have approved the proposed revised
fees, provided that in the case of a county district, that
combination shall include the municipal corporation having the
largest population within the boundaries of the district, and
provided further that in the case of a joint district formed by
two or three counties, that combination shall include for each
county forming the joint district the municipal corporation having
the largest population within the boundaries of both the county in
which the municipal corporation is located and the joint district.
In the case of a joint district formed by four or more counties,
the committee shall declare the proposed revised fees to be
ratified as the fee schedule of the joint district upon
determining that the boards of county commissioners of a majority
of the counties forming the district have approved the proposed
revised fees; that, in each of a majority of the counties forming
the joint district, the proposed revised fees have been approved
by the municipal corporation having the largest population within
the county and the joint district; and that the legislative
authorities of a combination of municipal corporations and
townships with a combined population within the joint district

comprising at least sixty per cent of the total population of the 6885
joint district have approved the proposed revised fees. 6886

For the purposes of this division, only the population of the 6887
unincorporated area of a township shall be considered. For the 6888
purpose of determining the largest municipal corporation within 6889
each county under this division, a municipal corporation that is 6890
located in more than one solid waste management district, but that 6891
is under the jurisdiction of one county or joint solid waste 6892
management district in accordance with division (A) of section 6893
3734.52 of the Revised Code shall be considered to be within the 6894
boundaries of the county in which a majority of the population of 6895
the municipal corporation resides. 6896

The committee may amend the schedule of fees levied pursuant 6897
to a resolution or amended resolution adopted and ratified under 6898
this division by adopting a resolution establishing the proposed 6899
amount of the amended fees. The committee may abolish the fees 6900
levied pursuant to such a resolution or amended resolution by 6901
adopting a resolution proposing to repeal them. Upon adopting such 6902
a resolution, the committee shall proceed to obtain ratification 6903
of the resolution in accordance with this division. 6904

Not later than fourteen days after declaring the fees or 6905
amended fees to be ratified under this division, the committee 6906
shall notify by certified mail the owner or operator of each solid 6907
waste disposal facility that is required to collect the fees of 6908
the ratification and the amount of the fees. Collection of any 6909
fees or amended fees ratified on or after March 24, 1992, shall 6910
commence on the first day of the second month following the month 6911
in which notification is sent to the owner or operator. 6912

Not later than fourteen days after declaring the repeal of 6913
the district's schedule of fees to be ratified under this 6914
division, the committee shall notify by certified mail the owner 6915

or operator of each facility that is collecting the fees of the 6916
repeal. Collection of the fees shall cease on the first day of the 6917
second month following the month in which notification is sent to 6918
the owner or operator. 6919

Not later than fourteen days after the director issues an 6920
order approving a district's solid waste management plan under 6921
section 3734.55 of the Revised Code or amended plan under division 6922
(A) or (D) of section 3734.56 of the Revised Code that establishes 6923
or amends a schedule of fees levied by the district, or the 6924
ratification of an amendment to the district's approved plan or 6925
amended plan under division (E) of section 3734.56 of the Revised 6926
Code that establishes or amends a schedule of fees, as 6927
appropriate, the committee shall notify by certified mail the 6928
owner or operator of each solid waste disposal facility that is 6929
required to collect the fees of the approval of the plan or 6930
amended plan, or the amendment to the plan, as appropriate, and 6931
the amount of the fees or amended fees. In the case of an initial 6932
or amended plan approved under section 3734.521 of the Revised 6933
Code in connection with a change in district composition, other 6934
than one involving the withdrawal of a county from a joint 6935
district, that establishes or amends a schedule of fees levied 6936
under divisions (B)(1) to (3) of this section by a district 6937
resulting from the change, the committee, within fourteen days 6938
after the change takes effect pursuant to division (G) of that 6939
section, shall notify by certified mail the owner or operator of 6940
each solid waste disposal facility that is required to collect the 6941
fees that the change has taken effect and of the amount of the 6942
fees or amended fees. Collection of any fees set forth in a plan 6943
or amended plan approved by the director on or after April 16, 6944
1993, or an amendment of a plan or amended plan under division (E) 6945
of section 3734.56 of the Revised Code that is ratified on or 6946
after April 16, 1993, shall commence on the first day of the 6947

second month following the month in which notification is sent to 6948
the owner or operator. 6949

Not later than fourteen days after the director issues an 6950
order approving a district's plan under section 3734.55 of the 6951
Revised Code or amended plan under division (A) or (D) of section 6952
3734.56 of the Revised Code that abolishes the schedule of fees 6953
levied under divisions (B)(1) to (3) of this section, or an 6954
amendment to the district's approved plan or amended plan 6955
abolishing the schedule of fees is ratified pursuant to division 6956
(E) of section 3734.56 of the Revised Code, as appropriate, the 6957
committee shall notify by certified mail the owner or operator of 6958
each facility that is collecting the fees of the approval of the 6959
plan or amended plan, or the amendment of the plan or amended 6960
plan, as appropriate, and the abolishment of the fees. In the case 6961
of an initial or amended plan approved under section 3734.521 of 6962
the Revised Code in connection with a change in district 6963
composition, other than one involving the withdrawal of a county 6964
from a joint district, that abolishes the schedule of fees levied 6965
under divisions (B)(1) to (3) of this section by a district 6966
resulting from the change, the committee, within fourteen days 6967
after the change takes effect pursuant to division (G) of that 6968
section, shall notify by certified mail the owner or operator of 6969
each solid waste disposal facility that is required to collect the 6970
fees that the change has taken effect and of the abolishment of 6971
the fees. Collection of the fees shall cease on the first day of 6972
the second month following the month in which notification is sent 6973
to the owner or operator. 6974

Except as otherwise provided in this division, if the 6975
schedule of fees that a district is levying under divisions (B)(1) 6976
to (3) of this section pursuant to a resolution or amended 6977
resolution adopted and ratified under this division, the solid 6978
waste management plan of the district approved under section 6979

3734.55 of the Revised Code, an amended plan approved under 6980
division (A) or (D) of section 3734.56 of the Revised Code, or an 6981
amendment to the district's approved plan or amended plan under 6982
division (E) of section 3734.56 of the Revised Code, is amended by 6983
the adoption and ratification of an amendment to the resolution or 6984
amended resolution or an amendment of the district's approved plan 6985
or amended plan, the fees in effect immediately prior to the 6986
approval of the plan or the amendment of the resolution, amended 6987
resolution, plan, or amended plan, as appropriate, shall continue 6988
to be collected until collection of the amended fees commences 6989
pursuant to this division. 6990

If, in the case of a change in district composition involving 6991
the withdrawal of a county from a joint district, the director 6992
completes the actions required under division (G)(1) or (3) of 6993
section 3734.521 of the Revised Code, as appropriate, forty-five 6994
days or more before the beginning of a calendar year, the policy 6995
committee of each of the districts resulting from the change that 6996
obtained the director's approval of an initial or amended plan in 6997
connection with the change, within fourteen days after the 6998
director's completion of the required actions, shall notify by 6999
certified mail the owner or operator of each solid waste disposal 7000
facility that is required to collect the district's fees that the 7001
change is to take effect on the first day of January immediately 7002
following the issuance of the notice and of the amount of the fees 7003
or amended fees levied under divisions (B)(1) to (3) of this 7004
section pursuant to the district's initial or amended pan as so 7005
approved or, if appropriate, the abolishment of the district's 7006
fees by that initial or amended plan. Collection of any fees set 7007
forth in such a plan or amended plan shall commence on the first 7008
day of January immediately following the issuance of the notice. 7009
If such an initial or amended plan abolishes a schedule of fees, 7010
collection of the fees shall cease on that first day of January. 7011

If, in the case of a change in district composition involving 7012
the withdrawal of a county from a joint district, the director 7013
completes the actions required under division (G)(1) or (3) of 7014
section 3734.521 of the Revised Code, as appropriate, less than 7015
forty-five days before the beginning of a calendar year, the 7016
director, on behalf of each of the districts resulting from the 7017
change that obtained the director's approval of an initial or 7018
amended plan in connection with the change proceedings, shall 7019
notify by certified mail the owner or operator of each solid waste 7020
disposal facility that is required to collect the district's fees 7021
that the change is to take effect on the first day of January 7022
immediately following the mailing of the notice and of the amount 7023
of the fees or amended fees levied under divisions (B)(1) to (3) 7024
of this section pursuant to the district's initial or amended plan 7025
as so approved or, if appropriate, the abolishment of the 7026
district's fees by that initial or amended plan. Collection of any 7027
fees set forth in such a plan or amended plan shall commence on 7028
the first day of the second month following the month in which 7029
notification is sent to the owner or operator. If such an initial 7030
or amended plan abolishes a schedule of fees, collection of the 7031
fees shall cease on the first day of the second month following 7032
the month in which notification is sent to the owner or operator. 7033

In the case of a change in district composition, the schedule 7034
of fees that the former districts that existed prior to the change 7035
were levying under divisions (B)(1) to (3) of this section 7036
pursuant to a resolution or amended resolution adopted and 7037
ratified under this division, the solid waste management plan of a 7038
former district approved under section 3734.521 or 3734.55 of the 7039
Revised Code, an amended plan approved under section 3734.521 or 7040
division (A) or (D) of section 3734.56 of the Revised Code, or an 7041
amendment to a former district's approved plan or amended plan 7042
under division (E) of section 3734.56 of the Revised Code, and 7043

that were in effect on the date that the director completed the 7044
actions required under division (G)(1) or (3) of section 3734.521 7045
of the Revised Code shall continue to be collected until the 7046
collection of the fees or amended fees of the districts resulting 7047
from the change is required to commence, or if an initial or 7048
amended plan of a resulting district abolishes a schedule of fees, 7049
collection of the fees is required to cease, under this division. 7050
Moneys so received from the collection of the fees of the former 7051
districts shall be divided among the resulting districts in 7052
accordance with division (B) of section 343.012 of the Revised 7053
Code and the agreements entered into under division (B) of section 7054
343.01 of the Revised Code to establish the former and resulting 7055
districts and any amendments to those agreements. 7056

For the purposes of the provisions of division (B) of this 7057
section establishing the times when newly established or amended 7058
fees levied by a district are required to commence and the 7059
collection of fees that have been amended or abolished is required 7060
to cease, "fees" or "schedule of fees" includes, in addition to 7061
fees levied under divisions (B)(1) to (3) of this section, those 7062
levied under section 3734.573 or 3734.574 of the Revised Code. 7063

(C) For the purposes of defraying the added costs to a 7064
municipal corporation or township of maintaining roads and other 7065
public facilities and of providing emergency and other public 7066
services, and compensating a municipal corporation or township for 7067
reductions in real property tax revenues due to reductions in real 7068
property valuations resulting from the location and operation of a 7069
solid waste disposal facility within the municipal corporation or 7070
township, a municipal corporation or township in which such a 7071
solid waste disposal facility is located may levy a fee of not 7072
more than twenty-five cents per ton on the disposal of solid 7073
wastes at a solid waste disposal facility located within the 7074
boundaries of the municipal corporation or township regardless of 7075

where the wastes were generated.

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The legislative authority of a municipal corporation or township may levy fees under this division by enacting an ordinance or adopting a resolution establishing the amount of the fees. Upon so doing the legislative authority shall mail a certified copy of the ordinance or resolution to the board of county commissioners or directors of the county or joint solid waste management district in which the municipal corporation or township is located or, if a regional solid waste management authority has been formed under section 343.011 of the Revised Code, to the board of trustees of that regional authority, the owner or operator of each solid waste disposal facility in the municipal corporation or township that is required to collect the fee by the ordinance or resolution, and the director of environmental protection. Although the fees levied under this division are levied on the basis of tons as the unit of measurement, the legislative authority, in its ordinance or resolution levying the fees under this division, may direct that the fees be levied on the basis of cubic yards as the unit of measurement based upon a conversion factor of three cubic yards per ton generally or one cubic yard per ton for baled wastes.

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Not later than five days after enacting an ordinance or adopting a resolution under this division, the legislative authority shall so notify by certified mail the owner or operator of each solid waste disposal facility that is required to collect the fee. Collection of any fee levied on or after March 24, 1992, shall commence on the first day of the second month following the month in which notification is sent to the owner or operator.

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(D)(1) The fees levied under divisions (A), (B), and (C) of this section do not apply to the disposal of solid wastes that:

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(a) Are disposed of at a facility owned by the generator of

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the wastes when the solid waste facility exclusively disposes of 7107
solid wastes generated at one or more premises owned by the 7108
generator regardless of whether the facility is located on a 7109
premises where the wastes are generated; 7110

(b) Are disposed of at facilities that exclusively dispose of 7111
wastes that are generated from the combustion of coal, or from the 7112
combustion of primarily coal in combination with scrap tires, that 7113
is not combined in any way with garbage at one or more premises 7114
owned by the generator. 7115

(2) Except as provided in section 3734.571 of the Revised 7116
Code, any fees levied under division (B)(1) of this section apply 7117
to solid wastes originating outside the boundaries of a county or 7118
joint district that are covered by an agreement for the joint use 7119
of solid waste facilities entered into under section 343.02 of the 7120
Revised Code by the board of county commissioners or board of 7121
directors of the county or joint district where the wastes are 7122
generated and disposed of. 7123

(3) When solid wastes, other than solid wastes that consist 7124
of scrap tires, are burned in a disposal facility that is an 7125
incinerator or energy recovery facility, the fees levied under 7126
divisions (A), (B), and (C) of this section shall be levied upon 7127
the disposal of the fly ash and bottom ash remaining after burning 7128
of the solid wastes and shall be collected by the owner or 7129
operator of the sanitary landfill where the ash is disposed of. 7130

(4) When solid wastes are delivered to a solid waste transfer 7131
facility, the fees levied under divisions (A), (B), and (C) of 7132
this section shall be levied upon the disposal of solid wastes 7133
transported off the premises of the transfer facility for disposal 7134
and shall be collected by the owner or operator of the solid waste 7135
disposal facility where the wastes are disposed of. 7136

(5) The fees levied under divisions (A), (B), and (C) of this 7137

section do not apply to sewage sludge that is generated by a waste
water treatment facility holding a national pollutant discharge
elimination system permit and that is disposed of through
incineration, land application, or composting or at another
resource recovery or disposal facility that is not a landfill.

(6) The fees levied under ~~division~~ divisions (A), (B), and
(C) of this section do not apply to solid wastes delivered to a
solid waste composting facility for processing. When any
unprocessed solid waste or compost product is transported off the
premises of a composting facility and disposed of at a landfill,
the fees levied under divisions (A), (B), and (C) of this section
shall be collected by the owner or operator of the landfill where
the unprocessed waste or compost product is disposed of.

(7) When solid wastes that consist of scrap tires are
processed at a scrap tire recovery facility, the fees levied under
divisions (A), (B), and (C) of this section shall be levied upon
the disposal of the fly ash and bottom ash or other solid wastes
remaining after the processing of the scrap tires and shall be
collected by the owner or operator of the solid waste disposal
facility where the ash or other solid wastes are disposed of.

(E) The fees levied under divisions (B) and (C) of this
section shall be collected by the owner or operator of the solid
waste disposal facility where the wastes are disposed of as a
trustee for the county or joint district and municipal corporation
or township where the wastes are disposed of. Moneys from the fees
levied under division (B) of this section shall be forwarded to
the board of county commissioners or board of directors of the
district in accordance with rules adopted under division (H) of
this section. Moneys from the fees levied under division (C) of
this section shall be forwarded to the treasurer or such other
officer of the municipal corporation as, by virtue of the charter,

has the duties of the treasurer or to the clerk of the township, 7170
as appropriate, in accordance with those rules. 7171

(F) Moneys received by the treasurer or such other officer of 7172
the municipal corporation under division (E) of this section shall 7173
be paid into the general fund of the municipal corporation. Moneys 7174
received by the clerk of the township under that division shall be 7175
paid into the general fund of the township. The treasurer or such 7176
other officer of the municipal corporation or the clerk, as 7177
appropriate, shall maintain separate records of the moneys 7178
received from the fees levied under division (C) of this section. 7179
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(G) Moneys received by the board of county commissioners or 7181
board of directors under division (E) of this section or section 7182
3734.571, 3734.572, 3734.573, or 3734.574 of the Revised Code 7183
shall be paid to the county treasurer, or other official acting in 7184
a similar capacity under a county charter, in a county district or 7185
to the county treasurer or other official designated by the board 7186
of directors in a joint district and kept in a separate and 7187
distinct fund to the credit of the district. If a regional solid 7188
waste management authority has been formed under section 343.011 7189
of the Revised Code, moneys received by the board of trustees of 7190
that regional authority under division (E) of this section shall 7191
be kept by the board in a separate and distinct fund to the credit 7192
of the district. Moneys in the special fund of the county or joint 7193
district arising from the fees levied under division (B) of this 7194
section and the fee levied under division (A) of section 3734.573 7195
of the Revised Code shall be expended by the board of county 7196
commissioners or directors of the district in accordance with the 7197
district's solid waste management plan or amended plan approved 7198
under section 3734.521, 3734.55, or 3734.56 of the Revised Code 7199
exclusively for the following purposes: 7200

(1) Preparation of the solid waste management plan of the 7201

district under section 3734.54 of the Revised Code, monitoring	7202
implementation of the plan, and conducting the periodic review and	7203
amendment of the plan required by section 3734.56 of the Revised	7204
Code by the solid waste management policy committee;	7205
(2) Implementation of the approved solid waste management	7206
plan or amended plan of the district, including, without	7207
limitation, the development and implementation of solid waste	7208
recycling or reduction programs;	7209
(3) Providing financial assistance to boards of health within	7210
the district, if solid waste facilities are located within the	7211
district, for enforcement of this chapter and rules, orders, and	7212
terms and conditions of permits, licenses, and variances adopted	7213
or issued under it, other than the hazardous waste provisions of	7214
this chapter and rules adopted and orders and terms and conditions	7215
of permits issued under those provisions;	7216
(4) Providing financial assistance to each county within the	7217
district to defray the added costs of maintaining roads and other	7218
public facilities and of providing emergency and other public	7219
services resulting from the location and operation of a solid	7220
waste facility within the county under the district's approved	7221
solid waste management plan or amended plan;	7222
(5) Pursuant to contracts entered into with boards of health	7223
within the district, if solid waste facilities contained in the	7224
district's approved plan or amended plan are located within the	7225
district, for paying the costs incurred by those boards of health	7226
for collecting and analyzing samples from public or private water	7227
wells on lands adjacent to those facilities;	7228
(6) Developing and implementing a program for the inspection	7229
of solid wastes generated outside the boundaries of this state	7230
that are disposed of at solid waste facilities included in the	7231
district's approved solid waste management plan or amended plan;	7232

(7) Providing financial assistance to boards of health within 7233
the district for the enforcement of section 3734.03 of the Revised 7234
Code or to local law enforcement agencies having jurisdiction 7235
within the district for enforcing anti-littering laws and 7236
ordinances; 7237

(8) Providing financial assistance to boards of health of 7238
health districts within the district that are on the approved list 7239
under section 3734.08 of the Revised Code to defray the costs to 7240
the health districts for the participation of their employees 7241
responsible for enforcement of the solid waste provisions of this 7242
chapter and rules adopted and orders and terms and conditions of 7243
permits, licenses, and variances issued under those provisions in 7244
the training and certification program as required by rules 7245
adopted under division (L) of section 3734.02 of the Revised Code; 7246

(9) Providing financial assistance to individual municipal 7247
corporations and townships within the district to defray their 7248
added costs of maintaining roads and other public facilities and 7249
of providing emergency and other public services resulting from 7250
the location and operation within their boundaries of a 7251
composting, energy or resource recovery, incineration, or 7252
recycling facility that either is owned by the district or is 7253
furnishing solid waste management facility or recycling services 7254
to the district pursuant to a contract or agreement with the board 7255
of county commissioners or directors of the district; 7256

(10) Payment of any expenses that are agreed to, awarded, or 7257
ordered to be paid under section 3734.35 of the Revised Code and 7258
of any administrative costs incurred pursuant to that section. In 7259
the case of a joint solid waste management district, if the board 7260
of county commissioners of one of the counties in the district is 7261
negotiating on behalf of affected communities, as defined in that 7262
section, in that county, the board shall obtain the approval of 7263
the board of directors of the district in order to expend moneys 7264

for administrative costs incurred. 7265

Prior to the approval of the district's solid waste 7266
management plan under section 3734.55 of the Revised Code, moneys 7267
in the special fund of the district arising from ~~such~~ the fees 7268
shall be expended for ~~such~~ those purposes in the manner prescribed 7269
by the solid waste management policy committee by resolution. 7270

Notwithstanding division (G)(6) of this section as it existed 7271
prior to October 29, 1993, or any provision in a district's solid 7272
waste management plan prepared in accordance with division 7273
(B)(2)(e) of section 3734.53 of the Revised Code as it existed 7274
prior to that date, any moneys arising from the fees levied under 7275
division (B)(3) of this section prior to January 1, 1994, may be 7276
expended for any of the purposes authorized in divisions (G)(1) to 7277
(10) of this section. 7278

(H) The director ~~of environmental protection~~ shall adopt 7279
rules in accordance with Chapter 119. of the Revised Code 7280
prescribing procedures for collecting and forwarding the fees 7281
levied under divisions (B) and (C) of this section to the boards 7282
of county commissioners or directors of county or joint solid 7283
waste management districts and to the treasurers or other officers 7284
of municipal corporations or to the clerks of townships. The rules 7285
also shall prescribe the dates for forwarding the fees to the 7286
boards and officials and may prescribe any other requirements the 7287
director considers necessary or appropriate to implement and 7288
administer divisions (A), (B), and (C) of this section. Collection 7289
of the fees levied under division (A)(1) of this section shall 7290
commence on July 1, 1993. Collection of the fees levied under 7291
division (A)(2) of this section shall commence on January 1, 1994. 7292
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Sec. 3734.82. (A) The annual fee for a scrap tire recovery 7294
facility license issued under section 3734.81 of the Revised Code 7295

shall be in accordance with the following schedule: 7296

Daily Design Input Capacity (Tons)	Annual License Fee	
1 or less	\$ 100	7297
2 to 25	500	7298
26 to 50	1,000	7299
51 to 100	1,500	7300
101 to 200	2,500	7301
201 to 500	3,500	7302
501 or more	5,500	7303

For the purpose of determining the applicable license fee 7306
under this division, the daily design input capacity shall be the 7307
quantity of scrap tires the facility is designed to process daily 7308
as set forth in the registration certificate or permit for the 7309
facility, and any modifications to the permit, if applicable, 7310
issued under section 3734.78 of the Revised Code. 7311

(B) The annual fee for a scrap tire monocell or monofill 7312
facility license shall be in accordance with the following 7313
schedule: 7314

Authorized Maximum Daily Waste Receipt (Tons)	Annual License Fee	
100 or less	\$ 5,000	7315
101 to 200	12,500	7316
201 to 500	30,000	7317
501 or more	60,000	7318

For the purpose of determining the applicable license fee 7322
under this division, the authorized maximum daily waste receipt 7323
shall be the maximum amount of scrap tires the facility is 7324
authorized to receive daily that is established in the permit for 7325
the facility, and any modification to that permit, issued under 7326

section 3734.77 of the Revised Code. 7327

(C)(1) Except as otherwise provided in division (C)(2) of 7328
this section, the annual fee for a scrap tire storage facility 7329
license shall equal one thousand dollars times the number of acres 7330
on which scrap tires are to be stored at the facility during the 7331
license year, as set forth on the application for the annual 7332
license, except that the total annual license fee for any such 7333
facility shall not exceed three thousand dollars. 7334

(2) The annual fee for a scrap tire storage facility license 7335
for a storage facility that is owned or operated by a motor 7336
vehicle salvage dealer licensed under Chapter 4738. of the Revised 7337
Code is one hundred dollars. 7338

(D)(1) Except as otherwise provided in division (D)(2) of 7339
this section, the annual fee for a scrap tire collection facility 7340
license is two hundred dollars. 7341

(2) The annual fee for a scrap tire collection facility 7342
license for a collection facility that is owned or operated by a 7343
motor vehicle salvage dealer licensed under Chapter 4738. of the 7344
Revised Code is fifty dollars. 7345

(E) Except as otherwise provided in divisions (C)(2) and 7346
(D)(2) of this section, the same fees apply to private operators 7347
and to the state and its political subdivisions and shall be paid 7348
within thirty days after the issuance of a license. The fees 7349
include the cost of licensing, all inspections, and other costs 7350
associated with the administration of the scrap tire provisions of 7351
this chapter and rules adopted under them. Each license shall 7352
specify that it is conditioned upon payment of the applicable fee 7353
to the board of health or the director of environmental 7354
protection, as appropriate, within thirty days after the issuance 7355
of the license. 7356

(F) The board of health shall retain fifteen thousand dollars 7357

of each license fee collected by the board under division (B) of 7358
this section, or the entire amount of any such fee that is less 7359
than fifteen thousand dollars, and the entire amount of each 7360
license fee collected by the board under divisions (A), (C), and 7361
(D) of this section. The moneys retained shall be paid into a 7362
special fund, which is hereby created in each health district, and 7363
used solely to administer and enforce the scrap tire provisions of 7364
this chapter and rules adopted under them. The remainder, if any, 7365
of each license fee collected by the board under division (B) of 7366
this section shall be transmitted to the director within 7367
forty-five days after receipt of the fee. 7368

(G) The director shall transmit the moneys received by the 7369
director from license fees collected under division (B) of this 7370
section to the treasurer of state to be credited to the scrap tire 7371
management fund, which is hereby created in the state treasury. 7372
The fund shall consist of all federal moneys received by the 7373
environmental protection agency for the scrap tire management 7374
program; all grants, gifts, and contributions made to the director 7375
for that program; and all other moneys that may be provided by law 7376
for that program. The director shall use moneys in the fund as 7377
follows: 7378

(1) Expend not more than seven hundred fifty thousand dollars 7379
during each fiscal year to implement, administer, and enforce the 7380
scrap tire provisions of this chapter and rules adopted under 7381
them; 7382

(2) For fiscal years 1998 and 1999, grant not more than one 7383
hundred fifty thousand dollars during each fiscal year to the 7384
polymer institute at the university of Akron for the purpose of 7385
expediting research concerning and evaluation of alternative 7386
methods of recycling scrap tires. The institute shall report to 7387
the director annually concerning research programs under review, 7388
and the results of scrap tire recycling experiments conducted, by 7389

or in conjunction with the institute. The university shall report 7390
to the director biennially concerning the expenditures of moneys 7391
received by the institute under division (G)(2) of this section. 7392

(3) During each of fiscal years 1998, 1999, and 2000, request 7393
the director of budget and management to, and the director of 7394
budget and management shall, transfer one million dollars to the 7395
facilities establishment fund created in section 166.03 of the 7396
Revised Code for the purposes specified in that section; 7397

~~(4) Except as otherwise provided in division (H)(2) of this 7398
section, expend not more than three million dollars during each of 7399
fiscal years 1998, 1999, and 2000 to conduct removal actions under 7400
section 3734.85 of the Revised Code. Prior to using any moneys in 7401
the fund for that purpose in a fiscal year, the director shall 7402
request the approval of the controlling board for that use of the 7403
moneys. The request shall be accompanied by a plan describing the 7404
removal actions to be conducted during the fiscal year and an 7405
estimate of the costs of conducting them. The controlling board 7406
shall approve the plan only if the board finds that the proposed 7407
removal actions are in accordance with the priorities set forth in 7408
division (B) of section 3734.85 of the Revised Code and that the 7409
costs of conducting them are reasonable. 7410~~

~~(5) Annually transfer to the central support indirect fund 7411
created in section 3745.014 of the Revised Code an amount equal to 7412
not more than twelve per cent of each fiscal year's appropriation 7413
to the scrap tire management fund. 7414~~

(H)(1) If, during fiscal year 1997, 1998, 1999, or 2000, more 7415
than three million five hundred thousand dollars are credited to 7416
the scrap tire management fund, the director, at the conclusion of 7417
the fiscal year, shall request the director of budget and 7418
management to, and the director of budget and management shall, 7419
transfer to the facilities establishment fund one-half of the 7420

moneys credited to the scrap tire management fund in excess of 7421
that amount. 7422

(2) In each of fiscal years 1998, 1999, and 2000, if more 7423
than three million five hundred thousand dollars are credited to 7424
the scrap tire management fund during the preceding fiscal year, 7425
the director, ~~in addition to the amount authorized under division~~ 7426
~~(G)(4) of this section,~~ shall expend during the current fiscal 7427
year one-half of that excess amount to conduct removal operations 7428
under section 3734.85 of the Revised Code. 7429

(I) After the actions in divisions (G)(1) to (4) and (H) of 7430
this section are completed during each of fiscal years 1998, 1999, 7431
and 2000, the director may expend up to the balance remaining from 7432
prior fiscal years in the scrap tire management fund to conduct 7433
removal actions under section 3734.85 Of the Revised Code. Prior 7434
to using any moneys in the fund for that purpose in a fiscal year, 7435
the director shall request the approval of the controlling board 7436
for that use of the moneys. The request shall be accompanied by a 7437
plan describing the removal actions to be conducted during the 7438
fiscal year and an estimate of the costs of conducting them. The 7439
controlling board shall approve the plan only if the board finds 7440
that the proposed removal actions are in accordance with the 7441
priorities set forth in division (B) of section 3734.85 Of the 7442
Revised Code and that the costs of conducting them are reasonable. 7443

Sec. 4123.40. ~~During the six months immediately preceding the~~ 7444
~~first day of each regular session of the general assembly, the~~ 7445
~~office of budget and management shall communicate to the bureau~~ 7446
~~The administrator~~ of workers' compensation ~~an~~ shall estimate of 7447
the gross payroll of all state employers for the succeeding 7448
biennium or fiscal year. 7449

~~Upon receipt thereof the~~ The administrator of workers' 7450
~~compensation~~ shall determine and certify for the office of budget 7451

and management that rate or rates which when applied to the gross 7452
payroll estimate will produce an amount equal to the estimated 7453
cost of awards or payments to be made during the like fiscal 7454
period, as determined by the administrator. 7455

The rate certified shall be applied and made a part of the 7456
gross payroll calculation for the period for which the foregoing 7457
estimates have been made, in conformity with section 125.21 of the 7458
Revised Code. The amounts collected shall be remitted to the 7459
bureau as provided in section 125.21 of the Revised Code. 7460

If the amounts remitted to the bureau for a fiscal period are 7461
greater or less than actual awards or payments for the like period 7462
by reason of an error in the prior estimates of gross payroll or 7463
awards or payments, the overage or shortage shall be included by 7464
the administrator in determining the rate for the next succeeding 7465
fiscal period. 7466

In fixing the amount of contribution to be made by the state 7467
and each of its departments, agencies, and instrumentalities, the 7468
administrator shall classify departments, agencies, and 7469
instrumentalities into such groups as will equitably determine the 7470
contributions in accordance with their individual accident 7471
experience so that the state and its departments, agencies, and 7472
instrumentalities contribute an amount sufficient to meet 7473
individual obligations and maintain a solvent public insurance 7474
fund. 7475

Moneys collected from state employers shall not be used to 7476
pay compensation or other benefits attributable to service of 7477
persons as employees of counties or taxing districts therein, nor 7478
shall moneys collected from counties and taxing districts therein 7479
be used to pay compensation or other benefits attributable to 7480
service of persons as employees of the state. 7481

Sec. 4701.10. (A) Permits to practice public accounting shall 7482

be issued by the accountancy board to holders of the certificate 7483
of certified public accountant issued under section 4701.06 or 7484
4701.061 of the Revised Code and to persons registered under 7485
sections 4701.07 and 4701.09 of the Revised Code. Subject to 7486
division (D)(1) of this section, there shall be a triennial permit 7487
fee in an amount to be determined by the board not to exceed one 7488
hundred fifty dollars. All permits shall expire on the last day of 7489
December of the year assigned by the board and, subject to 7490
division (D)(1) of this section, shall be renewed triennially for 7491
a period of three years by certificate holders and registrants in 7492
good standing upon payment of a triennial renewal fee not to 7493
exceed one hundred fifty dollars. For the purpose of implementing 7494
this section and enforcing section 4701.11 of the Revised Code, 7495
the board may issue a permit for less than three years' duration. 7496
A prorated fee shall be determined by the board for such permit. 7497
~~Renewal of permits shall be according to the standard renewal~~ 7498
~~procedure of sections 4745.01 to 4745.03 of the Revised Code.~~ 7499
Failure of any certificate holder or registrant to apply for a 7500
triennial permit to practice within three years from the 7501
expiration date of the permit to practice last obtained or 7502
renewed, or three years from the date upon which the certificate 7503
holder or registrant was granted ~~his~~ A certificate or 7504
registration, shall result in suspension of such certificate or 7505
registration unless the board determines such failure to have been 7506
due to excusable neglect. In such case the renewal fee or the fee 7507
for the issuance of the original permit, as the case may be, shall 7508
be such amount as the board shall determine, but not in excess of 7509
fifty dollars plus the fee for each triennial period or part of a 7510
period the certificate holder or registrant did not have a permit. 7511

(B) All certificate holders and registrants who are not in 7512
the practice of public accounting in this state shall register 7513
with the board every three years at a fee, not to exceed 7514

fifty-five dollars, established by the board. Such persons shall
not convey to the general public that they are actively engaged in
the practice of public accounting in this state.

(C) The board shall suspend the certificate or registration
of any person failing to obtain a permit in accordance with this
section except that the board may by rule exempt persons from the
requirement of holding a permit for such reasons as retirement,
health reasons, military service, foreign residency, or other just
cause.

(D)(1) On and after January 1, 1995, the board shall, by rule
adopted in accordance with Chapter 119. of the Revised Code,
increase the triennial permit and renewal fee imposed pursuant to
this section by at least fifteen dollars but no more than thirty
dollars.

(2) Beginning with the first quarter of 1995 and each quarter
thereafter, the board, for the purpose provided in section 4743.05
of the Revised Code, shall certify to the director of budget and
management the number of triennial permits renewed under this
chapter during the preceding quarter and the amount equal to that
number times the amount by which the triennial permit and renewal
fee is increased by the board under division (D)(1) of this
section.

Sec. 4701.20. All receipts of the accountancy board shall be
deposited in the state treasury to the credit of the occupational
licensing and regulatory fund, except that any payment made to the
board in connection with an application for examination or for a
permit, registration, or certificate shall be deposited only after
the board approves the application. In the event the application
is not approved, the board shall return the payment to the
applicant. All

All vouchers of the board shall be approved by the board 7545
president or executive secretary, or both, as authorized by the 7546
board. 7547

Sec. 4743.05. Except as otherwise provided in sections 7548
4701.20, 4723.061, and 4729.65 of the Revised Code, all money 7549
collected under Chapters 3773., 4701., 4703., 4709., 4713., 4715., 7550
4717., 4723., 4725., 4729., 4732., 4733., 4734., 4736., 4741., 7551
4753., 4755., 4757., 4759., and 4761. of the Revised Code shall be 7552
paid into the state treasury to the credit of the occupational 7553
licensing and regulatory fund, which is hereby created for use in 7554
administering such chapters. Money deposited to the credit of the 7555
fund under section 4731.24 of the Revised Code shall be used until 7556
July 1, 1998, for administering Chapters 4730. and 4731. of the 7557
Revised Code. 7558

At the end of each quarter, the director of budget and 7559
management shall transfer from the occupational licensing and 7560
regulatory fund to the nurse education assistance fund created in 7561
section 3333.28 of the Revised Code the amount certified to the 7562
director under division (B) of section 4723.08 of the Revised 7563
Code. 7564

At the end of the first quarter of 1995 and at the end of 7565
each quarter thereafter, the director shall transfer from the 7566
occupational licensing and regulatory fund to the certified public 7567
accountant education assistance fund created in section 4701.26 of 7568
the Revised Code the amount certified to the director under 7569
division (D)(2) of section 4701.10 of the Revised Code. 7570

Sec. 4745.01. (A) "Standard renewal procedure," as used in 7571
Chapters 905., 907., 909., 911., 913., 915., 918., 921., 923., 7572
927., 942., 943., 953., 1321., 3710., 3713., 3715., 3719., 3731., 7573
3742., 3748., 3769., 3783., 3921., 3951., 4104., 4105., 4143., 7574

4169., 4561., ~~4701.~~, 4703., 4707., 4709., 4713., 4715., 4717., 7575
4723., 4725., 4727., 4728., 4729., 4731., 4733., 4734., 4735., 7576
4739., 4741., 4747., 4749., 4753., 4755., 4757., 4759., 4761., 7577
4766., 4773., and 4775. of the Revised Code, means the license 7578
renewal procedures specified in this chapter. 7579

(B) "Licensing agency," as used in this chapter, means any 7580
department, division, board, section of a board, or other state 7581
governmental unit subject to the standard renewal procedure, as 7582
defined in this section, and authorized by the Revised Code to 7583
issue a license to engage in a specific profession, occupation, or 7584
occupational activity, or to have charge of and operate certain 7585
specified equipment, machinery, or premises. 7586

(C) "License," as used in this chapter, means a license, 7587
certificate, permit, card, or other authority issued or conferred 7588
by a licensing agency by authority of which the licensee has or 7589
claims the privilege to engage in the profession, occupation, or 7590
occupational activity, or to have control of and operate certain 7591
specific equipment, machinery, or premises, over which the 7592
licensing agency has jurisdiction. 7593

(D) "Licensee," as used in this chapter, means either the 7594
person to whom the license is issued or renewed by a licensing 7595
agency, or the person, partnership, or corporation at whose 7596
request the license is issued or renewed. 7597

(E) "Renewal" and "renewed," as used in this chapter and in 7598
the chapters of the Revised Code specified in division (A) of this 7599
section, includes the continuing licensing procedure provided in 7600
Chapter 3748. of the Revised Code and rules adopted under it and 7601
in sections 1321.05 and 3921.33 of the Revised Code, and as 7602
applied to those continuing licenses any reference in this chapter 7603
to the date of expiration of any license shall be construed to 7604
mean the due date of the annual or other fee for the continuing 7605

license. 7606

Sec. 4981.091. There is hereby created in the state treasury 7607
the federal rail fund. The fund shall consist of money received 7608
pursuant to section 4981.08 Of the Revised Code and such other 7609
money as may be provided by law. The fund shall be used to 7610
acquire, rehabilitate, or develop rail property or service; to 7611
participate in the acquisition of rail property with the federal 7612
government, municipal corporations, townships, counties, or other 7613
governmental agencies; and to promote, plan, design, construct, 7614
operate, and maintain passenger and freight rail transportation 7615
systems. The fund also may be used to pay the administrative costs 7616
of the Ohio rail development commission associated with conducting 7617
any authorized rail program, and for any purpose authorized by 7618
sections 4981.03 and 5501.56 Of the Revised Code. The fund shall 7619
not be used to provide loan guarantees. Investment earnings on 7620
moneys credited to the fund shall be retained by the fund. 7621

In acquiring rail property, the Ohio rail development 7623
commission may obtain acquisition loans from the federal 7624
government or from any other source. 7625

Sec. 5711.22. (A) Deposits not taxed at the source shall be 7626
listed and assessed at their amount in dollars on the day they are 7627
required to be listed. Moneys shall be listed and assessed at the 7628
amount thereof in dollars on hand on the day that they are 7629
required to be listed. In listing investments, the amount of the 7630
income yield of each for the calendar year next preceding the date 7631
of listing shall, except as otherwise provided in this chapter, be 7632
stated in dollars and cents and the assessment thereof shall be at 7633
the amount of such income yield; but any property defined as 7634
investments in either division (A) or (B) of section 5701.06 of 7635
the Revised Code that has not been outstanding for the full 7636

calendar year next preceding the date of listing, except shares of 7637
stock of like kind as other shares of the same corporation 7638
outstanding for the full calendar year next preceding the date of 7639
listing, or which has yielded no income during such calendar year 7640
shall be listed and assessed as unproductive investments, at their 7641
true value in money on the day that such investments are required 7642
to be listed. 7643

Credits and other taxable intangibles shall be listed and 7644
assessed at their true value in money on the day as of which the 7645
same are required to be listed. 7646

Shares of stock of a bank holding company, as defined in 7647
Title 12 U.S.C.A., section 1841, which are required to be listed 7648
for taxation under this division and upon which dividends were 7649
paid during the year of their issuance, which dividends are 7650
subject to taxation under the provisions of Chapter 5747. of the 7651
Revised Code, shall be exempt from the intangibles tax for the 7652
year immediately succeeding their issuance. If such shares bear 7653
dividends the first calendar year after their issuance, which 7654
dividends are subject to taxation under the provisions of Chapter 7655
5747. of the Revised Code, it shall be deemed that the 7656
nondelinquent intangible property tax pursuant to division (A) of 7657
section 5707.04 of the Revised Code was paid on those dividends 7658
paid that first calendar year after the issuance of the shares. 7659

(B)(1) Boilers, machinery, equipment, and personal property 7660
the true value of which is determined under division (B) of 7661
section 5711.21 of the Revised Code shall be listed and assessed 7662
at an amount equal to the sum of the products determined under 7663
divisions (B)(1)(a), (b), and (c) of this section. 7664

(a) Multiply the portion of the true value determined under 7665
division (B)(1) of section 5711.21 of the Revised Code by the 7666
assessment rate ~~for the appropriate year~~ in division ~~(D)~~(E) of 7667

this section; 7668

(b) Multiply the portion of the true value determined under 7669
division (B)(2) of section 5711.21 of the Revised Code by the 7670
assessment rate in section 5727.111 of the Revised Code that is 7671
applicable to the production equipment of an electric company; 7672

(c) Multiply the portion of the true value determined under 7673
division (B)(3) of section 5711.21 of the Revised Code by the 7674
assessment rate in section 5727.111 of the Revised Code that is 7675
applicable to the property of an electric company that is not 7676
production equipment. 7677

(2) Personal property leased to a public utility or 7678
interexchange telecommunications company as defined in section 7679
5727.01 of the Revised Code and used directly in the rendition of 7680
a public utility service as defined in division (P) of section 7681
5739.01 of the Revised Code shall be listed and assessed at the 7682
same percentage of true value in money that such property is 7683
required to be assessed by section 5727.111 of the Revised Code if 7684
owned by the public utility or interexchange telecommunications 7685
company. 7686

(C)(1) Merchandise or an agricultural product shipped from 7687
outside this state and held in this state in a warehouse or a 7688
place of storage without further manufacturing or processing and 7689
for storage only and for shipment outside this state, but that is 7690
taxable because it does not qualify as "not used in business in 7691
this state" under division (B)(1) or (2) of section 5701.08 of the 7692
Revised Code, shall be listed and assessed at a rate of 7693
twenty-five one-hundredths of its true value in money until 7694
reduced in accordance with the following schedule: 7695

(a) For any year, subtract five one-hundredths from the rate 7696
at which such property was required to be listed and assessed in 7697
the preceding year, if the total statewide collection of all real 7698

and tangible personal property taxes for the second preceding year 7699
exceeded the total statewide collection of all real and tangible 7700
personal property taxes for the third preceding year by more than 7701
the greater of four per cent or the rate of increase from the 7702
third to the second preceding years in the average consumer price 7703
index (all urban consumers, all items) prepared by the bureau of 7704
labor statistics of the United States department of labor; 7705

(b) If no reduction in the assessment rate is made for a 7706
year, the rate is the same as for the preceding year. 7707

(2) Each year until the year the assessment rate equals zero, 7708
the tax commissioner shall determine the assessment rate required 7709
under this division and shall notify all county auditors of that 7710
rate. 7711

(3) Notwithstanding provisions to the contrary in division 7712
(B) of section 5701.08 of the Revised Code, during and after the 7713
year for which the assessment rate as calculated under this 7714
division equals zero, any merchandise or agricultural product 7715
shipped from outside this state and held in this state in any 7716
warehouse or place of storage, whether public or private, without 7717
further manufacturing or processing and for storage only and for 7718
shipment outside this state to any person for any purpose is not 7719
used in business in this state for property tax purposes. 7720

(D)(1) Merchandise or an agricultural product owned by a 7721
qualified out-of-state person shipped from outside this state and 7722
held in this state in a public warehouse without further 7723
manufacturing or processing and for temporary storage only and for 7724
shipment inside this state, but that is taxable because it does 7725
not qualify as "not used in business in this state" under division 7726
(B)(1) or (2) of section 5701.08 of the Revised Code, shall be 7727
listed and assessed at a rate of twenty-five one-hundredths of its 7728
true value in money until reduced in accordance with the following 7729

schedule: 7730

(a) For any year, subtract five one-hundredths from the rate 7731
at which such property was required to be listed and assessed in 7732
the preceding year, if the total statewide collection of all real 7733
and tangible personal property taxes for the second preceding year 7734
exceeded the total statewide collection of all real and tangible 7735
personal property taxes for the third preceding year by more than 7736
the greater of four per cent or the rate of increase from the 7737
third to the second preceding years in the average consumer price 7738
index (all urban consumers, all items) prepared by the bureau of 7739
labor statistics of the United States department of labor; 7740

(b) If no reduction in the assessment rate is made for a 7741
year, the rate is the same as for the preceding year. 7742

(2) Each year until the year the assessment rate equals zero, 7743
the tax commissioner shall determine the assessment rate required 7744
under this division and shall notify all county auditors of that 7745
rate. 7746

(3) Notwithstanding provisions to the contrary in division 7747
(B) of section 5701.08 of the Revised Code, during and after the 7748
year for which the assessment rate as calculated under this 7749
division equals zero, any merchandise or agricultural product 7750
described in division (D)(1) of this section is not used in 7751
business in this state for property tax purposes. 7752

(4) As used in division (D) of this section: 7753

(a) "Qualified out-of-state person" means a person that does 7754
not own, lease, or use property, other than merchandise or an 7755
agricultural product described in this division, in this state, 7756
and does not have employees, agents, or representatives in this 7757
state; 7758

(b) "Public warehouse" means a warehouse in this state that 7759

is not subject to the control of or under the supervision of the owner of the merchandise or agricultural product stored in it, or staffed by the owner's employees, and from which the property is to be shipped inside this state.

(E) Unless otherwise provided by law, all other personal property used in business that has not been legally regarded as an improvement on land and considered in arriving at the value of the real property assessed for taxation shall be listed and assessed at the rate of twenty-five per cent of its true value in money.

Sec. 5733.04. As used in this chapter:

(A) "Issued and outstanding shares of stock" applies to nonprofit corporations, as provided in section 5733.01 of the Revised Code, and includes but is not limited to, membership certificates and other instruments evidencing ownership of an interest in such nonprofit corporations, and with respect to a financial institution which does not have capital stock, "issued and outstanding shares of stock" includes, but is not limited to, ownership interests of depositors in the capital employed in such an institution.

(B) "Taxpayer" means a corporation subject to the tax imposed by section 5733.06 of the Revised Code.

(C) "Resident" means a corporation organized under the laws of this state.

(D) "Commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

(E) "Taxable year" means the period prescribed by division (A) of section 5733.031 of the Revised Code upon the net income of which the value of the taxpayer's issued and outstanding shares of stock is determined under division (B) of section 5733.05 of the

Revised Code or the period prescribed by division (A) of section 7790
5733.031 of the Revised Code that immediately precedes the date as 7791
of which the total value of the corporation is determined under 7792
division (A) or (C) of section 5733.05 of the Revised Code. 7793

(F) "Tax year" means the calendar year in and for which the 7794
tax imposed by section 5733.06 of the Revised Code is required to 7795
be paid. 7796

(G) "Internal Revenue Code" means the "Internal Revenue Code 7797
of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 7798

(H) "Federal income tax" means the income tax imposed by the 7799
Internal Revenue Code. 7800

(I) ~~Net~~ Except as provided in section 5733.058 Of the 7801
Revised Code, "net income" means the taxpayer's taxable income 7802
before operating loss deduction and special deductions, as 7803
required to be reported for the taxpayer's taxable year under the 7804
Internal Revenue Code, subject to the following adjustments: 7805

(1)(a) Deduct any net operating loss incurred in any taxable 7806
years ending in 1971 or thereafter but exclusive of any net 7807
operating loss incurred in taxable years ending prior to January 7808
1, 1971. This deduction shall not be allowed in any tax year 7809
commencing before December 31, 1973, but shall be carried over and 7810
allowed in tax years commencing after December 31, 1973, until 7811
fully utilized in the next succeeding taxable year or years in 7812
which the taxpayer has net income, but in no case for more than 7813
the designated carryover period as described in division (I)(1)(b) 7814
of this section. The amount of such net operating loss, as 7815
determined under the allocation and apportionment provisions of 7816
section 5733.051 and division (B) of section 5733.05 of the 7817
Revised Code for the year in which the net operating loss occurs, 7818
shall be deducted from net income, as determined under the 7819
allocation and apportionment provisions of section 5733.051 and 7820

division (B) of section 5733.05 of the Revised Code, to the extent 7821
necessary to reduce net income to zero with the remaining unused 7822
portion of the deduction, if any, carried forward to the remaining 7823
years of the designated carryover period as described in division 7824
(I)(1)(b) of this section, or until fully utilized, whichever 7825
occurs first. 7826

(b) For losses incurred in taxable years ending on or before 7827
December 31, 1981, the designated carryover period shall be the 7828
five consecutive taxable years after the taxable year in which the 7829
net operating loss occurred. For losses incurred in taxable years 7830
ending on or after January 1, 1982, the designated carryover 7831
period shall be the fifteen consecutive taxable years after the 7832
taxable year in which the net operating loss occurs. 7833

(c) The tax commissioner may require a taxpayer to furnish 7834
any information necessary to support a claim for deduction under 7835
division (I)(1)(a) of this section and no deduction shall be 7836
allowed unless the information is furnished. 7837

(2) Deduct any amount included in net income by application 7838
of section 78 or 951 of the Internal Revenue Code, amounts 7839
received for royalties, technical or other services derived from 7840
sources outside the United States, and dividends received from a 7841
subsidiary, associate, or affiliated corporation that neither 7842
transacts any substantial portion of its business nor regularly 7843
maintains any substantial portion of its assets within the United 7844
States. For purposes of determining net foreign source income 7845
deductible under division (I)(2) of this section, the amount of 7846
gross income from all such sources other than income derived by 7847
application of section 78 or 951 of the Internal Revenue Code 7848
shall be reduced by: 7849

(a) The amount of any reimbursed expenses for personal 7850
services performed by employees of the taxpayer for the 7851

subsidiary, associate, or affiliated corporation; 7852

(b) Ten per cent of the amount of royalty income and 7853
technical assistance fees; 7854

(c) Fifteen per cent of the amount of dividends and all other 7855
income. 7856

The amounts described in divisions (I)(2)(a) to (c) of this 7857
section are deemed to be the expenses attributable to the 7858
production of deductible foreign source income unless the taxpayer 7859
shows, by clear and convincing evidence, less actual expenses or 7860
the tax commissioner shows, by clear and convincing evidence, more 7861
actual expenses. 7862

(3) Add any loss or deduct any gain resulting from the sale, 7863
exchange, or other disposition of a capital asset, or an asset 7864
described in section 1231 of the Internal Revenue Code, to the 7865
extent that such loss or gain occurred prior to the first taxable 7866
year on which the tax provided for in section 5733.06 of the 7867
Revised Code is computed on the corporation's net income. For 7868
purposes of division (I)(3) of this section, the amount of the 7869
prior loss or gain shall be measured by the difference between the 7870
original cost or other basis of the asset and the fair market 7871
value as of the beginning of the first taxable year on which the 7872
tax provided for in section 5733.06 of the Revised Code is 7873
computed on the corporation's net income. At the option of the 7874
taxpayer, the amount of the prior loss or gain may be a percentage 7875
of the gain or loss, which percentage shall be determined by 7876
multiplying the gain or loss by a fraction, the numerator of which 7877
is the number of months from the acquisition of the asset to the 7878
beginning of the first taxable year on which the fee provided in 7879
section 5733.06 of the Revised Code is computed on the 7880
corporation's net income, and the denominator of which is the 7881
number of months from the acquisition of the asset to the sale, 7882

exchange, or other disposition of the asset.	7883
(4) Deduct the dividend received deduction provided by	7884
section 243 of the Internal Revenue Code.	7885
(5) Deduct any interest or interest equivalent on public	7886
obligations and purchase obligations to the extent included in	7887
federal taxable income. As used in divisions (I)(5) and (6) of	7888
this section, "public obligations," "purchase obligations," and	7889
"interest or interest equivalent" have the same meanings as in	7890
section 5709.76 of the Revised Code.	7891
(6) Add any loss or deduct any gain resulting from the sale,	7892
exchange, or other disposition of public obligations to the extent	7893
included in federal taxable income.	7894
(7) To the extent not otherwise allowed, deduct any dividends	7895
or distributions received by a taxpayer from a public utility, if	7896
the taxpayer owns at least eighty per cent of the issued and	7897
outstanding common stock of the utility. As used in division	7898
(I)(7) of this section, "public utility" or "utility" means a	7899
public utility as defined in Chapter 5727. of the Revised Code,	7900
whether or not the utility is doing business in the state.	7901
(8) To the extent not otherwise allowed, deduct any dividends	7902
received by a taxpayer from an insurance company, if the taxpayer	7903
owns at least eighty per cent of the issued and outstanding common	7904
stock of the insurance company. As used in division (I)(8) of this	7905
section, "insurance company" means an insurance company which is	7906
taxable under Chapter 5725. or 5729. of the Revised Code.	7907
	7908
(9) Deduct expenditures for modifying existing buildings or	7909
structures to meet American national standards institute standard	7910
A-117.1-1961 (R-1971), as amended; provided, that no deduction	7911
shall be allowed to the extent that such deduction is not	7912
permitted under federal law or under rules of the tax	7913

commissioner. Those deductions as are allowed may be taken over a 7914
period of five years. The tax commissioner shall adopt rules under 7915
Chapter 119. of the Revised Code establishing reasonable 7916
limitations on the extent that expenditures for modifying existing 7917
buildings or structures are attributable to the purpose of making 7918
the buildings or structures accessible to and usable by physically 7919
handicapped persons. 7920

(10) Deduct the amount of wages and salaries, if any, not 7921
otherwise allowable as a deduction but that would have been 7922
allowable as a deduction in computing federal taxable income 7923
before operating loss deduction and special deductions for the 7924
taxable year, had the targeted jobs credit allowed and determined 7925
under sections 38, 51, and 52 of the Internal Revenue Code not 7926
been in effect. 7927

(11) Deduct net interest income on obligations of the United 7928
States and its territories and possessions or of any authority, 7929
commission, or instrumentality of the United States to the extent 7930
the laws of the United States prohibit inclusion of the net 7931
interest for purposes of determining the value of the taxpayer's 7932
issued and outstanding shares of stock under division (B) of 7933
section 5733.05 of the Revised Code. As used in division (I)(11) 7934
of this section, "net interest" means interest net of any expenses 7935
taken on the federal income tax return that would not have been 7936
allowed under section 265 of the Internal Revenue Code if the 7937
interest were exempt from federal income tax. 7938

(12)(a) Except as set forth in division (I)(12)(d) of this 7939
section, to the extent not included in computing the taxpayer's 7940
federal taxable income before operating loss deduction and special 7941
deductions, add gains and deduct losses from direct or indirect 7942
sales, exchanges, or other dispositions, made by a related entity 7943
who is not a taxpayer, of the taxpayer's indirect, beneficial, or 7944
constructive investment in the stock or debt of another entity, 7945

unless the gain or loss has been included in computing the federal 7946
taxable income before operating loss deduction and special 7947
deductions of another taxpayer with a more closely related 7948
investment in the stock or debt of the other entity. The amount of 7949
gain added or loss deducted shall not exceed the product obtained 7950
by multiplying such gain or loss by the taxpayer's proportionate 7951
share, directly, indirectly, beneficially, or constructively, of 7952
the outstanding stock of the related entity immediately prior to 7953
the direct or indirect sale, exchange, or other disposition. 7954
7955

(b) Except as set forth in division (I)(12)(e) of this 7956
section, to the extent not included in computing the taxpayer's 7957
federal taxable income before operating loss deduction and special 7958
deductions, add gains and deduct losses from direct or indirect 7959
sales, exchanges, or other dispositions made by a related entity 7960
who is not a taxpayer, of intangible property other than stock, 7961
securities, and debt, if such property was owned, or used in whole 7962
or in part, at any time prior to or at the time of the sale, 7963
exchange, or disposition by either the taxpayer or by a related 7964
entity that was a taxpayer at any time during the related entity's 7965
ownership or use of such property, unless the gain or loss has 7966
been included in computing the federal taxable income before 7967
operating loss deduction and special deductions of another 7968
taxpayer with a more closely related ownership or use of such 7969
intangible property. The amount of gain added or loss deducted 7970
shall not exceed the product obtained by multiplying such gain or 7971
loss by the taxpayer's proportionate share, directly, indirectly, 7972
beneficially, or constructively, of the outstanding stock of the 7973
related entity immediately prior to the direct or indirect sale, 7974
exchange, or other disposition. 7975

(c) As used in division (I)(12) of this section, "related 7976
entity" means those entities described in divisions (I)(12)(c)(i) 7977

to (iii) of this section: 7978

(i) An individual stockholder, or a member of the 7979
stockholder's family enumerated in section 318 of the Internal 7980
Revenue Code, if the stockholder and the members of the 7981
stockholder's family own, directly, indirectly, beneficially, or 7982
constructively, in the aggregate, at least fifty per cent of the 7983
value of the taxpayer's outstanding stock; 7984

(ii) A stockholder, or a stockholder's partnership, estate, 7985
trust, or corporation, if the stockholder and the stockholder's 7986
partnerships, estates, trusts, and corporations own directly, 7987
indirectly, beneficially, or constructively, in the aggregate, at 7988
least fifty per cent of the value of the taxpayer's outstanding 7989
stock; 7990

(iii) A corporation, or a party related to the corporation in 7991
a manner that would require an attribution of stock from the 7992
corporation to the party or from the party to the corporation 7993
under division (I)(12)(c)(iv) of this section, if the taxpayer 7994
owns, directly, indirectly, beneficially, or constructively, at 7995
least fifty per cent of the value of the corporation's outstanding 7996
stock. 7997

(iv) The attribution rules of section 318 of the Internal 7998
Revenue Code apply for purposes of determining whether the 7999
ownership requirements in divisions (I)(12)(c)(i) to (iii) of this 8000
section have been met. 8001

(d) For purposes of the adjustments required by division 8002
(I)(12)(a) of this section, the term "investment in the stock or 8003
debt of another entity" means only those investments where the 8004
taxpayer and the taxpayer's related entities directly, indirectly, 8005
beneficially, or constructively own, in the aggregate, at any time 8006
during the twenty-four month period commencing one year prior to 8007
the direct or indirect sale, exchange, or other disposition of 8008

such investment at least fifty per cent or more of the value of 8009
either the outstanding stock or such debt of such other entity. 8010

(e) For purposes of the adjustments required by division 8011
(I)(12)(b) of this section, the term "related entity" excludes all 8012
of the following: 8013

(i) Foreign corporations as defined in section 7701 of the 8014
Internal Revenue Code; 8015

(ii) Foreign partnerships as defined in section 7701 of the 8016
Internal Revenue Code; 8017

(iii) Corporations, partnerships, estates, and trusts created 8018
or organized in or under the laws of the Commonwealth of Puerto 8019
Rico or any possession of the United States; 8020

(iv) Foreign estates and foreign trusts as defined in section 8021
7701 of the Internal Revenue Code. 8022

The exclusions described in divisions (I)(12)(e)(i) to (iv) 8023
of this section do not apply if the corporation, partnership, 8024
estate, or trust is described in any one of divisions (C)(1) to 8025
(5) of section 5733.042 of the Revised Code. 8026

(f) Nothing in division (I)(12) of this section shall require 8027
or permit a taxpayer to add any gains or deduct any losses 8028
described in divisions (I)(12)(f)(i) and (ii) of this section: 8029

(i) Gains or losses recognized for federal income tax 8030
purposes by an individual, estate, or trust without regard to the 8031
attribution rules described in division (I)(12)(c) of this 8032
section, and 8033

(ii) A related entity's gains or losses described in division 8034
(I)(12)(b) if the taxpayer's ownership of or use of such 8035
intangible property was limited to a period not exceeding nine 8036
months and was attributable to a transaction or a series of 8037
transactions executed in accordance with the election or elections 8038

made by the taxpayer or a related entity pursuant to section 338 8039
of the Internal Revenue Code. 8040

(13) Any adjustment required by section 5733.042 of the 8041
Revised Code. 8042

(14) Add any amount claimed as a credit under section 8043
5733.0611 of the Revised Code to the extent that such amount 8044
satisfies either of the following: 8045

(a) It was deducted or excluded from the computation of the 8046
corporation's taxable income before operating loss deduction and 8047
special deductions as required to be reported for the 8048
corporation's taxable year under the Internal Revenue Code; 8049

(b) It resulted in a reduction of the corporation's taxable 8050
income before operating loss deduction and special deductions as 8051
required to be reported for any of the corporation's taxable years 8052
under the Internal Revenue Code. 8053

~~(14)~~(15) Deduct the amount contributed by the taxpayer to an 8054
individual development account program established by a county 8055
department of human services pursuant to sections 329.11 to 329.14 8056
of the Revised Code for the purpose of matching funds deposited by 8057
program participants. On request of the tax commissioner, the 8058
taxpayer shall provide any information that, in the tax 8059
commissioner's opinion, is necessary to establish the amount 8060
deducted under division (I)~~(14)~~(15) of this section. 8061

(J) Any term used in this chapter has the same meaning as 8062
when used in comparable context in the laws of the United States 8063
relating to federal income taxes unless a different meaning is 8064
clearly required. Any reference in this chapter to the Internal 8065
Revenue Code includes other laws of the United States relating to 8066
federal income taxes. 8067

(K) "Financial institution" has the meaning given by section 8068

5725.01 of the Revised Code but does not include a production 8069
credit association as described in 85 Stat. 597, 12 U.S.C.A. 2091. 8070

(L)(1) A "qualifying holding company" is any corporation 8071
satisfying all of the following requirements: 8072

(a) Subject to divisions (L)(2) and (3) of this section, the 8073
net book value of the corporation's intangible assets is greater 8074
than or equal to ninety per cent of the net book value of all of 8075
its assets and at least fifty per cent of the net book value of 8076
all of its assets represents direct or indirect investments in the 8077
equity of, loans and advances to, and accounts receivable due from 8078
related members; 8079

(b) At least ninety per cent of the corporation's gross 8080
income for the taxable year is attributable to the following: 8081

(i) The maintenance, management, ownership, acquisition, use, 8082
and disposition of its intangible property, its aircraft the use 8083
of which is not subject to regulation under 14 C.F.R. part 121 or 8084
part 135, and any real property described in division (L)(2)(c) of 8085
this section; 8086

(ii) The collection and distribution of income from such 8087
property. 8088

(c) The corporation is not a financial institution on the 8089
last day of the taxable year ending prior to the first day of the 8090
tax year; 8091

(d) The corporation's related members make a good faith and 8092
reasonable effort to make timely and fully the adjustments 8093
required by division (C)(2) of section 5733.05 of the Revised Code 8094
and to pay timely and fully all uncontested taxes, interest, 8095
penalties, and other fees and charges imposed under this chapter; 8096

(e) Subject to division (L)(4) of this section, the 8097
corporation elects to be treated as a qualifying holding company 8098

for the tax year. 8099

A corporation otherwise satisfying divisions (L)(1)(a) to (e) 8100
of this section that does not elect to be a qualifying holding 8101
company is not a qualifying holding company for the purposes of 8102
this chapter. 8103

(2)(a)(i) For purposes of making the ninety per cent 8104
computation under division (L)(1)(a) of this section, the net book 8105
value of the corporation's assets shall not include the net book 8106
value of aircraft or real property described in division 8107
(L)(1)(b)(i) of this section. 8108

(ii) For purposes of making the fifty per cent computation 8109
under division (L)(1)(a) of this section, the net book value of 8110
assets shall include the net book value of aircraft or real 8111
property described in division (L)(1)(b)(i) of this section. 8112

(b)(i) As used in division (L) of this section, "intangible 8113
asset" includes, but is not limited to, the corporation's direct 8114
interest in each pass-through entity only if at all times during 8115
the corporation's taxable year ending prior to the first day of 8116
the tax year the corporation's and the corporation's related 8117
members' combined direct and indirect interests in the capital or 8118
profits of such pass-through entity do not exceed fifty per cent. 8119
If the corporation's interest in the pass-through entity is an 8120
intangible asset for that taxable year, then the distributive 8121
share of any income from the pass-through entity shall be income 8122
from an intangible asset for that taxable year. 8123

(ii) If a corporation's and the corporation's related 8124
members' combined direct and indirect interests in the capital or 8125
profits of a pass-through entity exceed fifty per cent at any time 8126
during the corporation's taxable year ending prior to the first 8127
day of the tax year, "intangible asset" does not include the 8128
corporation's direct interest in the pass-through entity, and the 8129

corporation shall include in its assets its proportionate share of 8130
the assets of any such pass-through entity and shall include in 8131
its gross income its distributive share of the gross income of 8132
such pass-through entity in the same form as was earned by the 8133
pass-through entity. 8134

(iii) A pass-through entity's direct or indirect 8135
proportionate share of any other pass-through entity's assets 8136
shall be included for the purpose of computing the corporation's 8137
proportionate share of the pass-through entity's assets under 8138
division (L)(2)(b)(ii) of this section, and such pass-through 8139
entity's distributive share of any other pass-through entity's 8140
gross income shall be included for purposes of computing the 8141
corporation's distributive share of the pass-through entity's 8142
gross income under division (L)(2)(b)(ii) of this section. 8143

(c) For the purposes of divisions (L)(1)(b)(i), (1)(b)(ii), 8144
(2)(a)(i), and (2)(a)(ii) of this section, real property is 8145
described in division (L)(2)(c) of this section only if all of the 8146
following conditions are present at all times during the taxable 8147
year ending prior to the first day of the tax year: 8148

(i) The real property serves as the headquarters of the 8149
corporation's trade or business, or is the place from which the 8150
corporation's trade or business is principally managed or 8151
directed; 8152

(ii) Not more than ten per cent of the value of the real 8153
property and not more than ten per cent of the square footage of 8154
the building or buildings that are part of the real property is 8155
used, made available, or occupied for the purpose of providing, 8156
acquiring, transferring, selling, or disposing of tangible 8157
property or services in the normal course of business to persons 8158
other than related members, the corporation's employees and their 8159
families, and such related members' employees and their families. 8160

(d) As used in division (L) of this section, "related member"	8161
has the same meaning as in division (A)(6) of section 5733.042 of	8162
the Revised Code without regard to division (B) of that section.	8163
	8164
(3) The percentages described in division (L)(1)(a) of this	8165
section shall be equal to the quarterly average of those	8166
percentages as calculated during the corporation's taxable year	8167
ending prior to the first day of the tax year.	8168
(4) With respect to the election described in division	8169
(L)(1)(e) of this section:	8170
(a) The election need not accompany a timely filed report;	8171
(b) The election need not accompany the report; rather, the	8172
election may accompany a subsequently filed but timely application	8173
for refund and timely amended report, or a subsequently filed but	8174
timely petition for reassessment;	8175
(c) The election is not irrevocable;	8176
(d) The election applies only to the tax year specified by	8177
the corporation;	8178
(e) The corporation's related members comply with division	8179
(L)(1)(d) of this section.	8180
Nothing in division (L)(4) of this section shall be construed	8181
to extend any statute of limitations set forth in this chapter.	8182
(M) "Qualifying controlled group" means two or more	8183
corporations that satisfy the ownership and control requirements	8184
of division (A) of section 5733.052 of the Revised Code.	8185
(N) "Limited liability company" means any limited liability	8186
company formed under Chapter 1705. of the Revised Code or under	8187
the laws of any other state.	8188
(O) "Pass-through entity" means a corporation that has made	8189

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.

Sec. 5733.05. As used in this section, "qualified research" means laboratory research, experimental research, and other similar types of research; research in developing or improving a product; or research in developing or improving the means of producing a product. It does not include market research, consumer surveys, efficiency surveys, management studies, ordinary testing or inspection of materials or products for quality control, historical research, or literary research. "Product" as used in this paragraph does not include services or intangible property.

The annual report determines the value of the issued and outstanding shares of stock of the taxpayer, which under division (A) or divisions (B) and (C) of this section is the base or measure of the franchise tax liability. Such determination shall be made as of the date shown by the report to have been the beginning of the corporation's annual accounting period that includes the first day of January of the tax year. For the purposes of this chapter, the value of the issued and outstanding shares of stock of any corporation that is a financial institution shall be deemed to be the value as calculated in accordance with division (A) of this section. For the purposes of this chapter, the value of the issued and outstanding shares of stock of any corporation that is not a financial institution shall be deemed to be the values as calculated in accordance with divisions (B) and (C) of this section.

(A) The total value, as shown by the books of the financial institution, of its capital, surplus, whether earned or unearned, undivided profits, and reserves shall be determined as prescribed by section 5733.056 of the Revised Code for tax years 1998 and thereafter.

(B) The sum of the corporation's net income during the corporation's taxable year, allocated or apportioned to this state as prescribed in divisions (B)(1) and (2) of this section, and subject to sections 5733.052, 5733.053, ~~and 5733.057,~~ and 5733.058 of the Revised Code:

(1) The net income allocated to this state as provided by section 5733.051 of the Revised Code.

(2) The amount of Ohio apportioned net income from sources other than those allocated under section 5733.051 of the Revised Code, which shall be determined by multiplying the corporation's net income by a fraction. The numerator of the fraction is the sum of the following products: the property factor multiplied by twenty, the payroll factor multiplied by twenty, and the sales factor multiplied by sixty. The denominator of the fraction is one hundred, provided that the denominator shall be reduced by twenty if the property factor has a denominator of zero, by twenty if the payroll factor has a denominator of zero, and by sixty if the sales factor has a denominator of zero.

The property, payroll, and sales factors shall be determined as follows:

(a) The property factor is a fraction the numerator of which is the average value of the corporation's real and tangible personal property owned or rented, and used in the trade or business in this state during the taxable year, and the denominator of which is the average value of all the corporation's real and tangible personal property owned or rented, and used in

the trade or business everywhere during such year. There shall be 8252
excluded from the numerator and denominator of the property factor 8253
the original cost of all of the following property within Ohio: 8254
property with respect to which a "pollution control facility" 8255
certificate has been issued pursuant to section 5709.21 of the 8256
Revised Code; property with respect to which an "industrial water 8257
pollution control certificate" has been issued pursuant to section 8258
6111.31 of the Revised Code; and property used exclusively during 8259
the taxable year for qualified research. 8260

(i) Property owned by the corporation is valued at its 8261
original cost. Property rented by the corporation is valued at 8262
eight times the net annual rental rate. "Net annual rental rate" 8263
means the annual rental rate paid by the corporation less any 8264
annual rental rate received by the corporation from subrentals. 8265

(ii) The average value of property shall be determined by 8266
averaging the values at the beginning and the end of the taxable 8267
year, but the tax commissioner may require the averaging of 8268
monthly values during the taxable year, if reasonably required to 8269
reflect properly the average value of the corporation's property. 8270

(b) The payroll factor is a fraction the numerator of which 8271
is the total amount paid in this state during the taxable year by 8272
the corporation for compensation, and the denominator of which is 8273
the total compensation paid everywhere by the corporation during 8274
such year. There shall be excluded from the numerator and the 8275
denominator of the payroll factor the total compensation paid in 8276
this state to employees who are primarily engaged in qualified 8277
research. 8278

(i) Compensation means any form of remuneration paid to an 8279
employee for personal services. 8280

(ii) Compensation is paid in this state if: (1) the 8281
recipient's service is performed entirely within this state, (2) 8282

the recipient's service is performed both within and without this 8283
state, but the service performed without this state is incidental 8284
to the recipient's service within this state, (3) some of the 8285
service is performed within this state and either the base of 8286
operations, or if there is no base of operations, the place from 8287
which the service is directed or controlled is within this state, 8288
or the base of operations or the place from which the service is 8289
directed or controlled is not in any state in which some part of 8290
the service is performed, but the recipient's residence is in this 8291
state. 8292

(iii) Compensation is paid in this state to any employee of a 8293
common or contract motor carrier corporation, who performs the 8294
employee's regularly assigned duties on a motor vehicle in more 8295
than one state, in the same ratio by which the mileage traveled by 8296
such employee within the state bears to the total mileage traveled 8297
by such employee everywhere during the taxable year. 8298

(c) The sales factor is a fraction the numerator of which is 8299
the total sales in this state by the corporation during the 8300
taxable year, and the denominator of which is the total sales by 8301
the corporation everywhere during such year. In determining the 8302
numerator and denominator of the sales factor, receipts from the 8303
sale or other disposal of a capital asset or an asset described in 8304
section 1231 of the Internal Revenue Code shall be eliminated. 8305
Also, in determining the numerator and denominator of the sales 8306
factor, in the case of a reporting corporation owning at least 8307
eighty per cent of the issued and outstanding common stock of one 8308
or more public utilities or insurance companies, or owning at 8309
least twenty-five per cent of the issued and outstanding common 8310
stock of one or more financial institutions, receipts received by 8311
the reporting corporation from such utilities, insurance 8312
companies, and financial institutions shall be eliminated. 8313

For the purpose of this section and section 5733.03 of the 8314

Revised Code, sales of tangible personal property are in this 8315
state where such property is received in this state by the 8316
purchaser. In the case of delivery of tangible personal property 8317
by common carrier or by other means of transportation, the place 8318
at which such property is ultimately received after all 8319
transportation has been completed shall be considered as the place 8320
at which such property is received by the purchaser. Direct 8321
delivery in this state, other than for purposes of transportation, 8322
to a person or firm designated by a purchaser constitutes delivery 8323
to the purchaser in this state, and direct delivery outside this 8324
state to a person or firm designated by a purchaser does not 8325
constitute delivery to the purchaser in this state, regardless of 8326
where title passes or other conditions of sale. 8327

Sales, other than sales of tangible personal property, are in 8328
this state if either: 8329

(i) The income-producing activity is performed solely in this 8330
state; 8331

(ii) The income-producing activity is performed both within 8332
and without this state and a greater proportion of the 8333
income-producing activity is performed within this state than in 8334
any other state, based on costs of performance. 8335

(d) If the allocation and apportionment provisions of 8336
division (B) of this section do not fairly represent the extent of 8337
the taxpayer's business activity in this state, the taxpayer may 8338
request, which request must be in writing and must accompany the 8339
report, timely filed petition for reassessment, or timely filed 8340
amended report, or the tax commissioner may require, in respect to 8341
all or any part of the taxpayer's allocated or apportioned base, 8342
if reasonable, any one or more of the following: 8343

(i) Separate accounting; 8344

(ii) The exclusion of any one or more of the factors; 8345

(iii) The inclusion of one or more additional factors which 8346
will fairly represent the taxpayer's allocated or apportioned base 8347
in this state. 8348

An alternative method will be effective only with approval by 8349
the tax commissioner. 8350

Nothing in this section shall be construed to extend any 8351
statute of limitations set forth in this chapter. 8352

(C)(1) Subject to divisions (C)(2) and (3) of this section, 8353
the total value, as shown on the books of each corporation that is 8354
not a qualified holding company, of the net book value of a 8355
corporation's assets less the net carrying value of its 8356
liabilities. For the purposes of determining that total value, any 8357
reserves shown on the corporation's books shall be considered 8358
liabilities or contra assets except for any reserves that are 8359
deemed appropriations of retained earnings under generally 8360
accepted accounting principles. 8361

(2)(a) If, on the last day of the taxpayer's taxable year 8362
preceding the tax year, the taxpayer is a related member to a 8363
corporation that elects to be a qualifying holding company for the 8364
tax year beginning after the last day of the taxpayer's taxable 8365
year, or if, on the last day of the taxpayer's taxable year 8366
preceding the tax year, a corporation that elects to be a 8367
qualifying holding company for the tax year beginning after the 8368
last day of the taxpayer's taxable year is a related member to the 8369
taxpayer, then the taxpayer's total value shall be adjusted by the 8370
qualifying amount. Except as otherwise provided under division 8371
(C)(2)(b) of this section, "qualifying amount" means the amount 8372
that, when added to the taxpayer's total value, and when 8373
subtracted from the net carrying value of the taxpayer's 8374
liabilities computed without regard to division (C)(2) of this 8375
section, or when subtracted from the taxpayer's total value and 8376

when added to the net carrying value of the taxpayer's liabilities 8377
computed without regard to division (C)(2) of this section, 8378
results in the taxpayer's debt-to-equity ratio equaling the 8379
debt-to-equity ratio of the qualifying controlled group on the 8380
last day of the taxable year ending prior to the first day of the 8381
tax year computed on a consolidated basis in accordance with 8382
general accepted accounting principles. For the purposes of 8383
division (C)(2)(a) of this section, the corporation's total value, 8384
after the adjustment required by that division, shall not exceed 8385
the net book value of the corporation's assets. 8386

(b)(i) The amount added to the taxpayer's total value and 8387
subtracted from the net carrying value of the taxpayer's 8388
liabilities shall not exceed the amount of the net carrying value 8389
of the taxpayer's liabilities owed to the taxpayer's related 8390
members. 8391

(ii) A liability owed to the taxpayer's related members 8392
includes, but is not limited to, any amount that the corporation 8393
owes to a person that is not a related member if the corporation's 8394
related member or related members in whole or in part guarantee 8395
any portion or all of that amount, or pledge, hypothecate, 8396
mortgage, or carry out any similar transactions to secure any 8397
portion or all of that amount. 8398

(3) The base upon which the tax is levied under division (C) 8399
of section 5733.06 of the Revised Code shall be computed by 8400
multiplying the amount determined under divisions (C)(1) and (2) 8401
of this section by the fraction determined under divisions 8402
(B)(2)(a) to (c) of this section and, if applicable, divisions 8403
(B)(2)(d)(ii) to (iv) of this section but without regard to 8404
section 5733.052 of the Revised Code. 8405

(4) For purposes of division (C) of this section, "related 8406
member" has the same meaning as in division (A)(6) of section 8407

5733.042 of the Revised Code without regard to division (B) of 8408
that section. 8409

Sec. 5733.057. ~~In~~ As used in this section, "adjusted 8410
qualifying amount" has the same meaning as in section 5733.40 Of 8411
the Revised Code. 8412

Except as otherwise provided in divisions (A) and (B) of 8413
section 5733.401 and in sections 5733.058 and 5747.401 Of the 8414
Revised Code, in making any computation under sections 5733.042, 8415
5733.05, 5733.051, 5733.052, ~~and~~ 5733.053, 5733.40, 5733.41, 8416
5747.41, and 5747.43 of the Revised Code, ~~a corporation~~ each 8417
person shall include in ~~its~~ that person's items of adjusted 8418
qualifying amounts, allocable income or loss, if any, 8419
apportionable income or loss, property, compensation, and sales, 8420
the ~~corporation's~~ person's entire distributive share or 8421
proportionate share of the items of adjusted qualifying amounts, 8422
allocable income or loss, apportionable income or loss, property, 8423
compensation, and sales of any pass-through entity in which the 8424
~~corporation~~ person has a direct or indirect ownership interest at 8425
any time during the ~~corporation's~~ person's taxable year. A 8426
pass-through entity's direct or indirect distributive share or 8427
proportionate share of any other pass-through entity's items of 8428
adjusted qualifying amounts, allocable income or loss, 8429
apportionable income or loss, property, compensation, and sales 8430
shall be included for the purposes of computing the ~~corporation's~~ 8431
person's distributive share or proportionate share of the 8432
pass-through entity's items of adjusted qualifying amounts, 8433
allocable income or loss, apportionable income or loss, property, 8434
compensation, and sales under this section. Those items shall be 8435
in the same form as was recognized by the pass-through entity. 8436

Sec. 5733.058. (A) As used in this section, an "exempted 8437
investment" is a direct or indirect investment in the equity of, 8438

or the direct or indirect ownership of, a person satisfying 8439
divisions (A)(1) and (2) of this section for the person's entire 8440
fiscal or calendar year ending within or with the corporation's 8441
taxable year ending immediately prior to the tax year. 8442

(1) The person is a limited liability company not treated as 8443
a separate C corporation for federal income tax purposes, or the 8444
person is a pass-through entity. 8445

(2) The person owns and operates a public utility in this 8446
state and as such is required by law to file reports with the tax 8447
commissioner and pay an excise tax upon its gross receipts. 8448

(B) Except as provided in division (C) of this section, each 8449
corporation directly or indirectly owning or directly or 8450
indirectly having an equity investment in an exempted investment 8451
shall make the adjustments required by divisions (B)(1) to (4) of 8452
this section. 8453

(1) The corporation shall deduct from its net income the 8454
distributive share of net income and gain attributable to the 8455
corporation's exempted investment, but only to the extent such net 8456
income and gain are included in the corporation's net income 8457
without regard to this section. 8458

(2) The corporation shall add to its net income the 8459
distributive share of expenses and losses attributable to the 8460
exempted investment, but only to the extent such expenses and 8461
losses have been deducted in calculating the corporation's net 8462
income without regard to this section. 8463

(3)(a) The corporation shall exclude from the calculation of 8464
its property, payroll, and sales factors, as defined in divisions 8465
(B)(2)(a) to (c) of section 5733.05 Of the Revised Code, the 8466
corporation's proportionate share of the property, payroll, and 8467
sales attributable to the exempted investment, but only to the 8468
extent the corporation's proportionate share of the property, 8469

payroll, and sales attributable to the exempted investment would 8470
be included in the calculation of the corporation's property, 8471
payroll, and sales factors under section 5733.057 Of the Revised 8472
Code without regard to this section. 8473

(b) Division (B)(3)(a) of this section does not apply to 8474
division (B)(2)(d) of section 5733.05 Of the Revised Code. 8475

(4) Notwithstanding section 5733.98 Of the Revised Code to 8476
the contrary, a corporation shall not be allowed any nonrefundable 8477
credit or nonrefundable credit carryforward listed in that section 8478
to the extent the credit is attributable to the corporation's 8479
direct or indirect ownership of or equity investment in an 8480
exempted investment and such credit directly relates to the owning 8481
and operating of a public utility in this state by a person 8482
described in divisions (A)(1) and (2) of this section. 8483

(C)(1) The adjustments provided by division (B) of this 8484
section shall be allowed and required only to the extent that such 8485
adjustments directly relate to the owning and operating of a 8486
public utility in this state by a person described in divisions 8487
(A)(1) and (2) of this section. 8488

(2) To the extent that any gross receipts of a person 8489
described in divisions (A)(1) and (2) of this section are not for 8490
business done by such person from the direct or indirect operation 8491
of, or the direct or indirect ownership of, a public utility in 8492
this state, then such gross receipts and related property and 8493
payroll shall not be subject to the adjustment otherwise provided 8494
by division (B) of this section. 8495

(3) Division (B) of this section does not apply to the 8496
corporation, and section 5733.057 Of the Revised Code shall apply 8497
to the corporation's computation of its net income, its property, 8498
payroll, and sales factors, and its credits to the extent that the 8499
person described in divisions (A)(1) and (2) of this section 8500

directly or indirectly owns or directly or indirectly has an 8501
equity investment in any other person described in division (A)(1) 8502
of this section but not described in division (A)(2) of this 8503
section. 8504

(D) Section 5733.057 Of the Revised Code applies for purposes 8505
of the ownership and investment criteria set forth in this 8506
section. 8507

(E) This section is effective for taxable years ending after 8508
September 28, 1997. 8509

Sec. 5733.0611. (A) There is hereby allowed a nonrefundable 8510
credit against the tax imposed under section 5733.06 of the 8511
Revised Code. The credit shall be equal to the taxpayer's 8512
proportionate share of the lesser of either the tax due or the tax 8513
paid by any qualifying entity under section 5733.41 of the Revised 8514
Code for the qualifying taxable year of the qualifying entity that 8515
ends in the taxable year of the taxpayer. The taxpayer shall claim 8516
the credit for the taxpayer's taxable year in which ends the 8517
qualifying entity's qualifying taxable year. 8518

In claiming the credit and determining its proportionate 8519
share of the tax due and the tax paid by the qualifying entity, 8520
the person claiming the credit shall follow the concepts set forth 8521
in subchapter K of the Internal Revenue Code. Nothing in this 8522
division shall be construed to limit or disallow pass-through 8523
treatment of a pass-through entity's income, deductions, credits, 8524
or other amounts necessary to compute the tax imposed and the 8525
credits allowed under this chapter. 8526

The credit shall be claimed in the order required under 8527
section 5733.98 of the Revised Code. Any unused credit shall be 8528
allowed as a credit in the ensuing tax year. Any such amount 8529
allowed as a credit in an ensuing tax year shall be deducted from 8530
the balance carried forward to the next ensuing tax year. 8531

(B) Any person that is not a taxpayer solely by reason of 8532
division (A) or (C) of section 5733.09 of the Revised Code or a 8533
person described in section 501(c) of the Internal Revenue Code or 8534
division (F) of section 3334.01 Of the Revised Code, but that 8535
would be entitled to claim the nonrefundable credit under this 8536
section if that person were a taxpayer, may file an application 8537
for refund pursuant to section 5733.12 of the Revised Code. Upon 8538
proper application for refund under that section, the tax 8539
commissioner shall issue a refund in the amount of the credit to 8540
which that person would have been entitled under division (A)(1) 8541
of this section ~~had~~ if the person had been a taxpayer, and as if 8542
the credit were a refundable credit. 8543

(C) If an organization described in section 401(a) of the 8544
Internal Revenue Code or a trust or fund is entitled to a 8545
proportionate share of the lesser of either the tax due or the tax 8546
paid by any qualifying entity under section 5733.41 of the Revised 8547
Code, and if that proportionate share is then or could be 8548
allocable to an exempt person as defined in division (D) of this 8549
section, then the ~~qualifying organization,~~ trust, or fund may file 8550
an application for refund with respect to such allocable amounts 8551
pursuant to section 5733.12 of the Revised Code. Upon proper 8552
application for refund under that section, the tax commissioner 8553
shall issue a refund in the amount of the credit to which the 8554
~~qualifying organization,~~ trust, or fund would have been entitled 8555
under division (A)(1) of this section had the organization, trust, 8556
or fund been a taxpayer, and as if the credit were a refundable 8557
credit. To the extent that ~~a~~ such an organization, trust, or fund 8558
is permitted to apply for a refund under this division, or to the 8559
extent that ~~a~~ such an organization, trust, or fund has applied for 8560
such a refund, exempt persons are not entitled to the credit 8561
authorized under this section or section 5747.059 of the Revised 8562
Code. 8563

(D)(1) For the purposes of division (C) of this section only, 8564
"exempt person" means any of the following: 8565

(a) A person that is or may be the beneficiary of a trust if 8566
the trust is subject to Subchapter D of Chapter 1 of Subtitle A of 8567
the Internal Revenue Code. 8568

(b) A person that is or may be the beneficiary of or the 8569
recipient of payments from a nuclear decommissioning reserve fund, 8570
a designated settlement fund, or any other trust or fund 8571
established to resolve and satisfy claims that may otherwise be 8572
asserted by the beneficiary or a member of the beneficiary's 8573
family. Sections 267(c)(4), 468A(e), and 468B(d)(2) of the 8574
Internal Revenue Code apply to the determination of whether such a 8575
person is an exempt person under division (D) of this section. 8576

(c) A person, other than a person that is treated as a C 8577
corporation for federal income tax purposes, who is or may be the 8578
beneficiary of a trust that, under its governing instrument, is 8579
not required to distribute all of its income currently. Division 8580
(D)(1)(c) of this section applies only if the trust irrevocably 8581
agrees that for the taxable year during or for which the trust 8582
distributes any of its income to any of the beneficiaries, the 8583
trust is a qualifying trust as defined in section 5733.40 Of the 8584
Revised Code and will pay the estimated tax, and will withhold and 8585
pay the withheld tax as required under section 5733.41 and 8586
sections 5747.40 to 5747.453 of the Revised Code. 8587

(2) An exempt person does not include any person that would 8588
not qualify as an exempt person under the doctrines of "economic 8589
reality," "sham transaction," "step doctrine," or "substance over 8590
form." A Notwithstanding sections 5733.111 and 5747.131 Of the 8591
Revised Code to the contrary, an organization, trust, or fund 8592
described in division (C) of this section bears the burden of 8593
establishing by a preponderance of the evidence that any 8594

transaction giving rise to a claim for a refundable credit under 8595
this section does not have as a principal purpose a claim for that 8596
credit. Nothing in this section shall be construed to limit solely 8597
to this section the application of the doctrines referred to in 8598
division (D)(2) of this section. 8599

~~(e)~~(E) Nothing in this section shall be construed to allow a 8600
refund more than once with respect to the taxes imposed under 8601
section 5733.41 or 5747.41 of the Revised Code. 8602

Sec. 5733.12. (A) Four and two-tenths per cent of all 8603
payments received by the treasurer of state from the taxes imposed 8604
under sections 5733.06 and 5733.41 of the Revised Code shall be 8605
credited to the local government fund for distribution in 8606
accordance with section 5747.50 of the Revised Code, six-tenths of 8607
one per cent shall be credited to the local government revenue 8608
assistance fund for distribution in accordance with section 8609
5747.61 of the Revised Code, and ninety-five and two-tenths per 8610
cent shall be credited to the general revenue fund. 8611

(B) Except as otherwise provided under divisions (C) and (D) 8612
of this section, an application to refund to the corporation the 8613
amount of taxes imposed under section 5733.06 of the Revised Code 8614
that are overpaid, paid illegally or erroneously, or paid on any 8615
illegal, erroneous, or excessive assessment, with interest thereon 8616
as provided by section 5733.26 of the Revised Code, shall be filed 8617
with the tax commissioner, on the form prescribed by the 8618
commissioner, within three years from the date of the illegal, 8619
erroneous, or excessive payment of the tax, or within any 8620
additional period allowed by division (C)(2) of section 5733.031, 8621
division (D)(2) of section 5733.067, or division (A) of section 8622
5733.11 of the Revised Code. 8623

On the filing of the refund application, the commissioner 8624
shall determine the amount of refund due and certify such amount 8625

to the director of budget and management and treasurer of state 8626
for payment from the tax refund fund created by section 5703.052 8627
of the Revised Code. 8628

(C) "Ninety days" shall be substituted for "three years" in 8629
division (B) of this section if the taxpayer satisfies both of the 8630
following: 8631

(1) The taxpayer has applied for a refund based in whole or 8632
in part upon section 5733.0611 of the Revised Code; 8633

(2) The taxpayer asserts that the imposition or collection of 8634
the tax imposed or charged by section 5733.06 of the Revised Code 8635
or any portion of such tax violates the Constitution of the United 8636
States or the Constitution of this state. 8637

(D)(1) Division (D)(2) of this section applies only if all of 8638
the following conditions are satisfied: 8639

(a) A qualifying pass-through entity pays an amount of the 8640
tax imposed by section 5733.41 of the Revised Code; 8641

(b) The taxpayer is a qualifying investor as to that 8642
qualifying pass-through entity; 8643

(c) The taxpayer did not claim the credit provided for in 8644
section 5733.0611 of the Revised Code as to the tax described in 8645
division (D)(1)(a) of this section; 8646

(d) The three-year period described in division (B) of this 8647
section has ended as to the taxable year for which the taxpayer 8648
otherwise would have claimed that credit. 8649

(2) A taxpayer shall file an application for refund pursuant 8650
to this division within one year after the date the payment 8651
described in division (D)(1)(a) of this section is made. An 8652
application filed under this division shall only claim refund of 8653
overpayments resulting from the taxpayer's failure to claim the 8654
credit described in division (D)(1)(c) of this section. Nothing in 8655

this division shall be construed to relieve a taxpayer from 8656
complying with the provisions of division (I)~~(13)~~(14) of section 8657
5733.04 of the Revised Code. 8658

Sec. 5733.40. As used in sections 5733.40 and 5733.41 and 8659
Chapter 5747. of the Revised Code: 8660

(A)(1) "Adjusted qualifying amount" means either of the 8661
following: 8662

(a) The net sum of a qualifying investor's distributive share 8663
of the income, gain, expense, or loss of a qualifying pass-through 8664
entity for the qualifying taxable year of the qualifying 8665
pass-through entity multiplied by the apportionment fraction 8666
defined in division (B) of this section, subject to section 8667
5733.401 Of the Revised Code and divisions (A)(2) to (6) of this 8668
section; 8669

(b) The sum of a qualifying beneficiary's share of the 8670
qualifying net income and qualifying net gain distributed by a 8671
qualifying trust for the qualifying taxable year of the qualifying 8672
trust multiplied by the apportionment fraction defined in division 8673
(B) of this section, subject to section 5733.401 Of the Revised 8674
Code and divisions (A)(2) to (5) of this section. 8675

(2) The sum shall exclude any amount which, pursuant to the 8676
Constitution of the United States, the Constitution of Ohio, or 8677
any federal law is not subject to a tax on or measured by net 8678
income. 8679

(3) The sum shall be increased by all amounts representing 8680
expenses other than amounts described in division (A)(6) of this 8681
section that the taxpayer paid to or incurred with respect to 8682
direct or indirect transactions with one or more related members, 8683
excluding the cost of goods sold calculated in accordance with 8684
section 263A of the Internal Revenue Code and United States 8685

department of the treasury regulations issued thereunder. Nothing 8686
in division (A)(3) of this section shall be construed to limit 8687
solely to this chapter the application of section 263A of the 8688
Internal Revenue Code and United States department of the treasury 8689
regulations issued thereunder. 8690

(4) The sum shall be increased by all recognized losses, 8691
other than losses from sales of inventory the cost of which is 8692
calculated in accordance with section 263A of the Internal Revenue 8693
Code and United States department of the treasury regulations 8694
issued thereunder, with respect to all direct or indirect 8695
transactions with one or more related members. Losses from the 8696
sales of such inventory shall be calculated in accordance with 8697
section 482 of the Internal Revenue Code and United States 8698
department of the treasury regulations issued thereunder. Nothing 8699
in division (A)(4) of this section shall be construed to limit 8700
solely to this section the application of section 236A and section 8701
482 of the Internal Revenue Code and United States department of 8702
the treasury regulations issued thereunder. 8703

(5) The sum shall be computed without regard to section 8704
5733.051 or division (D) of section 5733.052 of the Revised Code. 8705

(6) For the purposes of Chapters 5733. and 5747. of the 8706
Revised Code, guaranteed payments made by a partnership or by a 8707
limited liability company that is not subject to the tax imposed 8708
by section 5733.06 of the Revised Code, and compensation paid by 8709
an S corporation to its shareholders, shall be considered a 8710
distributive share of income of the partnership, limited liability 8711
company, or S corporation. Division (A)(6) of this section applies 8712
only to such payments or such compensation made or paid to a 8713
qualifying investor who is a related member to or of the 8714
qualifying entity. 8715

(B) "Apportionment fraction" means: 8716

(1) With respect to a qualifying pass-through entity other than a financial institution, the fraction calculated pursuant to division (B)(2) of section 5733.05 of the Revised Code as if the qualifying pass-through entity were a corporation subject to the tax imposed by section 5733.06 of the Revised Code;

(2) With respect to a qualifying pass-through entity that is a financial institution, the fraction calculated pursuant to division (C) of section ~~5133.056~~ 5733.056 of the Revised Code as if the qualifying pass-through entity were a financial institution subject to the tax imposed by section 5733.06 of the Revised Code.

(3) With respect to a qualifying trust, the fraction calculated pursuant to division (B)(2) of section 5733.05 of the Revised Code as if the qualifying trust were a corporation subject to the tax imposed by section 5733.06 of the Revised Code, except that the property, payroll, and sales fractions shall be calculated by including in the numerator and denominator of the fractions only the property, payroll, and sales, respectively, directly related to the production of income or gain from acquisition, ownership, use, maintenance, management, or disposition of tangible personal property located in this state at any time during the qualifying trust's qualifying taxable year or of real property located in this state.

(C) "Qualifying beneficiary" means any individual that, during the qualifying taxable year of a qualifying trust, is a beneficiary of that trust, but does not include an individual who is a resident taxpayer for the purposes of Chapter 5747. of the Revised Code for the entire qualifying taxable year of the qualifying trust.

(D) "Fiscal year" means an accounting period ending on any day other than the thirty-first day of December.

(E) "Individual" means a natural person.

(F) "Month" means a calendar month. 8748

(G) "Partnership" has the same meaning as in section 5747.01 8749
of the Revised Code. 8750

(H) "Investor" means any person that, during any portion of a 8751
taxable year of a qualifying pass-through entity, is a partner, 8752
member, shareholder, or investor in that qualifying pass-through 8753
entity. 8754

(I) ~~"Qualifying~~ Except as otherwise provided in section 8755
5733.402 or 5747.401 Of the Revised Code, "qualifying investor" 8756
means any investor except those described in divisions (I)(1) to 8757
(9) of this section. 8758

(1) An investor satisfying one of the descriptions under 8759
section 501(a) or (c) of the Internal Revenue Code, an electing 8760
small business trust, a partnership with equity securities 8761
registered with the United States securities and exchange 8762
commission under section 12 of the "Securities Exchange Act of 8763
1934," as amended, or an investor described in division (F) of 8764
section 3334.01, or division (A) or (C) of section 5733.09 of the 8765
Revised Code for the entire qualifying taxable year of the 8766
qualifying pass-through entity. 8767

(2) An investor who is either an individual or an estate and 8768
is a resident taxpayer for the purposes of section 5747.01 of the 8769
Revised Code for the entire qualifying taxable year of the 8770
qualifying pass-through entity. 8771

(3) An investor who is an individual for whom the qualifying 8772
pass-through entity makes a good faith and reasonable effort to 8773
comply fully and timely with the filing and payment requirements 8774
set forth in division (D) of section 5747.08 of the Revised Code 8775
and section 5747.09 of the Revised Code with respect to the 8776
individual's adjusted qualifying amount for the entire qualifying 8777
taxable year of the qualifying pass-through entity. 8778

(4) An investor that is another qualifying pass-through entity having only investors described in division (I)(1), (2), (3), or (6) of this section during the three-year period beginning twelve months prior to the first day of the qualifying taxable year of the qualifying pass-through entity. 8779
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(5) An investor that is another pass-through entity having no investors other than individuals and estates during the qualifying taxable year of the qualifying pass-through entity in which it is an investor, and that makes a good faith and reasonable effort to comply fully and timely with the filing and payment requirements set forth in division (D) of section 5747.08 of the Revised Code and section 5747.09 of the Revised Code with respect to investors that are not resident taxpayers of this state for the purposes of Chapter 5747. of the Revised Code for the entire qualifying taxable year of the qualifying pass-through entity in which it is an investor. 8784
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(6) An investor that is a financial institution required to calculate the tax in accordance with division (D) of section 5733.06 of the Revised Code on the first day of January of the calendar year immediately following the last day of the financial institution's calendar or fiscal year in which ends the taxpayer's taxable year. 8795
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(7) An investor other than an individual that satisfies all the following: 8801
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(a) The investor submits a written statement to the qualifying pass-through entity stating that the investor irrevocably agrees that the investor has nexus with this state under the Constitution of the United States and is subject to and liable for the tax calculated under division (B) of section 5733.06 of the Revised Code with respect to the investor's adjusted qualifying amount for the entire qualifying taxable year 8803
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of the qualifying pass-through entity. The statement is subject to 8810
the penalties of perjury, shall be retained by the qualifying 8811
pass-through entity for no fewer than seven years, and shall be 8812
delivered to the tax commissioner upon request. 8813

(b) The investor makes a good faith and reasonable effort to 8814
comply timely and fully with all the reporting and payment 8815
requirements set forth in Chapter 5733. of the Revised Code with 8816
respect to the investor's adjusted qualifying amount for the 8817
entire qualifying taxable year of the qualifying pass-through 8818
entity. 8819

(c) Neither the investor nor the qualifying pass-through 8820
entity in which it is an investor, before, during, or after the 8821
qualifying pass-through entity's qualifying taxable year, carries 8822
out any transaction or transactions with one or more related 8823
members of the investor or the qualifying pass-through entity 8824
resulting in a reduction or deferral of tax imposed by Chapter 8825
5733. of the Revised Code with respect to all or any portion of 8826
the investor's adjusted qualifying amount for the qualifying 8827
pass-through entity's taxable year, or that constitute a sham, 8828
lack economic reality, or are part of a series of transactions the 8829
form of which constitutes a step transaction or transactions or 8830
does not reflect the substance of those transactions. 8831

(8) Any other investor that the tax commissioner may 8832
designate by rule. The tax commissioner may adopt rules including 8833
a rule defining "qualifying investor" or "qualifying beneficiary" 8834
and governing the imposition of the withholding tax imposed by 8835
section 5747.41 of the Revised Code with respect to an individual 8836
who is a resident taxpayer for the purposes of Chapter 5747. of 8837
the Revised Code for only a portion of the qualifying taxable year 8838
of the qualifying entity. 8839

(9) An investor that is a trust or fund the beneficiaries of 8840

which, during the qualifying taxable year of the qualifying 8841
pass-through entity, are limited to the following: 8842

(a) A person that is or may be the beneficiary of a trust 8843
subject to Subchapter D of Chapter 1 of Subtitle A of the Internal 8844
Revenue Code. 8845

(b) A person that is or may be the beneficiary of or the 8846
recipient of payments from a trust or fund that is a nuclear 8847
decommissioning reserve fund, a designated settlement fund, or any 8848
other trust or fund established to resolve and satisfy claims that 8849
may otherwise be asserted by the beneficiary or a member of the 8850
beneficiary's family. Sections 267(c)(4), 468A(e), and 468B(d)(2) 8851
of the Internal Revenue Code apply to the determination of whether 8852
such a person satisfies division (I)(9) of this section. 8853

(c) A person who is or may be the beneficiary of a trust 8854
that, under its governing instrument, is not required to 8855
distribute all of its income currently. Division (I)(9)(c) of this 8856
section applies only if the trust, prior to the due date for 8857
filing the qualifying pass-through entity's return for taxes 8858
imposed by section 5733.41 and sections 5747.41 to 5747.453 of the 8859
Revised Code, irrevocably agrees in writing that for the taxable 8860
year during or for which the trust distributes any of its income 8861
to any of its beneficiaries, the trust is a qualifying trust and 8862
will pay the estimated tax, and will withhold and pay the withheld 8863
tax, as required under sections 5747.40 to 5747.453 of the Revised 8864
Code. 8865

For the purposes of division (I)(9) of this section, a trust 8866
or fund shall be considered to have a beneficiary other than 8867
persons described under divisions (I)(9)(a) to (c) of this section 8868
if a beneficiary would not qualify under those divisions under the 8869
doctrines of "economic reality," "sham transaction," "step 8870
doctrine," or "substance over form." A trust or fund described in 8871

division (I)(9) of this section bears the burden of establishing 8872
by a preponderance of the evidence that any transaction giving 8873
rise to the tax benefits provided under division (I)(9) of this 8874
section does not have as a principal purpose a claim of those tax 8875
benefits. Nothing in this section shall be construed to limit 8876
solely to this section the application of the doctrines referred 8877
to in this paragraph. 8878

(J) "Qualifying net gain" means any recognized net gain with 8879
respect to the acquisition, ownership, use, maintenance, 8880
management, or disposition of tangible personal property located 8881
in this state at any time during a trust's qualifying taxable year 8882
or real property located in this state. 8883

(K) "Qualifying net income" means any recognized income, net 8884
of related deductible expenses, other than distributions 8885
deductions with respect to the acquisition, ownership, use, 8886
maintenance, management, or disposition of tangible personal 8887
property located in this state at any time during the trust's 8888
qualifying taxable year or real property located in this state. 8889

(L) "Qualifying entity" means a qualifying pass-through 8890
entity or a qualifying trust. 8891

(M) "Qualifying trust" means a trust subject to subchapter J 8892
of the Internal Revenue Code that, during any portion of the 8893
trust's qualifying taxable year, has income or gain from the 8894
acquisition, management, ownership, use, or disposition of 8895
tangible personal property located in this state at any time 8896
during the trust's qualifying taxable year or real property 8897
located in this state. "Qualifying trust" does not include a 8898
person described in section 501(c) of the Internal Revenue Code or 8899
a person described in division (C) of section 5733.09 of the 8900
Revised Code. 8901

(N) "Qualifying pass-through entity" means a pass-through 8902

entity as defined in section 5733.04 of the Revised Code, 8903
excluding a person described in section 501(c) of the Internal 8904
Revenue Code, a partnership with equity securities registered with 8905
the United States securities and exchange commission under section 8906
12 of the Securities Exchange Act of 1934, as amended, or a person 8907
described in division (C) of section 5733.09 of the Revised Code. 8908

(O) "Quarter" means the first three months, the second three 8909
months, the third three months, or the last three months of a 8910
qualifying entity's qualifying taxable year. 8911

(P) "Related member" has the same meaning as in division 8912
(A)(6) of section 5733.042 of the Revised Code without regard to 8913
division (B) of that section. However, for the purposes of 8914
divisions (A)(3) and (4) of this section only, "related member" 8915
has the same meaning as in division (A)(6) of section 5733.042 of 8916
the Revised Code without regard to division (B) of that section, 8917
but shall be applied by substituting "forty per cent" for "twenty 8918
per cent" wherever "twenty per cent" appears in division (A) of 8919
that section. 8920

(Q) "Return" or "report" means the notifications and reports 8921
required to be filed pursuant to sections 5747.42 to 5747.45 of 8922
the Revised Code for the purpose of reporting the tax imposed 8923
under section 5733.41 or 5747.41 of the Revised Code, and included 8924
declarations of estimated tax when so required. 8925

(R) "Qualifying taxable year" means the calendar year or the 8926
qualifying entity's fiscal year ending during the calendar year, 8927
or fractional part thereof, for which the adjusted qualifying 8928
amount is calculated pursuant to sections 5733.40 and 5733.41 or 8929
sections 5747.40 to 5747.453 of the Revised Code. 8930

Sec. 5733.401. (A) As used in this section: 8931

(1) "Investment pass-through entity" means a pass-through 8932
entity having for its qualifying taxable year at least ninety per 8933

cent of its gross income from transaction fees in connection with 8934
the acquisition, ownership, or disposition of intangible property, 8935
loan fees, financing fees, consent fees, waiver fees, application 8936
fees, net management fees, dividend income, interest income, net 8937
capital gains from the sale or exchange of intangible property, or 8938
distributive shares of income from pass-through entities; and 8939
having for its qualifying taxable year at least ninety per cent of 8940
the net book value of its assets represented by intangible assets. 8941
such percentages shall be the quarterly average of those 8942
percentages as calculated during the pass-through entity's taxable 8943
year. 8944

(2) "Net management fees" means management fees that a 8945
pass-through entity earns or receives from all sources, reduced by 8946
management fees that the pass-through entity incurs or pays to any 8947
person. 8948

(B) For the purposes of divisions (A) and (C) of this section 8949
only, an investment in a pass-through entity shall be deemed to be 8950
an investment in an intangible asset. 8951

(C) Except as otherwise provided in division (D) of this 8952
section, for the purposes of division (A) of section 5733.40 of 8953
the Revised Code, an investment pass-through entity shall exclude 8954
from the calculation of the adjusted qualifying amount all 8955
transaction fees in connection with the acquisition, ownership, or 8956
disposition of intangible property, loan fees, financing fees, 8957
consent fees, waiver fees, application fees, net management fees, 8958
dividend income, interest income, net capital gains from the sale 8959
or exchange of intangible property, and all types and 8960
classifications of income attributable to distributive shares of 8961
income from other pass-through entities. Nothing in this division 8962
shall be construed to provide for an exclusion of any item from 8963
adjusted qualifying amount more than once. 8964

(D) Sections 5733.057 and 5747.231 of the Revised Code do not 8965

apply for the purposes of making the determinations required by 8966
division (A) of this section or claiming the exclusion provided by 8967
division (C) of this section. 8968

Sec. 5733.402. (A) Notwithstanding section 5733.40, 5733.41, 8969
5747.41, or 5747.43 of the Revised Code, but subject to divisions 8970
(B), (C), and (D) of this section, for taxable years beginning 8971
after 1997, a qualifying pass-through entity, hereinafter the 8972
"exempt entity," is not subject to the taxes imposed by and 8973
required to be paid under those sections with respect to 8974
distributive shares of income and gain that pass through from the 8975
qualifying pass-through entity to another qualifying pass-through 8976
entity, hereinafter the "investing entity," if the investing 8977
entity irrevocably acknowledges that it has nexus with this state 8978
under the Constitution of the United States during the exempt 8979
entity's entire taxable year. 8980

(B)(1) Division (A) of this section does not apply to the 8981
extent that the investing entity fails to make a good faith and 8982
reasonable effort to comply on a reasonably timely basis with 8983
section 5733.41 and sections 5747.41 to 5747.453 of the Revised 8984
Code. 8985

(2) The investing entity and the exempt entity bears the 8986
burden of establishing by a preponderance of the evidence that the 8987
investing entity made a good faith and reasonable effort to comply 8988
on a reasonably timely basis with section 5733.41 and sections 8989
5747.41 to 5747.453 of the Revised Code. 8990

(3) This section does not modify, reduce, abate, defer, 8991
postpone, or bar the imposition of and the required payment of any 8992
fee, interest, or penalty otherwise due under Title LVII of the 8993
Revised Code. 8994

(C) Except as otherwise provided in division (D) of this 8995
section, nothing in this section shall be construed to deny the 8996

application of division (A) of this section to the distributive 8997
share of income and gain of an investing entity that, with respect 8998
to that distributive share, is itself an exempt entity with 8999
respect to another qualifying pass-through entity, hereinafter the 9000
"upper level investing entity," if the upper level investing 9001
entity irrevocably acknowledges that it has nexus with this state 9002
under the Constitution of the United States during the investing 9003
entity's entire taxable year. Division (B) of this section also 9004
applies to the upper level investing entity. This division applies 9005
regardless of the number of levels of investing entities. 9006

(D) An investing entity or upper level investing entity does 9007
not include an investment pass-through entity as defined in 9008
section 5733.401 of the Revised Code, and division (A) of this 9009
section does not apply with respect to any distributive shares of 9010
income or gain that pass through to an investment pass-through 9011
entity. 9012

Sec. 5733.98. (A) To provide a uniform procedure for 9013
calculating the amount of tax imposed by section 5733.06 of the 9014
Revised Code that is due under this chapter, a taxpayer shall 9015
claim any credits to which it is entitled in the following order, 9016
except as otherwise provided in section 5733.058 Of the Revised 9017
Code: 9018

(1) The credit for taxes paid by a qualifying pass-through 9019
entity allowed under section 5733.0611 of the Revised Code; 9020

(2) The credit for qualifying affiliated groups under section 9021
5733.068 of the Revised Code; 9022

(3) The subsidiary corporation credit under section 5733.067 9023
of the Revised Code; 9024

(4) The savings and loan assessment credit under section 9025
5733.063 of the Revised Code; 9026

(5) The credit for recycling and litter prevention donations under section 5733.064 of the Revised Code;	9027 9028
(6) The credit for employers that enter into agreements with child day-care centers under section 5733.36 of the Revised Code;	9029 9030
(7) The credit for employers that reimburse employee child day-care expenses under section 5733.38 of the Revised Code;	9031 9032
(8) The credit for manufacturing investments under section 5733.061 of the Revised Code;	9033 9034
(9) The credit for purchases of new manufacturing machinery and equipment under section 5733.31 or section 5733.311 of the Revised Code;	9035 9036 9037
(10) The second credit for purchases of new manufacturing machinery and equipment under section 5733.33 of the Revised Code;	9038 9039
(11) The enterprise zone credit under section 5709.66 of the Revised Code;	9040 9041
(12) The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;	9042 9043
(13) The credit for employers that establish on-site child day-care under section 5733.37 of the Revised Code;	9044 9045
(14) The credit for purchases of qualifying grape production property under section 5733.32 of the Revised Code;	9046 9047
(15) The export sales credit under section 5733.069 of the Revised Code;	9048 9049
(16) The credit for research and development and technology transfer investors under section 5733.35 of the Revised Code;	9050 9051
(17) The enterprise zone credits under section 5709.65 of the Revised Code;	9052 9053
(18) The refundable jobs creation credit under section 5733.0610 of the Revised Code.	9054 9055

(B) For any credit except the refundable jobs creation credit, the amount of the credit for a tax year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit.

Sec. 5747.01. Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter has the same meaning as when used in a comparable context in the Internal Revenue Code, and all other statutes of the United States relating to federal income taxes.

As used in this chapter:

(A) "Adjusted gross income" or "Ohio adjusted gross income" means adjusted gross income as defined and used in the Internal Revenue Code, adjusted as provided in divisions (A)(1) to ~~(16)~~(17) of this section:

(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities.

(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States that are exempt from federal income taxes but not from state income taxes.

(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.

(5) Deduct benefits under Title II of the Social Security Act and tier 1 railroad retirement benefits to the extent included in federal adjusted gross income under section 86 of the Internal Revenue Code. 9086
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(6) Add, in the case of a taxpayer who is a beneficiary of a trust that makes an accumulation distribution as defined in section 665 of the Internal Revenue Code, the portion, if any, of such distribution that does not exceed the undistributed net income of the trust for the three taxable years preceding the taxable year in which the distribution is made. "Undistributed net income of a trust" means the taxable income of the trust increased by (a)(i) the additions to adjusted gross income required under division (A) of this section and (ii) the personal exemptions allowed to the trust pursuant to section 642(b) of the Internal Revenue Code, and decreased by (b)(i) the deductions to adjusted gross income required under division (A) of this section, (ii) the amount of federal income taxes attributable to such income, and (iii) the amount of taxable income that has been included in the adjusted gross income of a beneficiary by reason of a prior accumulation distribution. Any undistributed net income included in the adjusted gross income of a beneficiary shall reduce the undistributed net income of the trust commencing with the earliest years of the accumulation period. 9090
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(7) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal adjusted gross income for the taxable year, had the targeted jobs credit allowed and determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect. 9109
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(8) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent included in federal adjusted gross income. 9115
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(9) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent included in federal adjusted gross income.	9118 9119 9120
(10) Regarding tuition credits purchased under Chapter 3334. of the Revised Code:	9121 9122
(a) Deduct the following:	9123
(i) For credits that as of the end of the taxable year have not been refunded pursuant to the termination of a tuition payment contract under section 3334.10 of the Revised Code, the amount of income related to the credits, to the extent included in federal adjusted gross income;	9124 9125 9126 9127 9128
(ii) For credits that during the taxable year have been refunded pursuant to the termination of a tuition payment contract under section 3334.10 of the Revised Code, the excess of the total purchase price of the tuition credits refunded over the amount of refund, to the extent the amount of the excess was not deducted in determining federal adjusted gross income;	9129 9130 9131 9132 9133 9134
(b) Add the following:	9135
(i) For credits that as of the end of the taxable year have not been refunded pursuant to the termination of a tuition payment contract under section 3334.10 of the Revised Code, the amount of loss related to the credits, to the extent the amount of the loss was deducted in determining federal adjusted gross income;	9136 9137 9138 9139 9140
(ii) For credits that during the taxable year have been refunded pursuant to the termination of a tuition payment contract under section 3334.10 of the Revised Code, the excess of the amount of refund over the purchase price of each tuition credit refunded, to the extent not included in federal adjusted gross income.	9141 9142 9143 9144 9145 9146
(11) Deduct, in the case of a self-employed individual as	9147

defined in section 401(c)(1) of the Internal Revenue Code and to 9148
the extent not otherwise allowable as a deduction in computing 9149
federal adjusted gross income for the taxable year, the amount 9150
paid during the taxable year for insurance ~~which~~ that constitutes 9151
medical care for the taxpayer, the taxpayer's spouse, and 9152
dependents. No deduction under division (A)(11) of this section 9153
shall be allowed to any taxpayer who is eligible to participate in 9154
any subsidized health plan maintained by any employer of the 9155
taxpayer or of the spouse of the taxpayer. No deduction under 9156
division (A)(11) of this section shall be allowed to the extent 9157
that the sum of such deduction and any related deduction allowable 9158
in computing federal adjusted gross income for the taxable year 9159
exceeds the taxpayer's earned income, within the meaning of 9160
section 401(c) of the Internal Revenue Code, derived by the 9161
taxpayer from the trade or business with respect to which the plan 9162
providing the medical coverage is established. 9163

(12) Deduct any amount included in federal adjusted gross 9164
income solely because the amount represents a reimbursement or 9165
refund of expenses that in a previous year the taxpayer had 9166
deducted as an itemized deduction pursuant to section 63 of the 9167
Internal Revenue Code and applicable United States department of 9168
the treasury regulations. 9169

(13) Deduct any portion of the deduction described in section 9170
1341(a)(2) of the Internal Revenue Code, for repaying previously 9171
reported income received under a claim of right, that meets both 9172
of the following requirements: 9173

(a) It is allowable for repayment of an item that was 9174
included in the taxpayer's adjusted gross income for a prior 9175
taxable year and did not qualify for a credit under division (A) 9176
or (B) of section 5747.05 of the Revised Code for that year; 9177

(b) It does not otherwise reduce the taxpayer's adjusted 9178

gross income for the current or any other taxable year. 9179

(14) Deduct an amount equal to the deposits made to, and net 9180
investment earnings of, a medical savings account during the 9181
taxable year, in accordance with section 3924.66 of the Revised 9182
Code. The deduction allowed by division (A)(14) of this section 9183
does not apply to medical savings account deposits and earnings 9184
otherwise deducted or excluded for the current or any other 9185
taxable year from the taxpayer's federal adjusted gross income. 9186

(15)(a) Add an amount equal to the funds withdrawn from a 9187
medical savings account during the taxable year, and the net 9188
investment earnings on those funds, when the funds withdrawn were 9189
used for any purpose other than to reimburse an account holder 9190
for, or to pay, eligible medical expenses, in accordance with 9191
section 3924.66 of the Revised Code; 9192

(b) Add the amounts distributed from a medical savings 9193
account under division (A)(2) of section 3924.68 of the Revised 9194
Code during the taxable year. 9195

(16) Add any amount claimed as a credit under section 9196
5747.059 of the Revised Code to the extent that such amount 9197
satisfies either of the following: 9198

(a) The amount was deducted or excluded from the computation 9199
of the taxpayer's federal adjusted gross income as required to be 9200
reported for the taxpayer's taxable year under the Internal 9201
Revenue Code; 9202

(b) The amount resulted in a reduction of the taxpayer's 9203
federal adjusted gross income as required to be reported for any 9204
of the taxpayer's taxable years under the Internal Revenue Code. 9205

~~(16)~~(17) Deduct the amount contributed by the taxpayer to an 9206
individual development account program established by a county 9207
department of human services pursuant to sections 329.11 to 329.14 9208

of the Revised Code for the purpose of matching funds deposited by 9209
program participants. On request of the tax commissioner, the 9210
taxpayer shall provide any information that, in the tax 9211
commissioner's opinion, is necessary to establish the amount 9212
deducted under division (A)~~(16)~~(17) of this section. 9213

(B) "Business income" means income arising from transactions, 9214
activities, and sources in the regular course of a trade or 9215
business and includes income from tangible and intangible property 9216
if the acquisition, rental, management, and disposition of the 9217
property constitute integral parts of the regular course of a 9218
trade or business operation. 9219

(C) "Nonbusiness income" means all income other than business 9220
income and may include, but is not limited to, compensation, rents 9221
and royalties from real or tangible personal property, capital 9222
gains, interest, dividends and distributions, patent or copyright 9223
royalties, or lottery winnings, prizes, and awards. 9224
9225

(D) "Compensation" means any form of remuneration paid to an 9226
employee for personal services. 9227

(E) "Fiduciary" means a guardian, trustee, executor, 9228
administrator, receiver, conservator, or any other person acting 9229
in any fiduciary capacity for any individual, trust, or estate. 9230

(F) "Fiscal year" means an accounting period of twelve months 9231
ending on the last day of any month other than December. 9232

(G) "Individual" means any natural person. 9233

(H) "Internal Revenue Code" means the "Internal Revenue Code 9234
of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 9235

(I) "Resident" means: 9236

(1) An individual who is domiciled in this state, subject to 9237
section 5747.24 of the Revised Code; 9238

(2) The estate of a decedent who at the time of death was 9239
domiciled in this state. The domicile tests of section 5747.24 of 9240
the Revised Code and any election under section 5747.25 of the 9241
Revised Code are not controlling for purposes of division (I)(2) 9242
of this section. 9243

(J) "Nonresident" means an individual or estate that is not a 9244
resident. An individual who is a resident for only part of a 9245
taxable year is a nonresident for the remainder of that taxable 9246
year. 9247

(K) "Pass-through entity" has the same meaning as in section 9248
5733.04 of the Revised Code. 9249

(L) "Return" means the notifications and reports required to 9250
be filed pursuant to this chapter for the purpose of reporting the 9251
tax due and includes declarations of estimated tax when so 9252
required. 9253

(M) "Taxable year" means the calendar year or the taxpayer's 9254
fiscal year ending during the calendar year, or fractional part 9255
thereof, upon which the adjusted gross income is calculated 9256
pursuant to this chapter. 9257

(N) "Taxpayer" means any person subject to the tax imposed by 9258
section 5747.02 of the Revised Code or any pass-through entity 9259
that makes the election under division (D) of section 5747.08 of 9260
the Revised Code. 9261

(O) "Dependents" means dependents as defined in the Internal 9262
Revenue Code and as claimed in the taxpayer's federal income tax 9263
return for the taxable year or which the taxpayer would have been 9264
permitted to claim had the taxpayer filed a federal income tax 9265
return. 9266

(P) "Principal county of employment" means, in the case of a 9267
nonresident, the county within the state in which a taxpayer 9268

performs services for an employer or, if those services are 9269
performed in more than one county, the county in which the major 9270
portion of the services are performed. 9271

(Q) As used in sections 5747.50 to 5747.55 of the Revised 9272
Code: 9273

(1) "Subdivision" means any county, municipal corporation, 9274
park district, or township. 9275

(2) "Essential local government purposes" includes all 9276
functions that any subdivision is required by general law to 9277
exercise, including like functions that are exercised under a 9278
charter adopted pursuant to the Ohio Constitution. 9279

(R) "Overpayment" means any amount already paid that exceeds 9280
the figure determined to be the correct amount of the tax. 9281

(S) "Taxable income" applies to estates only and means 9282
taxable income as defined and used in the Internal Revenue Code 9283
adjusted as follows: 9284

(1) Add interest or dividends on obligations or securities of 9285
any state or of any political subdivision or authority of any 9286
state, other than this state and its subdivisions and authorities; 9287

(2) Add interest or dividends on obligations of any 9288
authority, commission, instrumentality, territory, or possession 9289
of the United States that are exempt from federal income taxes but 9290
not from state income taxes; 9291

(3) Add the amount of personal exemption allowed to the 9292
estate pursuant to section 642(b) of the Internal Revenue Code; 9293

(4) Deduct interest or dividends on obligations of the United 9294
States and its territories and possessions or of any authority, 9295
commission, or instrumentality of the United States that are 9296
exempt from state taxes under the laws of the United States; 9297
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(5) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal taxable income for the taxable year, had the targeted jobs credit allowed under sections 38, 51, and 52 of the Internal Revenue Code not been in effect;

(6) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent included in federal taxable income;

(7) Add any loss or deduct any gain resulting from sale, exchange, or other disposition of public obligations to the extent included in federal taxable income;

(8) Except in the case of the final return of an estate, add any amount deducted by the taxpayer on both its Ohio estate tax return pursuant to section 5731.14 of the Revised Code, and on its federal income tax return in determining either federal adjusted gross income or federal taxable income;

(9) Deduct any amount included in federal taxable income solely because the amount represents a reimbursement or refund of expenses that in a previous year the decedent had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable treasury regulations;

(10) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

(a) It is allowable for repayment of an item that was included in the taxpayer's taxable income or the decedent's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year.

(b) It does not otherwise reduce the taxpayer's taxable 9330
income or the decedent's adjusted gross income for the current or 9331
any other taxable year. 9332

(11) Add any amount claimed as a credit under section 9333
5747.059 of the Revised Code to the extent that the amount 9334
satisfies either of the following: 9335

(a) The amount was deducted or excluded from the computation 9336
of the taxpayer's federal taxable income as required to be 9337
reported for the taxpayer's taxable year under the Internal 9338
Revenue Code; 9339

(b) The amount resulted in a reduction in the taxpayer's 9340
federal taxable income as required to be reported for any of the 9341
taxpayer's taxable years under the Internal Revenue Code. 9342

(T) "School district income" and "school district income tax" 9343
have the same meanings as in section 5748.01 of the Revised Code. 9344
9345

(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S)(7) 9346
of this section, "public obligations," "purchase obligations," and 9347
"interest or interest equivalent" have the same meanings as in 9348
section 5709.76 of the Revised Code. 9349

(V) "Limited liability company" means any limited liability 9350
company formed under Chapter 1705. of the Revised Code or under 9351
the laws of any other state. 9352

(W) "Pass-through entity investor" means any person who, 9353
during any portion of a taxable year of a pass-through entity, is 9354
a partner, member, shareholder, or investor in that pass-through 9355
entity. 9356

(X) "Banking day" has the same meaning as in section 1304.01 9357
of the Revised Code. 9358

(Y) "Month" means a calendar month. 9359

(Z) "Quarter" means the first three months, the second three months, the third three months, or the last three months of the taxpayer's taxable year.

(AA) Any term used in this chapter that is not otherwise defined in this section and that is not used in a comparable context in the Internal Revenue Code and other statutes of the United States relating to federal income taxes has the same meaning as in section 5733.40 of the Revised Code.

Sec. 5747.08. An annual return with respect to the tax imposed by section 5747.02 of the Revised Code and each tax imposed under Chapter 5748. of the Revised Code shall be made by every taxpayer for any taxable year for which the taxpayer is liable for the tax imposed by that section or under that chapter, unless the total credits allowed under divisions (E), (F), and (G) of section 5747.05 of the Revised Code for the year are equal to or exceed the tax imposed by section 5747.02 of the Revised Code, in which case no return shall be required unless the taxpayer is liable for a tax imposed pursuant to Chapter 5748. of the Revised Code.

(A) If an individual is deceased, any return or notice required of that individual under this chapter shall be made and filed by that decedent's executor, administrator, or other person charged with the property of that decedent.

(B) If an individual is unable to make a return or notice required by this chapter, the return or notice required of that individual shall be made and filed by the individual's duly authorized agent, guardian, conservator, fiduciary, or other person charged with the care of the person or property of that individual.

(C) Returns or notices required of an estate or a trust shall

be made and filed by the fiduciary of the estate or trust. 9390

(D)(1) ~~Any (a) Except as otherwise provided in division~~ 9391
~~(D)(1)(b) of this section, any pass-through entity having two or~~ 9392
~~more nonresident pass-through entity investors who derive no~~ 9393
~~taxable income from this state, other than a distributive share of~~ 9394
~~the pass-through entity income, may file a single return on behalf~~ 9395
~~of all or some of those pass-through entity one or more of the~~ 9396
~~entity's investors who are individuals or estates other than an~~ 9397
~~investor that is a person subject to the tax imposed under section~~ 9398
~~5733.06 Of the Revised Code. The single return shall set forth the~~ 9399
~~name, address, and social security number of each of those~~ 9400
~~pass-through entity investor of that nature investors and shall~~ 9401
~~indicate the distributive share of each of those pass-through~~ 9402
~~entity investor's income taxable in this state in accordance with~~ 9403
~~sections 5747.20 to 5747.231 of the Revised Code. Such nonresident~~ 9404
~~pass-through entity investors for whom the pass-through entity~~ 9405
~~elects to file a single return are not entitled to the exemption~~ 9406
~~or credit provided for by sections 5747.02 and 5747.022 of the~~ 9407
~~Revised Code; shall calculate the tax before business credits at~~ 9408
~~the highest rate of tax set forth in section 5747.02 of the~~ 9409
~~Revised Code for the taxable year for which the return is filed;~~ 9410
~~and are entitled to only their distributive share of the business~~ 9411
~~credits as defined in division (D)(2) of this section. A single~~ 9412
~~check drawn by the pass-through entity shall accompany the return~~ 9413
~~in full payment of the tax due for such investors other than~~ 9414
~~investors who are persons subject to the tax imposed under section~~ 9415
~~5733.06 of the Revised Code.~~ 9416

(b)(i) A pass-through entity shall not include in such a 9417
single return any investor that is a trust to the extent that any 9418
direct or indirect current, future, or contingent beneficiary of 9419
the trust is a person subject to the tax imposed under section 9420
5733.06 of the Revised Code. 9421

(ii) A pass-through entity shall not include in such a single return any investor that is itself a pass-through entity to the extent that any direct or indirect investor in the second pass-through entity is a person subject to the tax imposed under section 5733.06 of the Revised Code.

(c) Nothing in division (D) of this section precludes the tax commissioner from requiring such investors to file the return and make the payment of taxes and related interest, penalty, and interest penalty required by this section or section 5747.02, 5747.09, or 5747.15 of the Revised Code. Nothing in division (D) of this section shall be construed to provide to such an investor or pass-through entity any additional deduction or credit, other than the credit provided by division (J) of this section, solely on account of the entity's filing a return in accordance with this section. Such a pass-through entity also shall make the filing and payment of estimated taxes on behalf of ~~those nonresident~~ the pass-through entity investors other than an investor that is a person subject to the tax imposed under section 5733.06 Of the Revised Code.

(2) For the purposes of this section, "business credits" means the credits listed in section 5747.98 of the Revised Code excluding the following credits:

(a) The retirement credit under division (B) of section 5747.055 of the Revised Code;

(b) The senior citizen credit under division (C) of section 5747.05 of the Revised Code;

(c) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;

(d) The dependent care credit under section 5747.054 of the Revised Code;

(e) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;	9452 9453
(f) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	9454 9455
(g) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	9456 9457
(h) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	9458 9459
(i) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	9460 9461
(j) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	9462 9463
(k) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	9464 9465
(l) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code.	9466 9467
(3) The election provided for under division (D) of this section applies only to the taxable year for which the election is made by the pass-through entity. Unless the tax commissioner provides otherwise, this election, once made, is binding and irrevocable for the taxable year for which the election is made. Nothing in this division shall be construed to provide for any deduction or credit that would not be allowable if a nonresident pass-through entity investor were to file an annual return.	9468 9469 9470 9471 9472 9473 9474 9475
(4) If a pass-through entity makes the election provided for under division (D) of this section, the pass-through entity shall be liable for any additional taxes, interest, interest penalty, or penalties imposed by this chapter if the tax commissioner determines that the single return does not reflect the correct tax due by nonresident pass-through entity investors covered by that	9476 9477 9478 9479 9480 9481

return. Nothing in this division shall be construed to limit or
alter the liability, if any, imposed on pass-through entity
investors for unpaid or underpaid taxes, interest, interest
penalty, or penalties as a result of the pass-through entity's
making the election provided for under division (D) of this
section. For the purposes of division (D) of this section,
"correct tax due" means the tax that would have been paid by the
pass-through entity had the single return been filed in a manner
reflecting and including the findings and determinations made by
the tax commissioner. Nothing in division (D) of this section
shall be construed to make or hold a pass-through entity liable
for tax attributable to a pass-through entity investor's income
from a source other than the pass-through entity electing to file
the single return.

(E) If a husband and wife file a joint federal income tax
return for a taxable year, they shall file a joint return under
this section for that taxable year, and their liabilities are
joint and several, but, if the federal income tax liability of
either spouse is determined on a separate federal income tax
return, they shall file separate returns under this section.

If either spouse is not required to file a federal income tax
return and either or both are required to file a return pursuant
to this chapter, they may elect to file separate or joint returns,
and, pursuant to that election, their liabilities are separate or
joint and several. If a husband and wife file separate returns
pursuant to this chapter, each must claim the taxpayer's own
exemption, but not both, as authorized under section 5747.02 of
the Revised Code on the taxpayer's own return.

(F) Each return or notice required to be filed under this
section shall contain the signature of the taxpayer or the
taxpayer's duly authorized agent and of the person who prepared
the return for the taxpayer, and shall include the taxpayer's

social security number. Each return shall be verified by a 9514
declaration under the penalties of perjury. The tax commissioner 9515
shall prescribe the form that the signature and declaration shall 9516
take. 9517

(G) Each return or notice required to be filed under this 9518
section shall be made and filed as required by section 5747.04 of 9519
the Revised Code, on or before the fifteenth day of April of each 9520
year, on forms that the tax commissioner shall prescribe, together 9521
with remittance made payable to the treasurer of state in the 9522
combined amount of the state and all school district income taxes 9523
shown to be due on the form, unless the combined amount shown to 9524
be due is one dollar or less, in which case that amount need not 9525
be remitted. Returns for taxable years for which a reduction in 9526
the tax due is made under division (B) of section 5747.02 of the 9527
Revised Code shall include the following statement: "The tax on 9528
this line reflects a.....% (here enter the percentage reduction 9529
described in division (B) of section 5747.02 of the Revised Code) 9530
reduction under legislation enacted by the General Assembly 9531
requiring the return of excess state revenue to taxpayers." The 9532
statement shall appear in boldface type and shall be placed in a 9533
prominent location on the return in the vicinity of the location 9534
where the amount of tax due, before any credits or amounts 9535
withheld, is entered. 9536

Upon good cause shown, the commissioner may extend the period 9537
for filing any notice or return required to be filed under this 9538
section and may adopt rules relating to extensions. If the 9539
extension results in an extension of time for the payment of any 9540
state or school district income tax liability with respect to 9541
which the return is filed, the taxpayer shall pay at the time the 9542
tax liability is paid an amount of interest computed at the rate 9543
per annum prescribed by section 5703.47 of the Revised Code on 9544
that liability from the time that payment is due without extension 9545

to the time of actual payment. In addition to all other interest 9546
charges and penalties, all taxes imposed ~~by section 5747.02 of the~~ 9547
~~Revised Code or~~ under this chapter or Chapter 5748. of the Revised 9548
Code and remaining unpaid after they become due, except combined 9549
amounts due of one dollar or less, bear interest at the rate per 9550
annum prescribed by section 5703.47 of the Revised Code until paid 9551
or until the day an assessment is issued under section 5747.13 of 9552
the Revised Code, whichever occurs first. If the commissioner 9553
considers it necessary in order to ensure the payment of the tax 9554
imposed by section 5747.02 of the Revised Code or any tax imposed 9555
under Chapter 5748. of the Revised Code, the commissioner may 9556
require returns and payments to be made otherwisethan as provided 9557
in this section. 9558

(H) If any report, claim, statement, or other document 9559
required to be filed, or any payment required to be made, within a 9560
prescribed period or on or before a prescribed date under this 9561
chapter is delivered after that period or that date by United 9562
States mail to the agency, officer, or office with which the 9563
report, claim, statement, or other document is required to be 9564
filed, or to which the payment is required to be made, the date of 9565
the postmark stamped on the cover in which the report, claim, 9566
statement, or other document, or payment is mailed shall be deemed 9567
to be the date of delivery or the date of payment. 9568

If a payment is required to be made by electronic funds 9569
transfer pursuant to section 5747.072 of the Revised Code, the 9570
payment is considered to be made when the payment is received by 9571
the treasurer of state or credited to an account designated by the 9572
treasurer of state for the receipt of tax payments. 9573

"The date of the postmark" means, in the event there is more 9574
than one date on the cover, the earliest date imprinted on the 9575
cover by the United States postal service. 9576

(I) The amounts withheld by the employer pursuant to section 5747.06 of the Revised Code shall be allowed to the recipient of the compensation as credits against payment of the appropriate taxes imposed on the recipient by section 5747.02 and under Chapter 5748. of the Revised Code.

(J) If, in accordance with division (D) of this section, a pass-through entity elects to file a single return and if any investor is required to file the return and make the payment of taxes required by this chapter on account of the investor's other income that is not included in a single return filed by a pass-through entity, the investor is entitled to a refundable credit equal to the investor's proportionate share of the tax paid by the pass-through entity on behalf of the investor. The investor shall claim the credit for the investor's taxable year in which or with which ends the taxable year of the pass-through entity. Nothing in this chapter shall be construed to allow any credit provided in this chapter to be claimed more than once. For the purposes of computing any interest, penalty, or interest penalty, the investor shall be deemed to have paid the refundable credit provided by this division on the day that the pass-through entity paid the estimated tax or the tax giving rise to the credit.

Sec. 5747.401. (A)(1) except as otherwise provided in division (B) of this section, for the purposes of sections 5733.40, 5733.401, 5733.402, 5733.41, and 5747.40 to 5747.457 of the Revised Code, the investors in an investment pass-through entity as defined in section 5733.401 of the Revised Code, hereinafter the "deemed investors," shall be deemed to be investors in any other pass-through entity in which the investment pass-through entity is a direct investor without regard to sections 5733.057 or 5747.231 of the Revised Code. each deemed investor's portion of such other pass-through entity's adjusted

qualifying amount shall be the adjusted qualifying amount that, 9609
without regard to this section, passes through from such other 9610
pass-through entity to the investment pass-through entity 9611
multiplied by the percentage of the deemed investor's direct 9612
ownership in the investment pass-through entity without regard to 9613
sections 5733.057 or 5747.231 of the Revised Code. 9614

(2) For the purposes of sections 5733.40, 5733.401, 5733.402, 9615
5733.41, and 5747.40 to 5747.457 of the Revised Code, the 9616
investment pass-through entity shall not be deemed to be an 9617
investor in such other pass-through entity. 9618

(3) If the taxable year of the investment pass-through entity 9619
ends on a day other than the last day of such other pass-through 9620
entity's taxable year, division (A)(1) of this section applies to 9621
those persons who are investors in the investment pass-through 9622
entity on the last day of such other pass-through entity's taxable 9623
year ending within the investment pass-through entity's taxable 9624
year. 9625

(B) Division (A) of this section applies only to the extent 9626
to which the investment pass-through entity provides on a timely 9627
basis to such other pass-through entity the name, address, and 9628
social security number or federal identification number for each 9629
direct investor in the investment pass-through entity without 9630
regard to sections 5733.057 and 5747.231 of the Revised Code. Once 9631
such other pass-through entity receives such information from the 9632
investment pass-through entity, division (A) of this section 9633
applies for such other pass-through entity's taxable year unless 9634
the tax commissioner permits the investment pass-through entity to 9635
revoke the notice that the investment pass-through entity 9636
previously provided to such other pass-through entity. 9637

Sec. 5747.43. (A) As used in this section: 9638

(1) "Estimated taxes" means the amount that a qualifying 9639

entity estimates to be the sum of its liability under sections 9640
5733.41 and 5747.41 of the Revised Code for its current qualifying 9641
taxable year. 9642

(2) "Tax liability" means the total of the taxes and 9643
withholding taxes due under sections 5733.41 and 5747.41 of the 9644
Revised Code for the qualifying taxable year prior to applying any 9645
estimated tax payment or refund from another year. 9646

(3) "Taxes paid" includes payments of estimated taxes made 9647
under division (C) of this section and tax refunds applied by the 9648
qualifying entity in payment of estimated taxes. 9649

(B) In addition to the return required to be filed pursuant 9650
to section 5747.42 of the Revised Code, each qualifying entity 9651
subject to the tax imposed under section 5733.41 and to the 9652
withholding tax imposed by section 5747.41 of the Revised Code 9653
shall file an estimated tax return and pay a portion of the 9654
qualifying entity's tax liability for its qualifying taxable year. 9655
The portion of those taxes required to be paid, and the last day 9656
prescribed for payment thereof, shall be as prescribed by 9657
divisions (B)(1), (2), (3), and (4) of this section: 9658

(1) On or before the fifteenth day of the month following the 9659
last day of the first quarter of the qualifying entity's 9660
qualifying taxable year, twenty-two and one-half per cent of the 9661
qualifying entity's estimated tax liability for that taxable year; 9662

(2) On or before the fifteenth day of the month following the 9663
last day of the second quarter of the qualifying entity's 9664
qualifying taxable year, forty-five per cent of the qualifying 9665
entity's estimated tax liability for that taxable year; 9666

(3) On or before the fifteenth day of the month following the 9667
last day of the third quarter of the qualifying entity's 9668
qualifying taxable year, sixty-seven and one-half per cent of the 9669
qualifying entity's estimated tax liability for that taxable year; 9670

(4) On or before the fifteenth day of the month following the last day of the fourth quarter of the qualifying entity's qualifying taxable year, ninety per cent of the qualifying entity's estimated tax liability for that taxable year.

Payments of estimated taxes shall be made payable to the treasurer of state.

(C) If a payment of estimated taxes is not paid in the full amount required under division (B) of this section, a penalty shall be added to the taxes charged for the qualifying taxable year unless the underpayment is due to reasonable cause as described in division (D) of this section. The penalty shall accrue at the rate per annum prescribed by section 5703.47 of the Revised Code upon the amount of underpayment from the day the estimated payment was required to be made to the day the payment is made.

The amount of the underpayment upon which the penalty shall accrue shall be determined as follows:

(1) For the first payment of estimated taxes each year, twenty-two and one-half per cent of the tax liability less the amount of taxes paid by the date prescribed for that payment;

(2) For the second payment of estimated taxes each year, forty-five per cent of the tax liability less the amount of taxes paid by the date prescribed for that payment;

(3) For the third payment of estimated taxes each year, sixty-seven and one-half per cent of the tax liability less the amount of taxes paid by the date prescribed for that payment;

(4) For the fourth payment of estimated taxes each year, ninety per cent of the tax liability less the amount of taxes paid by the date prescribed for that payment.

For the purposes of this section, a payment of estimated

taxes on or before any payment date shall be considered a payment 9701
of a previous underpayment only to the extent the payment of 9702
estimated taxes exceeds the amount of the payment presently 9703
required to be paid to avoid any penalty. 9704

The penalty imposed under division (C) of this section is in 9705
lieu of any other interest charge or penalty imposed for failure 9706
to file a declaration of estimated tax report and make estimated 9707
payments as required by this section. 9708

(D) An underpayment of estimated taxes determined under 9709
division (C) of this section is due to reasonable cause if any of 9710
the following apply: 9711

(1) The amount of tax that was paid equals at least ninety 9712
per cent of the tax liability for the current qualifying taxable 9713
year, determined by annualizing the income received during that 9714
year up to the end of the month immediately preceding the month in 9715
which the payment is due; 9716

(2) The amount of tax liability that was paid equals at least 9717
ninety per cent of the tax liability for the current qualifying 9718
taxable year; 9719

(3) The amount of tax liability that was paid equals at least 9720
one hundred per cent of the tax liability shown on the return of 9721
the qualifying entity for the preceding qualifying taxable year, 9722
provided that the immediately preceding qualifying taxable year 9723
reflected a period of twelve months and the qualifying entity 9724
filed a return under section 5747.42 of the Revised Code for that 9725
year. 9726

(E)(1) Divisions (B) and (C) of this section do not apply for 9727
a taxable year if either of the following applies to the 9728
qualifying entity: 9729

(a) For the immediately preceding taxable year, the entity 9730

computes in good faith and in a reasonable manner that the sum of 9731
its adjusted qualifying amounts is ten thousand dollars or less. 9732

(b) For the taxable year the entity computes in good faith 9733
and in a reasonable manner that the sum of its adjusted qualifying 9734
amounts is ten thousand dollars or less. 9735

(2) Notwithstanding any other provision of Title LVII Of the 9736
Revised Code to the contrary, the entity shall establish by a 9737
preponderance of the evidence that its computation of the adjusted 9738
qualifying amounts for the immediately preceding taxable year and 9739
the taxable year was, in fact, made in good faith and in a 9740
reasonable manner. 9741

(F) The tax commissioner may waive the requirement for filing 9742
a declaration of estimated taxes for any class of qualifying 9743
entities if the commissioner finds the waiver is reasonable and 9744
proper in view of administrative costs and other factors. 9745
9746

Sec. 5747.98. (A) To provide a uniform procedure for 9747
calculating the amount of tax due under section 5747.02 of the 9748
Revised Code, a taxpayer shall claim any credits to which the 9749
taxpayer is entitled in the following order: 9750

(1) The retirement income credit under division (B) of 9751
section 5747.055 of the Revised Code; 9752

(2) The senior citizen credit under division (C) of section 9753
5747.05 of the Revised Code; 9754

(3) The lump sum distribution credit under division (D) of 9755
section 5747.05 of the Revised Code; 9756

(4) The dependent care credit under section 5747.054 of the 9757
Revised Code; 9758

(5) The lump sum retirement income credit under division (C) 9759
of section 5747.055 of the Revised Code; 9760

(6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	9761 9762
(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	9763 9764
(8) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	9765 9766
(9) The campaign contribution credit under section 5747.29 of the Revised Code;	9767 9768
(10) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	9769 9770
(11) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	9771 9772
(12) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	9773 9774
(13) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	9775 9776
(14) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	9777 9778 9779
(15) The credit for employers that reimburse employee child day-care expenses under section 5747.36 of the Revised Code;	9780 9781
(16) The credit for manufacturing investments under section 5747.051 of the Revised Code;	9782 9783
(17) The credit for purchases of new manufacturing machinery and equipment under section 5747.26 or section 5747.261 of the Revised Code;	9784 9785 9786
(18) The second credit for purchases of new manufacturing machinery and equipment under section 5747.31 of the Revised Code;	9787 9788
(19) The enterprise zone credit under section 5709.66 of the	9789

Revised Code;	9790
(20) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	9791 9792
(21) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	9793 9794
(22) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	9795 9796
(23) The export sales credit under section 5747.057 of the Revised Code;	9797 9798
(24) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	9799 9800
(25) The enterprise zone credits under section 5709.65 of the Revised Code;	9801 9802
(26) The refundable jobs creation credit under section 5747.058 of the Revised Code;	9803 9804
(27) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	9805 9806
(28) <u>The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 Of the Revised Code.</u>	9807 9808 9809
(B) <u>For any credit except the refundable jobs creation credit and the refundable credit for taxes paid by a qualifying entity credits enumerated in divisions (A)(26), (27), and (28) of this section and the credit granted under division (I) of section 5747.08 Of the Revised Code,</u> the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit.	9810 9811 9812 9813 9814 9815 9816 9817 9818
<u>Nothing in this chapter shall be construed to allow a taxpayer to</u>	9819

claim, directly or indirectly, a credit more than once for a 9820
taxable year. 9821

Sec. 5907.15. There is hereby created in the state treasury 9822
the Ohio veterans home rental and service revenue fund. Revenue 9823
generated from temporary use agreements of the home, from the sale 9824
of meals at the home's dining halls, and from rental, lease, or 9825
sharing agreements for the use of facilities, supplies, equipment, 9826
utilities, or services provided by the home shall be credited to 9827
the fund. The fund shall be used only for maintenance costs of the 9828
home. 9829

Section 2. That existing sections 101.34, 101.70, 101.71, 9830
101.72, 101.73, 101.74, 101.75, 101.77, 101.78, 101.79, 121.60, 9831
121.61, 121.62, 121.63, 121.64, 121.65, 121.68, 121.69, 126.14, 9832
131.35, 133.06, 718.01, 3313.646, 3313.841, 3313.842, 3313.98, 9833
3314.03, 3314.07, 3314.08, 3317.01, 3317.013, 3317.02, 3317.021, 9834
3317.022, 3317.023, 3317.024, 3317.029, 3317.0212, 3317.0213, 9835
3317.0214, 3317.0215, 3317.0216, 3317.03, 3317.05, 3317.051, 9836
3317.06, 3317.082, 3317.10, 3317.11, 3317.161, 3317.19, 3318.06, 9837
3318.08, 3318.10, 3323.091, 3323.12, 3704.14, 3734.57, 3734.82, 9838
4123.40, 4701.10, 4701.20, 4743.05, 4745.01, 5711.22, 5733.04, 9839
5733.05, 5733.057, 5733.0611, 5733.12, 5733.40, 5733.98, 5747.01, 9840
5747.08, 5747.43, and 5747.98, and section 5747.452 of the Revised 9841
Code are hereby repealed. Existing Section 50.11 of Am. Sub. H.B. 9842
215 of the 122nd General Assembly, as most recently amended by Am. 9843
Sub. H.B. 650 of the 122nd General Assembly, is hereby repealed. 9844

Section 3. That Sections 20.05, 47.13, 58, 62.01, 67.08, 119, 9845
190, and 210 of Am. Sub. H.B. 215 of the 122nd General Assembly be 9846
amended to read as follows: 9847

"Sec. 20.05. Transfers to Central Service Agency Fund 9848

The Director of Budget and Management may transfer up to 9849

\$1,500,000 in fiscal year 1998 and up to \$500,000 in fiscal year 1999 from the Occupational Licensing and Regulatory Fund (Fund 4K9) to the Central Service Agency Fund (Fund 115). The cash transferred shall be used to purchase the necessary equipment, products, and services to install a local area network for the professional licensing boards, to migrate their licensing applications to this network, and to provide for the ongoing operations of the network in fiscal year 1998 and fiscal year 1999. Appropriation authority equal to the cash transfer is hereby appropriated to line item 100-632, Central Service Agency.

The Director of Budget and Management may transfer up to \$150,000 in fiscal year 1998 and up to \$150,000 in fiscal year 1999 from the Occupational Licensing and Regulatory Fund (Fund 4K9) to the Central Service Agency Fund (Fund 115). The cash shall be utilized as necessary to subsidize the operations of the Central Service Agency during the process of transition due to the Medical Board and the Pharmacy Board no longer using Central Service Agency services.

The Director of Budget and Management shall transfer up to \$20,000 in fiscal year 1998 from the Occupational Licensing and Regulatory Fund (Fund 4K9) to the Central Service Agency Fund (Fund 115). The Office of Budget and Management shall conduct, or contract for the conduct of, a study examining the feasibility of consolidating the administrative process of licensing and regulating barbers and cosmetologists while respecting the separate identities of the two professions. Appropriation authority equal to the cash transfer is hereby appropriated to line item 100-632, Central Service Agency.

Sec. 47.13. Minority Business Bonding Fund

Notwithstanding Chapters 122., 169., and 175. of the Revised Code and other provisions of ~~this act~~ Am. Sub. H.B. 215 of the

122nd General Assembly, the Director of Development may, upon the 9881
recommendation of the Minority Development Financing Advisory 9882
Board, pledge up to \$10,000,000 in this biennium of unclaimed 9883
funds administered by the Director of Commerce and allocated to 9884
the Minority Business Bonding Program pursuant to section 169.05 9885
of the Revised Code. The transfer of any cash by the Director of 9886
Commerce from the Department of Commerce's Unclaimed Funds Fund 9887
(Fund 543) to the Department of Development's Minority Business 9888
Bonding Fund (Fund 449) shall occur, if requested by the Director 9889
of Development, only if such funds are needed for payment of 9890
losses arising from the Minority Business Bonding Program, and 9891
only after the \$2,700,000 transferred to the Minority Business 9892
Bonding Fund by the Controlling Board in 1983 has been used for 9893
that purpose. Moneys transferred by the Director of Commerce for 9894
this purpose may be moneys in custodial funds held by the 9895
Treasurer of State. If expenditures are required for payment of 9896
losses arising from the Minority Business Bonding Program, such 9897
expenditures shall be made from appropriation item 195-623, 9898
Minority Business Bonding Contingency in the Minority Business 9899
Bonding Fund, and such amounts are hereby appropriated. 9900

Minority Business Bonding Program Administration 9901

Investment earnings of the Minority Business Bonding Fund 9902
(Fund 449), shall be credited to Minority Business Bonding Program 9903
Administration Fund (Fund 450). 9904

Ohio Minority Development Financing Advisory Board 9905

The foregoing appropriation item 195-411, Minority 9906
Development Financing Advisory Board, shall be used to pay 9907
operating costs associated with the Minority Development Financing 9908
Advisory Board. 9909

Minority Business Enterprise Loan 9910

Of the foregoing appropriation item 195-646, Minority 9911

Business Enterprise Loan (Fund 4W1), not less than \$500,000 in 9912
each fiscal year shall be used to fund the Ohio Mini-Loan 9913
Guarantee Program to make loan guarantees to small businesses in 9914
an amount not to exceed fifty per cent of the total capital cost 9915
of the project being assisted. In each fiscal year, no more than 9916
\$400,000 shall be used to pay up to 50 per cent of the operating 9917
costs of the Minority Development Financing Advisory Board. 9918

~~In fiscal year 1998~~ During the 1997-1999 biennium, the 9919
Director of Development shall use \$250,000 from appropriation item 9920
195-646, Minority Business Enterprise Loan, to study minority 9921
businesses to identify current minority business needs and to 9922
determine how to improve Department of Development services for 9923
minority businesses that would promote economic development 9924
throughout the state. 9925

All loan repayments from the Minority Development Financing 9926
Advisory Board loan program and the Ohio Mini-Loan Guarantee 9927
Program shall be deposited in the State Treasury, to the credit of 9928
the Minority Enterprise Loan Fund (Fund 4W1). 9929

Sec. 58. EPA ENVIRONMENTAL PROTECTION AGENCY 9930

General Revenue Fund 9931

GRF 716-321	Central Administration	\$	3,688,765	\$	3,780,221	9932
					<u>3,865,221</u>	9933
GRF 717-321	Water Quality Planning	\$	7,783,614	\$	8,133,514	9934
	and Assessment					
			<u>7,748,614</u>			9935
GRF 718-321	Ground Water	\$	1,035,597	\$	1,098,797	9936
GRF 719-321	Air Pollution Control	\$	2,608,893	\$	2,673,946	9937
GRF 721-321	Public Water System	\$	2,857,608	\$	2,939,948	9938
	Supervision					
GRF 724-321	Pollution Prevention	\$	630,799	\$	630,799	9939
GRF 725-321	Laboratory	\$	1,116,505	\$	1,145,330	9940

GRF 726-321	Corrective Actions	\$	304,462	\$	281,279	9941
GRF 715-501	Local Air Pollution Control	\$	1,398,489	\$	1,437,647	9942
GRF 715-503	Science Advisory Program	\$	500,000	\$	500,000	9943
			<u>450,000</u>			9944
GRF 715-504	Special Sanitary District Distress Fund	\$	3,000,000	\$	0	9945
TOTAL GRF General Revenue Fund		\$	24,924,732	\$	22,621,481	9946
			<u>24,839,732</u>		<u>22,706,481</u>	9947
General Services Fund Group						9948
199 715-602	Laboratory Services	\$	700,000	\$	700,000	9949
4A1 715-640	Sale of Goods and Services	\$	3,148,826	\$	3,148,680	9950
<u>491 715-665</u>	<u>Moving Expenses</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>1,358,168</u>	9951
TOTAL GSF General Services Fund Group		\$	3,848,826	\$	3,848,680	9952 9953
					<u>5,206,848</u>	9954
Federal Special Revenue Fund Group						9955
3F2 715-630	State Revolving Loan Fund - Operating Expenses	\$	3,733,024	\$	3,821,161	9956
3F3 715-632	PCB Toxics	\$	3,584,637	\$	3,571,485	9957
3F4 715-633	Water Quality Management	\$	934,238	\$	624,238	9958
3F5 715-641	Nonpoint Source Pollution Management	\$	4,339,154	\$	4,197,440	9959
3J1 715-620	Urban Stormwater	\$	461,309	\$	589,109	9960
3J5 715-615	Maumee River	\$	1,183,511	\$	600,734	9961
3K2 715-628	Clean Water Act 106	\$	2,535,049	\$	2,784,249	9962
3K3 715-637	DOE Agreement in Principle	\$	1,932,687	\$	1,988,973	9963

3K4	715-634	DOD Base	\$	861,500	\$	861,500	9964
		Realignment/Closure					
		Grant					
3K6	715-639	Remedial Action Plan	\$	510,493	\$	723,887	9965
3M5	715-652	Haz Mat Transport	\$	268,745	\$	276,707	9966
		Uniform Safety					
3N1	715-655	Pollution Prevention	\$	90,000	\$	90,000	9967
		Grants					
3N4	715-657	DOE Cost Recovery	\$	3,098,920	\$	3,137,675	9968
		Grants					
352	715-611	Wastewater Pollution	\$	349,132	\$	395,000	9969
353	715-612	Public Water Supply	\$	2,308,500	\$	2,308,500	9970
354	715-614	Hazardous Waste	\$	4,678,123	\$	4,678,123	9971
		Management					
356	715-616	Indirect Costs	\$	3,600,000	\$	3,600,000	9972
357	715-619	Air Pollution Control	\$	3,074,005	\$	2,876,047	9973
362	715-605	Underground Injection	\$	119,000	\$	119,000	9974
		Control					
TOTAL FED	FED	Federal Special Revenue					9975
Fund Group			\$	37,662,027	\$	37,243,828	9976
State Special Revenue Fund Group							9977
4C3	715-647	Central Support	\$	7,254,006	\$	7,437,442	9978
		Indirect					
4D7	715-603	Natural Resources	\$	86,610	\$	86,610	9979
		Damage Assessment					
4G3	715-618	Jennison Wright	\$	140,352	\$	140,352	9980
		Cleanup					
4J0	715-638	Underground Injection	\$	321,139	\$	329,488	9981
		Control					
4K2	715-648	Clean Air	\$	1,863,000	\$	1,863,000	9982
4K3	715-649	Solid Waste	\$	9,960,931	\$	9,037,732	9983
4K4	715-650	Surface Water	\$	6,985,194	\$	6,985,194	9984
		Protection					

4K5	715-651	Drinking Water Protection	\$	4,799,522	\$	3,945,546	9985
4P5	715-654	Cozart Landfill	\$	130,000	\$	130,000	9986
4R5	715-656	Scrap Tire Management	\$	4,255,459	\$	4,243,359	9987
4R9	715-658	Voluntary Action Program	\$	1,345,567	\$	1,269,754	9988
4T3	715-659	Title V Permit Program	\$	11,000,000	\$	10,900,000	9989
4U7	715-660	Construction & Demolition Debris	\$	300,160	\$	300,160	9990
4V8	715-663	Microdot Settlement	\$	40,000	\$	0	9991
500	715-608	Immediate Removal Special Account	\$	591,800	\$	599,639	9992
503	715-621	Hazardous Waste Facility Management	\$	7,580,537	\$	7,901,421	9993
503	715-661	Hazardous Waste Facility Cleanup	\$	3,123,667	\$	3,173,266	9994
503	715-662	Hazardous Waste Facility Board	\$	796,573	\$	810,122	9995
505	715-623	Hazardous Waste Clean-up	\$	18,444,873	\$	17,852,771	9996
6A1	715-645	Environmental Education	\$	2,119,976	\$	2,125,114	9997
602	715-626	Motor Vehicle Inspection and Maintenance	\$	2,301,013	\$	2,390,569	9998
644	715-631	ER Radiological Safety	\$	198,095	\$	190,451	9999
660	715-629	Infectious Wastes Management	\$	179,630	\$	120,480	10000
678	715-635	Air Toxic Release	\$	272,236	\$	290,016	10001
679	715-636	Emergency Planning	\$	1,799,000	\$	1,849,372	10002
676	715-642	Water Pollution Control Loan Administration	\$	0	\$	1,060,000	10003

696	715-643	Air Pollution Control Administration	\$	740,000	\$	750,000	10004
699	715-644	Water Pollution Control Administration	\$	500,000	\$	500,000	10005
TOTAL SSR State Special Revenue							10006
Fund Group			\$	87,129,340	\$	86,281,858	10007
TOTAL ALL BUDGET FUND GROUPS			\$	153,564,925	\$	149,995,847	10008
				<u>153,479,925</u>		<u>151,439,015</u>	10009

Cash Transfer from Hazardous Waste Funds to Solid Waste Fund 10010

Notwithstanding any other provision of law to the contrary, 10011
the Director of Budget and Management shall transfer \$882,619 cash 10012
from Fund 503, Hazardous Waste Facility Management and \$882,619 10013
from Fund 505, Hazardous Waste Clean-up, to Fund 4K3, Solid Waste. 10014

Special Sanitary District Distress Fund 10015

Of the foregoing appropriation item, GRF 715-504, Special 10016
Sanitary District Distress Fund, \$3,000,000 in fiscal year 1998 10017
shall be used exclusively to abate or correct unsanitary 10018
conditions in a special sanitary district created under section 10019
1541.21 of the Revised Code concerning which the Director of 10020
Environmental Protection has issued proposed Administrative Orders 10021
prior to April 1994, but has not issued Final Administrative 10022
Orders. The Special Sanitary District Distress Fund shall be 10023
abolished on June 30, 1999, or whenever the balance in the fund is 10024
\$0, whichever occurs earlier. 10025

Area-Wide Planning Agencies 10026

Of the foregoing appropriation item, GRF 717-321, Water 10027
Quality Planning and Assessment, \$450,000 in fiscal year 1998 and 10028
\$450,000 in fiscal year 1999 shall be divided evenly between the 10029
following six area-wide planning agencies: Eastgate Development 10030
and Transportation Agency, Toledo Metropolitan Area Council of 10031
Governments, Northeast Ohio Four County Regional Planning and 10032

Development Organization, Northeast Ohio Areawide Coordinating 10033
Agency, Ohio-Kentucky-Indiana Regional Council of Governments, and 10034
Miami Valley Regional Planning Commission. 10035

Hazardous Waste Study Committee 10036

The Director of Environmental Protection shall review the 10037
funding needs and program activities of the Division of Hazardous 10038
Waste Management and the Division of Emergency and Remedial 10039
Response and present that information to an advisory committee 10040
established by the Director. The committee shall be composed of 10041
three representatives of the Environmental Protection Agency, two 10042
representatives of permitted hazardous waste facilities, two 10043
representatives of industry involved in emergency and remedial 10044
response, and two representatives of state-wide environmental 10045
advocacy organizations. The committee shall make recommendations 10046
to the Director regarding funding needs and program activities. 10047
The Director shall report the committee's recommendations to the 10048
Speaker of the House of Representatives and the President of the 10049
Senate not later than October 1, 1998. 10050

Scrap Tire Program 10051

Of the foregoing appropriation item Fund 4R5, 715-656 Scrap 10052
Tire Management, \$400,000 in fiscal year 1998 and \$400,000 in 10053
fiscal year 1999 shall be used to fund a tire development and 10054
reprocessing project. 10055

Harrison County Garage Environmental Assessment 10056

Of the foregoing appropriation item GRF 726-321, Corrective 10057
Actions, \$30,000 in fiscal year 1998 shall be used to fund the 10058
Harrison County Garage environmental assessment. 10059

Moving Expenses 10060

There is hereby created in the state treasury the Moving 10061
Expenses Fund. The fund shall consist of cash balances transferred 10062

from existing funds not already obligated to pay existing 10063
obligations. The fund shall be used to pay the moving expenses of 10064
the Environmental Protection Agency into new facilities. 10065
10066

Notwithstanding any provision of the law to the contrary, the 10067
Director of Environmental Protection, with the approval of the 10068
Director of Budget and Management, may transfer cash balances not 10069
already obligated to other obligations into the Moving Expenses 10070
Fund. 10071

Sec. 62.01. Child and Family Health Services 10072

Of the foregoing appropriation item 440-416, Child and Family 10073
Health Services, \$1,300,000 in each fiscal year shall be used for 10074
family planning services. None of the funds received through these 10075
family planning grants shall be used to provide abortion services. 10076
None of the funds received through these family planning grants 10077
shall be used for referrals for abortion, except in the case of a 10078
medical emergency. These funds shall be distributed on the basis 10079
of the relative need in the community served by the Director of 10080
Health to family planning programs, which shall include family 10081
planning programs funded under Title V of the "Social Security 10082
Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended, and Title 10083
X of the "Public Health Services Act," 58 Stat. 682 (1946), 42 10084
U.S.C.A. 201, as amended, as well as to other family planning 10085
programs which the Department of Health also determines will 10086
provide services that do not include referrals for abortion, other 10087
than in the case of medical emergency, with state funds, but that 10088
otherwise substantially comply with the quality standards for such 10089
programs under Title V and Title X. 10090

The Director of Health shall, by regulation, provide 10091
reasonable methods by which a grantee wishing to be eligible for 10092
federal funding may comply with these requirements for state 10093
funding without losing its eligibility for federal funding. 10094

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$25,000 in fiscal year 1998 shall be used by the Preble County Commission to conduct a study to determine if a Wellness Center should be established in Preble County. Any unused funds shall be credited to appropriation item 440-416, Child and Family Health Services.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$47,000 in fiscal year 1998 shall be used by the Monroe County Health Planning Council.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$150,000 in each fiscal year shall be used to provide malpractice insurance for physicians and other health professionals providing prenatal services in programs funded by the Ohio Department of Health.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$650,000 in each fiscal year shall be used for the Help Me Grow program.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$200,000 shall be used in each fiscal year for the OPTIONS dental care access program.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$25,000 shall be used by the Carroll County Health Department.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$50,000 in each fiscal year shall be used by the Cuyahoga County Health Department for the development of a Pulmonary Hemosiderosis Prevention Program.

Prevention

Of the foregoing appropriation item 440-451, Prevention, \$100,000 shall be used in each fiscal year for rape prevention

programs. 10125

Of the foregoing appropriation item 440-451, Prevention, 10126
\$54,500 in fiscal year 1998 and \$49,820 in fiscal year 1999 shall 10127
be used by the Miami Valley Youth Health Improvement Coalition to 10128
prevent youths from cigarette or marijuana use and from alcohol 10129
consumption. These funds shall be made available for use in the 10130
following counties: Champaign, Clark, Darke, Greene, Miami, 10131
Montgomery, Preble, and Shelby. 10132

Hemophilia AIDS Prevention 10133

Of the foregoing appropriation, 440-406, Hemophilia Services, 10134
\$235,000 in fiscal year 1998 and \$245,000 in fiscal year 1999 10135
shall be used by the Ohio Department of Health to provide grants 10136
to the nine hemophilia treatment centers to provide prevention 10137
services for persons with hemophilia and their family members 10138
affected by AIDS and other bloodborne pathogens. 10139

HIV/AIDS Prevention/Protease Inhibitors 10140

Of the foregoing appropriation item 440-444, AIDS 10141
Prevention/AZT, \$3.0 million in fiscal year 1998 and \$3.9 million 10142
in fiscal year 1999 shall be used to assist persons with HIV/AIDS 10143
in acquiring protease inhibitor drugs. 10144

Hemophilia Insurance Pilot Project 10145

Of the foregoing appropriation item 440-406, Hemophilia 10146
Services, \$205,000 in each fiscal year shall be used to implement 10147
the Hemophilia Insurance Pilot Project. 10148

Maternal Child Health Block Grant 10149

Of the foregoing appropriation item 440-601, Maternal Child 10150
Health Block Grant (Fund 320), \$2,091,299 shall be used in each 10151
fiscal year for the purposes of abstinence-only education. The 10152
Director of Health shall develop guidelines for the establishment 10153
of abstinence programs for teenagers with the purpose of 10154

decreasing unplanned pregnancies and abortion. Such guidelines shall be pursuant to Title V of the "Social Security Act," 42 U.S.C.A. 510 and shall include, but are not limited to, advertising campaigns and direct training in schools and other locations.

Medically Handicapped Children Audit

The Medically Handicapped Children Audit Fund (Fund 477) shall receive revenue from audits of hospitals and recoveries from third-party payors. Funds may be expended for payment of audit settlements and for costs directly related to obtaining recoveries from third-party payors and for encouraging Program for Medically Handicapped Children recipients to apply for third-party benefits. Funds also may be expended for payments for diagnostic and treatment services on behalf of medically handicapped children, as defined in division (A) of section 3701.022 of the Revised Code, Ohio residents who are twenty-one or more years of age and who are suffering from cystic fibrosis.

Medically Handicapped Children - County Assessments

The foregoing appropriation item, 440-607, Medically Handicapped Children - County Assessments, shall be used to make payments pursuant to division (E) of section 3701.023 of the Revised Code.

Sickle Cell Fund

The foregoing State Special Revenue Fund Group appropriation item 440-610, Sickle Cell Disease Control (Fund 4F9), shall be used by the Department of Health to administer programs authorized by section 3701.131 of the Revised Code. The source of the funds is as specified in section 3701.23 of the Revised Code.

Cancer Registry System

The foregoing appropriation item 440-412, Cancer Incidence

Surveillance System, shall be used to establish and maintain a
cancer registry system within the Department of Health pursuant to
sections 3701.261 to 3701.263 of the Revised Code. In each fiscal
year of the biennium, \$50,000 of line item 440-412 shall be used
as an operating subsidy for the Cleveland Cancer Data Systems.

Genetics Services

The foregoing State Special Revenue Fund Group appropriation
item 440-608, Genetics Services (Fund 4D6), shall be used by the
Department of Health to administer programs authorized by sections
3701.501 and 3701.502 of the Revised Code.

Sudden Infant Death Syndrome

A portion of the foregoing appropriation item 440-601,
Maternal and Child Health Block Grant (Fund 320), shall be used to
ensure that current information on sudden infant death syndrome is
available for distribution by local health districts.

Poison Control Network

Of the foregoing appropriation, 440-504, Poison Control
Network, all available funds in each fiscal year shall be used by
the Ohio Department of Health for grants to the consolidated Ohio
Poison Control Center to provide poison control services to Ohio
citizens.

Of the foregoing appropriation item 440-504, Poison Control
Network, \$250,000 in fiscal year 1998 and \$250,000 in fiscal year
1999 shall be used to consolidate the poison control centers in
Ohio in a single location in Hamilton County.

Tuberculosis

The foregoing appropriation item 440-506, Tuberculosis, shall
be used to make payments to counties pursuant to section 339.43 of
the Revised Code.

Child and Family Health Services ISTV

The Director of Budget and Management shall transfer cash 10215
from Fund 3P8, Disproportionate Share, to the Department of Health 10216
Fund 5E1, Health Services, in an amount of \$14,800,000. This 10217
amount shall be used for the following purposes: \$4,900,000 shall 10218
be used in fiscal years 1998 and 1999 for rabies prevention; 10219
\$1,000,000 in each fiscal year shall be disbursed to the local 10220
Child and Family Health Services Clinics to provide services to 10221
uninsured low-income persons; \$1,500,000 in each fiscal year to 10222
Federally Qualified Health Centers and federally designated 10223
look-alikes to provide services to uninsured low-income persons; 10224
\$1,000,000 in each fiscal year shall be used for the diagnosis and 10225
treatment of sexually transmitted diseases; and \$700,000 in each 10226
fiscal year for family planning services. None of the funds 10227
received through family planning grants under appropriation item 10228
440-624, Health Services (Fund 5E1), shall be used to provide 10229
abortion services. None of the funds received through family 10230
planning grants under appropriation item 440-624, Health Services 10231
(Fund 5E1), shall be used for referrals for abortion, except in 10232
the case of a medical emergency. These funds shall be distributed 10233
on the basis of the relative need in the community served by the 10234
Director of Health to family planning programs, which shall 10235
include family planning programs funded under Title V of the 10236
"Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as 10237
amended, and Title X of the "Public Health Services Act," 58 Stat. 10238
682 (1946), 42 U.S.C.A. 201, as amended, as well as to other 10239
family planning programs which the Department of Health also 10240
determines will provide services that do not include referrals for 10241
abortion, other than in the case of medical emergency, with state 10242
funds, but that otherwise substantially comply with the quality 10243
standards for such programs under Title V and Title X. 10244

The Director of Health shall, by regulation, provide 10245
reasonable methods by which a grantee wishing to be eligible for 10246

federal funding may comply with these requirements for state 10247
funding without losing its eligibility for federal funding. The 10248
Director of Health shall adopt rules for the use of these funds by 10249
September 30, 1997. 10250

The Director of Health shall require recipients of these 10251
funds to acknowledge that Fund 5E1, Health Services, does not have 10252
a revenue source beyond this biennium and that there is no 10253
assurance that funding for these initiatives will continue in the 10254
next biennium. 10255

Public Health 10256

Of the foregoing appropriation item 440-624, Health Services, 10257
\$500,000 in fiscal year 1998 and \$1,000,000 in fiscal year 1999 10258
shall be transferred to the Ohio State University College of 10259
Medicine and Public Health. The funds shall support the 10260
development of statewide public health initiatives that are 10261
consistent with the "Ohio Public Health Plan: Strategies to 10262
Implement the Five Point Plan," including the development of data 10263
collection mechanisms and data processes to track and evaluate 10264
public health programs and outcomes. The College of Medicine and 10265
Public Health shall work in collaboration with the Department of 10266
Health and the local departments of health to provide consultative 10267
program development and design services in health behavior, health 10268
promotion, epidemiology, biometrics, health services and 10269
management, and environmental health sciences. Measurable 10270
outcome-based initiatives shall be developed in a minimum of the 10271
following areas: childhood immunizations; emerging infectious 10272
diseases; women's health issues; the prevention of teenage 10273
pregnancy; improved outcomes of pregnancy; and the value of 10274
nutritional education and dietary modification as a strategy for 10275
the prevention of heart disease and cancer. 10276

The Director of Health shall require The Ohio State 10277

University College of Medicine and Public Health to acknowledge 10278
that Fund 5E1, Health Services, does not have a revenue source 10279
beyond this biennium and that there is no assurance that funding 10280
for these initiatives will continue in the next biennium. 10281

AIDS Drug Reimbursement Program 10282

Of the foregoing appropriation item 440-444, AIDS 10283
Prevention/AZT, \$124,500 in fiscal years 1998 and 1999 shall be 10284
used for the AIDS Drug Reimbursement Program and section 3701.241 10285
of the Revised Code and Title XXVI of the "Public Health Services 10286
Act," 104 Stat. 576 (1990), 42 U.S.C.A. 2601, as amended. The 10287
Department of Health is authorized to promulgate rules pursuant to 10288
section 111.15 and Chapter 119. of the Revised Code as necessary 10289
for the administration of the program. 10290

Ohio Early Start Program 10291

The foregoing appropriation item 440-459, Ohio Early Start, 10292
shall be used to provide services to children under age three who 10293
are at risk of developmental delay or child abuse and neglect. 10294
Funds shall be allocated with the approval of the Family and 10295
Children First Cabinet Council and pursuant to rules adopted in 10296
accordance with Chapter 119. of the Revised Code. 10297

Ohio Health Care Data System 10298

Of the foregoing appropriation item, 440-413, Ohio Health 10299
Care Data System, the Director of Health may distribute up to 10300
\$450,000 in each fiscal year to the Ohio Corporation for Health 10301
Information to expand the electronic data interchange effort and 10302
for special projects. 10303

Transfer of Laboratory Services 10304

The Director of Health shall contract with The Ohio State 10305
University to perform the state laboratory testing, analytical 10306
duties and any other related functions currently performed by the 10307

Bureau of Laboratories at the Department of Health.	10308
<u>Osteoporosis Awareness Program</u>	10309
Grants from pharmaceutical companies, and others, that are credited to appropriation item 440-609, Non-Governmental Revenue (Fund 4L3), for the purpose of osteoporosis awareness and appropriations in line item 440-402, Osteoporosis Awareness, are to be used by the Office of Women's Health Initiatives to implement an Osteoporosis Awareness Program.	10310 10311 10312 10313 10314 10315
<u>Central Support Indirect Fund Cash Transfer</u>	10316
<u>On or before June 30, 1998, at the request of the Director of Health, the Director of Budget and Management may transfer cash in an amount up to \$600,000 from the Central Support Indirect Fund (Fund 211) to the Lab Handling Fee Fund (Fund 473) and increase appropriation item 440-622, Lab Handling Fee, by an equivalent amount.</u>	10317 10318 10319 10320 10321 10322
<u>Certificate of Need Fund Uses</u>	10323
<u>In addition to uses cited in division (B) of section 3702.52 Of the Revised Code, in fiscal year 1999 the Director of Health may use the Certificate of Need Fund (Fund 471) to administer sections 3702.11 to 3702.20 and 3702.30 Of the Revised Code.</u>	10324 10325 10326 10327
SECTION 67.08 OF AM. SUB. H.B. 215/122nd GA	10328
Sec. 67.08. <u>Study on Transfer of Assets and the Medicaid Estate Recovery Program</u>	10329 10330
The Department of Human Services shall conduct a study, or contract for a study to be conducted, for the purpose of determining the extent to which applicants for nursing home services paid for through the Medicaid program are transferring their assets for less than fair market value as a means of avoiding depletion of their assets for their own support prior to becoming eligible for Medicaid. The study shall include an	10331 10332 10333 10334 10335 10336 10337

analysis of the Medicaid estate recovery program, including a
 compilation of data regarding the ~~following~~ following: the
 frequency of homestead property being available for recovery, the
 amount spent on the estate recovery program in comparison to the
 amount actually recovered, and the experience of other states in
 operating Medicaid estate recovery programs. The study shall
 include any recommendations for legislative changes that would
 either deter the occurrence of pre-eligibility asset transfers or
 enhance the efficacy of the Department's Medicaid estate recovery
 program. Results of the study shall be filed by January 1, 1999,
 with the Governor, the Speaker of the House of Representatives,
 and the President of the Senate.

Funding for the Early Start Welcome Visits Program

In fiscal year 1999, upon the request of the Director of
 Human Services, the Controlling Board may transfer up to \$4
 million in state share General Revenue Fund appropriations from
 the Department of Human Services to the Department of Health
 appropriation item 440-459, Early Start Welcome Visits Program.
 The Director of Budget and Management may reduce the appropriate
 line item in the Department of Human Services' budget by the
 amount of corresponding federal matching funds.

Sec. 119. OVH OHIO VETERANS' HOME

General Revenue Fund				10360	
GRF 430-100 Personal Services	\$	10,334,362	\$	11,039,285	10361
GRF 430-200 Maintenance	\$	4,676,165	\$	5,007,942	10362
TOTAL GRF General Revenue Fund	\$	15,010,527	\$	16,047,227	10363
Federal Special Revenue Fund Group				10364	
3L2 430-601 Federal Grants	\$	6,690,000	\$	7,034,267	10365
TOTAL FED Federal Special Revenue				10366	
Fund Group	\$	6,690,000	\$	7,034,267	10367
State Special Revenue Fund Group				10368	

4E2 430-602	Veterans Home	\$	3,082,672	\$	3,320,470	10369
	Operating					
					<u>3,480,942</u>	10370
<u>484 430-603</u>	<u>Rental and Service</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>100,000</u>	10371
	<u>Revenue</u>					
604 430-604	Veterans Home	\$	466,192	\$	579,839	10372
	Improvement					
TOTAL SSR State Special Revenue						10373
Fund Group		\$	3,548,864	\$	3,900,309	10374
					<u>4,160,781</u>	10375
TOTAL ALL BUDGET FUND GROUPS		\$	25,249,391	\$	26,981,803	10376
					<u>27,242,275</u>	10377
	<u>Cash Transfer From Veterans Home Fund To Operating Fund</u>					10378
	<u>The Director of Budget and Management may transfer cash in an</u>					10379
	<u>amount equal to a one per cent reduction in the Ohio Veterans Home</u>					10380
	<u>General Revenue Fund operating line items, as provided in Am. Sub.</u>					10381
	<u>H. B. 650 of the 122nd General Assembly, from the Veterans Home</u>					10382
	<u>Fund (Fund 604) to the Veterans Home Operating Fund (Fund 4E2).</u>					10383
	Sec. 190. <u>Ohio Departments Building</u>					10384
	(A) As used in this section:					10385
	(1) "Repair and renovate" and "repair and renovation"					10386
	include, but are not limited to, planning, programming, design,					10387
	constructions, furnishing, and equipping of the Ohio Departments					10388
	Building;					10389
	(2) "Appropriation" means appropriation items CAP-815 and					10390
	CAP-849 in Section 28 of Am. H.B. 748 of the 121st General					10391
	Assembly, appropriation items CIR-825, CIR-815, and CIR-831 in					10392
	Section 15.02 of Am. Sub. S.B. 264 of the 121st General Assembly,					10393
	and any subsequent appropriations made to or for the benefit of					10394
	the Supreme Court for the repair and renovation of the Ohio					10395
	Departments Building.					10396

(B) The appropriation shall be used by or at the direction of the Supreme Court of Ohio for the repair and renovation of the Ohio Departments Building as follows:

(1) A portion shall be used by the Department of Administrative Services for the repair and renovation of the exterior, roof, and grounds of the Ohio Departments Building;

(2) The remaining portion shall be used after January 1, 1998 by the Ohio Building Authority for other expenses associated with the repair and renovation of the Ohio Departments Building, including, but not limited to, the interior and grounds of the Building.

(C) The Ohio Building Authority, with the prior approval of the Supreme Court, shall submit a plan and cost estimate of repair and renovation set forth in division (B)(2) of this section to the Department of Administrative Services. Based upon the plan, the Director of Administrative Services shall request the Director of Budget and Management to release from the appropriation the estimated amount. The Director of Budget and Management may release the ~~funds~~ appropriation and, upon ~~their~~ that release, the Director of Administrative Services shall transfer the amount released to the Ohio Building Authority, which shall use the ~~funds~~ moneys, and any investment earnings on the ~~funds~~ moneys and other available receipts as defined in section 152.09 of the Revised Code, to pay the costs of the repair and renovation.

(D) Upon completion of the repair and renovation:

(1) Any ~~funds~~ moneys received by the Ohio Building Authority for the repair and renovation that have not been used shall be refunded to the Department of Administrative Services for deposit into Fund 026;

(2) The Supreme Court shall own, operate, and manage the Ohio Departments ~~funds received by the Ohio Building Authority for the~~

~~repair and renovation that have not been used shall be refunded to~~ 10428
~~the Department of Administrative Services for deposit into Fund~~ 10429
~~026 Building.~~ 10430

(E) The Supreme Court may enter into contracts or other 10431
agreements with the Department of Administrative Services, the 10432
Ohio Building Authority, another state entity, or a private 10433
contractor to operate and manage the Ohio Departments Building. 10434

(F) To assist the Ohio Building Authority, the Department of 10435
Administrative Services and the Supreme Court may assign, amend, 10436
or enter into any necessary or appropriate leases, contracts, or 10437
agreements relating to the Ohio Departments Building to or with 10438
the Ohio Building Authority upon terms satisfactory to all 10439
parties. 10440

(G) Repairs and renovations that are made using the 10441
appropriation are exempt from section 3379.10 Of the Revised Code, 10442
the per cent for arts program. 10443

Sec. 210. Sections 5733.02, 5733.022, 5733.03, 5733.042, 10444
5733.05, 5733.051, 5733.052, 5733.053, 5733.055, 5733.06, 10445
5733.061, 5733.065, 5733.066, 5733.067, 5733.068, 5733.069, 10446
5733.0611, 5733.09, 5733.12, 5733.31, 5733.311, 5733.32, 5733.33, 10447
and 5733.98 of the Revised Code, as amended or enacted by ~~this act~~ 10448
Am. Sub. H.B. 215 of the 122nd General Assembly, apply to tax 10449
years 1999 and thereafter, except as otherwise provided in 10450
division (A) of section 5733.05 ~~and divisions (A)(6) through (8)~~ 10451
~~of section 5733.98~~ of the Revised Code. Nothing in Am. Sub. H.B. 10452
215 of the 122nd General Assembly amends or repeals all or any 10453
portion of these sections for the purposes of tax year 1998 with 10454
regard to corporations other than financial institutions. 10455

The amendment of this section is subject to the referendum." 10456

Section 4. That existing Sections 20.05, 47.13, 58, 62.01, 10457

67.08, 119, 190, and 210 of Am. Sub. H.B. 215 of the 122nd General Assembly are hereby repealed. 10458
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Section 5. That Section 67.05 of Am. Sub. H.B. 215 of the 122nd General Assembly, as amended by Sub. H.B. 446 of the 122nd General Assembly, be amended to read as follows: 10460
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"Sec. 67.05. Transfer of Funds 10463

The Ohio Department of Human Services shall transfer through intrastate transfer vouchers, cash from State Special Revenue Fund 4K1, ICF/MR Bed Assessments, to fund 4K8, Home and Community-Based Services, in the Ohio Department of Mental Retardation and Developmental Disabilities. The sum of the transfers shall be equal to the amounts appropriated per fiscal year in line item 322-604, Waiver - Match. The transfer may occur on a quarterly basis or on a schedule developed and agreed to by both Departments. 10464
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The Ohio Department of Human Services shall transfer, through intrastate transfer vouchers, cash from the State Special Revenue Fund 4J5, Home and Community-Based Services for the Aged, to Fund 4J4, PASSPORT, in the Ohio Department of Aging. The sum of the transfers shall be equal to the amount appropriated per fiscal year in line item 490-610, PASSPORT/Residential State Supplement. The transfer may occur on a quarterly basis or on a schedule developed and agreed to by both departments. 10473
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Day Care for Foster Parents 10481

Of the foregoing appropriation item 400-527, Child Protective Services, not more than \$1,400,000 in fiscal year 1998 and not more than \$1,400,000 in fiscal year 1999, may be used to reimburse counties for child day care services purchased in behalf of children in foster care. Such funds may be used as matching funds for federal funds that may be available for this purpose. The 10482
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Department of Human Services shall adopt rules, in accordance with 10488
section 111.15 of the Revised Code, establishing reimbursement 10489
procedures and conditions to be followed by counties. 10490

Transfer from the Children's Trust Fund to the Wellness Block 10491
Grant Fund 10492

The Director of Budget and Management shall transfer 10493
\$1,000,000 in fiscal year 1998 and \$1,000,000 in fiscal year 1999 10494
from Fund 198, Children's Trust Fund, to Fund 4N7, Wellness Block 10495
Grant, within the Department of Human Services' budget. 10496

Foster Care Liability Coverage 10497

On behalf of public children services agencies and in 10498
consultation with the Department of Insurance and the Office of 10499
State Purchasing, the Department of Human Services may seek and 10500
accept proposals for a uniform and statewide insurance policy to 10501
indemnify foster parents for personal injury and property damage 10502
suffered by them due to the care of a foster child. Premiums for 10503
such a policy shall be the sole responsibility of each public 10504
children services agency that agrees to purchase the insurance 10505
policy. 10506

Protective Services Incentive Funding 10507

Notwithstanding the formula in section 5101.14 of the Revised 10508
Code, from the foregoing appropriation item 400-527, Child 10509
Protective Services, the Department of Human Services may use no 10510
more than \$2 million in fiscal year 1999 as incentive funding for 10511
public children services agencies to promote innovative practice 10512
standards and efficiencies in service delivery. The department 10513
shall develop a process for the release of these funds and may 10514
adopt rules in accordance with section 111.15 of the Revised Code 10515
governing the distribution, release, and use of these funds. 10516

Day Care/Head Start Collaborations 10517

The Department of Human Services and the county departments 10518
of human services shall work to develop collaborative efforts 10519
between Head Start and child care providers. The Department of 10520
Human Services may use the foregoing appropriation items 400-413, 10521
Day Care Match/Maintenance of Effort, and 400-617, Day Care 10522
Federal, to support collaborative efforts between Head Start and 10523
child day care centers. 10524

Day Care Funding for Latchkey Children 10525

The Department of Human Services shall use not less than 10526
\$5,000,000 in fiscal year 1998 and not less than \$5,000,000 in 10527
fiscal year 1999 of the Child Care Development Block Grant moneys 10528
to support low-income families who need assistance in the 10529
provision of before-school and after-school care for their 10530
children. The Department of Human Services shall establish rules 10531
determining eligibility for these dollars adopted in accordance 10532
with section 111.15 of the Revised Code. 10533

Evening and Night Time Child Care 10534

When the Department of Human Services adopts rules 10535
establishing a procedure for determining the rates of maximum 10536
reimbursement for publicly funded child care, the department shall 10537
adopt an enhanced rate to encourage the development of child care 10538
for parent(s) who work nontraditional hours. 10539

Human Services Staff Reduction 10540

From staffing levels that existed on January 1, 1997, the 10541
Department of Human Services is required to reduce its full-time 10542
equivalent positions by 150 by July 1, 1999. At least thirty-nine 10543
positions must be eliminated by January 1, 1998. The remaining 10544
positions must be eliminated by July 1, 1999. 10545

Child Protective Services Information System 10546

(A) From the foregoing appropriation item 400-416, Computer 10547

Projects, the Department of Human Services shall expend at least 10548
\$6,000,000 in fiscal year 1998 and at least \$6,000,000 in fiscal 10549
year 1999 to contract with a vendor to develop a statewide 10550
automated child welfare information system (SACWIS) and support 10551
the 88 public children services agencies' implementation of the 10552
SACWIS. The department shall select a vendor by using a 10553
competitively bid request for proposal process. For a vendor to be 10554
eligible to contract with the department, all of the following 10555
must apply: 10556

(1) The vendor must have developed a SACWIS for another state 10557
and assisted that state with the successful implementation of the 10558
SACWIS; 10559

(2) The vendor must be able to do either of the following: 10560

(a) Revise the SACWIS developed for the other state to comply 10561
with Ohio and federal law and successfully interface with the 10562
Support Enforcement Tracking System (SETS) and Client Registry and 10563
Information System-Enhanced (CRIS-E); 10564

(b) Develop a new SACWIS that complies with Ohio and federal 10565
law and successfully interfaces with SETS and CRIS-E; 10566

(3) The vendor must be able to have the SACWIS operational in 10567
all 88 public children services agencies by June 30, 1999. 10568

(B) The Department of Human Services shall do both of the 10569
following: 10570

(1) Provide training and system support for the county 10571
employees who will use the SACWIS; 10572

(2) Provide for the maintenance and general upkeep of the 10573
SACWIS. 10574

Adoption Assistance 10575

Of the foregoing appropriation item 400-528, Title IV-E and 10576
State Adoption Services, not more than \$3,700,000 in fiscal year 10577

1998 and not more than \$3,700,000 in fiscal year 1999 shall be
used in support of post finalization adoption services offered
pursuant to section 5153.163 of the Revised Code. The Department
of Human Services shall adopt rules and procedures pursuant to
section 111.15 of the Revised Code to set payment levels and limit
eligibility for post finalization adoption services as necessary
to limit program expenditures to the amounts set forth in this
section, based on factors, including but not limited to, any or
all of the following: type, or extent, of the adopted child's
disability or special need; and resources available to the
adoptive family to meet the child's service needs.

Social Service Block Grant (SSBG) Earmark for Day Care
Services

Of the foregoing appropriation item 400-620, Social Services
Block Grant, no less than \$15,000,000 in fiscal year 1998 and
\$15,000,000 in fiscal year 1999 shall be used for child day care
services. The remainder of the SSBG funding may be used to provide
social services as authorized in section ~~5101.465~~ 5101.46 of the
Revised Code, including adult day care.

Child Support Collections/TANF MOE

The foregoing appropriation item 400-658, Child Support
Collections, shall be used by the Department of Human Services to
meet the TANF Maintenance of Effort requirements of Pub. L. No.
104-193. After the state has met the maintenance of effort
requirement, the Department of Human Services may use funds from
line item 400-658 to support public assistance activities.

Transfer of Unspent Funds from Fiscal Year 1998 to Fiscal
Year 1999

Upon the request of the Department of Human Services, the
Controlling Board may transfer any remaining unspent fiscal year
1998 funds from appropriation item 400-410, TANF State, to

appropriations for fiscal year 1999 so that the state of Ohio will 10609
be able to meet the Maintenance of Effort requirements for the 10610
Temporary Assistance for Needy Families Block. 10611

Upon the request of the Department of Human Services, the 10612
Controlling Board may transfer any remaining unspent fiscal year 10613
1998 funds from appropriation item 400-413, Day Care/Maintenance 10614
of Effort, to appropriations for fiscal year 1999 so that the 10615
state of Ohio will be able to meet the Maintenance of Effort 10616
requirements for the Child Care Development Block Grant. 10617

Upon the request of the Department of Human Services, the 10618
Controlling Board may transfer any remaining unspent fiscal year 10619
1998 funds from individual county consolidations from 10620
appropriation item 400-527, Child Protective Services, to 10621
appropriations for fiscal year 1999 so that the counties may meet 10622
the obligations for services funded through that line item. 10623

Upon the request of the Department of Human Services, the 10624
Controlling Board may transfer any remaining unspent fiscal year 10625
1998 funds from the Post Finalization Special Adoption Services 10626
portion of appropriation item 400-528, Adoption Services, to 10627
appropriations for fiscal year 1999 so that counties may meet the 10628
obligations for services funded through that portion of the line 10629
item. 10630

Upon the request of the Department of Human Services, the 10631
Controlling Board may transfer any remaining unspent fiscal year 10632
1998 funds from appropriation item 400-409, Wellness Block Grant, 10633
to appropriations for fiscal year 1999 so that the counties may 10634
meet the obligations for services funded through that line. 10635

Private Child Care Agencies Training 10636

The foregoing appropriation item 400-615, Private Child Care 10637
Agencies Training, shall be used by the Department of Human 10638
Services to provide the state match for federal Title IV-E 10639

training dollars for private child placing agencies and private noncustodial agencies. Revenues shall consist of moneys derived from fees established under section ~~5101.112~~ 5101.143 of the Revised Code and paid by private child placing agencies and private noncustodial agencies.

Funding for Emergency Food Distribution Programs

Of the foregoing appropriation item 400-610, Food Stamps and State Administration, \$1.5 million in fiscal year 1998 and \$1.5 million in fiscal year 1999 shall be used by the Department of Human Services to purchase commodities and distribute those commodities to supplement the emergency food distribution programs. Agencies receiving commodities under this program shall provide reports in accordance with rules developed by the Department of Human Services.

Transfers for Lead Assessments

Of the foregoing appropriation item 400-525, Health Care/Medicaid, \$77,790 (state share only) in fiscal year 1998, and \$111,477 (state share only) in fiscal year 1999 shall be used to transfer funds from the General Revenue Fund to the General Operations Fund (Fund 142) of the Department of Health. Transfer of the funds shall be made through intrastate transfer vouchers pursuant to an interagency agreement for the purpose of performing environmental lead assessments in the homes of Medicaid Healthcheck recipients.

Transfer IMD/DSH Cash

The Director of Budget and Management may transfer cash from the Disproportionate Share Fund (3P8) in the Department of Human Services to the OhioCare Fund (4X5) in the Department of Mental Health, the Behavioral Health Medicaid Services Fund (4X4) in the Department of Alcohol and Drug Addiction Services, and the Medicaid Program Support Fund - State (5C9) in the Department of

Human Services and shall transfer cash in the amount of 10671
\$14,800,000 to the Health Services Fund (5E1) in the Department of 10672
Health. 10673

Interagency Agreement on Specified Medicaid Services 10674

Based on an interagency agreement, the Department of Human 10675
Services may delegate authority to the Department of Alcohol and 10676
Drug Addiction Services and the Department of Mental Health to 10677
administer specified Medicaid services. Monthly reimbursement 10678
shall be made by intrastate transfer voucher from the Department 10679
of Human Services' appropriation items 400-525, Health 10680
Care/Medicaid, and 400-655, Interagency Reimbursement, to the 10681
Department of Drug and Alcohol Addiction Services' Behavioral 10682
Health Medicaid Services Fund (4X4) and the Department of Mental 10683
Health's OhioCare Fund (4X5). 10684

Medicaid Program Support Fund-State 10685

The Department of Human Services' Medicaid Program Support 10686
Fund-State (5C9) is hereby created in the state treasury. The Fund 10687
shall be used to receive earned federal reimbursement generated by 10688
the Institutions for Mental Diseases/Disproportionate Share 10689
Hospital Program. The foregoing appropriation item 400-671, 10690
Medicaid Program Support, may be used for the following purposes: 10691
to pay for Medicaid services to eligible children under age 10692
nineteen, whose family income does not exceed 150 per cent of the 10693
federal poverty level; to pay for a new Medicaid home and 10694
community-based waiver program for non-aged persons with chronic, 10695
long-term disabilities; and, to make residual payments associated 10696
with the specified Medicaid services transferred to the Department 10697
of Alcohol and Drug Addiction Services and the Department of 10698
Mental Health. 10699

The foregoing appropriation item 400-672, Medicaid Services, 10700
may be used by the Department of Human Services to pay for 10701

Medicaid services or to transfer moneys by intrastate transfer 10702
voucher to the Department of Mental Health's OhioCare Fund (4X5) 10703
in accordance with an interagency agreement which delegates 10704
authority from the Department of Human Services to the Department 10705
of Alcohol and Drug Addiction Services and the Department of 10706
Mental Health to administer specified Medicaid services. 10707

Medicaid Program Support Fund-Federal 10708

The Department of Human Services' Medicaid Program Support 10709
Fund-Federal (3P7) is hereby created in the state treasury. The 10710
foregoing appropriation item 400-668, Medicaid Program Support, 10711
may be used to pay for Medicaid services to eligible children 10712
under age nineteen, whose family income does not exceed 150 per 10713
cent of the federal poverty level; and for a new Medicaid home and 10714
community-based waiver program for non-aged persons with chronic, 10715
long-term disabilities. Funds also may be used for residual 10716
payments associated with the specified Medicaid services 10717
transferred to the Department of Alcohol and Drug Addiction 10718
Services and the Department of Mental Health. 10719

The foregoing appropriation item 400-672, Medicaid Services, 10720
may be used by the Department of Human Services to pay for 10721
Medicaid services and contracts. 10722

OhioCare Start-up Fund Name Change 10723

The name of the Department of Human Services' OhioCare 10724
Start-up Fund (3P7) is hereby changed to the Medicaid Program 10725
Support Fund-Federal. 10726

Rural Medicaid Managed Care Pilot Programs 10727

The Director of Human Services may contract with one or more 10728
organizations to develop and/or implement Medicaid Managed Care 10729
Pilot Programs in rural sections of Ohio. 10730

Medicaid Managed Care Reimbursement Study Committee 10731

The Medicaid Managed Care Reimbursement Study Committee shall meet by August 1, 1997, to begin reviewing the appropriateness of the negotiated Medicaid reimbursement rates paid to managed care organizations for services provided to Medicaid recipients in fiscal year 1998. By November 1, 1997, the Committee must report its findings and/or recommendations concerning the fiscal year 1998 rates to the Governor, the Speaker of the House of Representatives, and the President of the Senate.

Medicaid Managed Care for Individuals with MR/DD

In preparing the budget for medical assistance for state fiscal years 2000 and 2001, as it pertains to services provided to individuals with mental retardation and developmental disabilities, the Office of Budget and Management and the Department of Human Services shall review the results of any study regarding the use of a managed care system that is prepared and submitted to it by the Hattie Larlham Foundation, the Ohio Department of Mental Retardation and Developmental Disabilities Action Committee, the Ohio Private Residential Association, the Ohio Coalition for Services to Persons with Mental Retardation and Developmental Disabilities, or any other entity.

Transfer Lapsed Funds in Fund 4A6 to GRF

The Department of Human Services shall certify the cash balance of Fund 4A6 to the Director of Budget and Management who shall transfer the remaining unexpended, unobligated balance in Fund 4A6 to the General Revenue Fund.

Holding Account Redistribution Group

The foregoing appropriation items 400-643 and 400-644, Holding Account Redistribution Fund Group, shall be used to hold revenues until they are directed to the appropriate accounts or until they are refunded. If it is determined that additional appropriation authority is necessary, such amounts are hereby

appropriated. 10763

Agency Fund Group 10764

The foregoing appropriation items 400-646, 400-601, and 10765
400-642, Agency Fund Group, shall be used to hold revenues until 10766
they are directed to the appropriate accounts or until they are 10767
directed to the appropriate governmental agency other than the 10768
Department of Human Services. If it is determined that additional 10769
appropriation authority is necessary, such amounts are hereby 10770
appropriated. 10771

State Special Revenue Fund Group 10772

The foregoing appropriation items that appear in the 10773
Department of Human Services' State Special Revenue Fund Group 10774
shall be used to collect revenue from various sources and use the 10775
revenue to support programs administered by the Department of 10776
Human Services. If it is determined that additional appropriations 10777
are necessary, the department shall notify the Director of Budget 10778
and Management on forms prescribed by the Controlling Board. If 10779
the director agrees that the additional appropriation is necessary 10780
in order to perform the functions allowable in the appropriation 10781
item then such amounts are hereby appropriated. The Director of 10782
Budget and Management shall notify the Controlling Board at their 10783
next regularly scheduled meeting as to the action taken." 10784
10785

Section 6. That existing Section 67.05 of Am. Sub. H.B. 215 10786
of the 122nd General Assembly, as amended by Sub. H.B. 446 of the 10787
122nd General Assembly, is hereby repealed. 10788

Section 7. That Sections 50, 50.07, 50.09, 50.10, 50.12, 10789
50.13, 50.14, 50.24, and 50.52.10 of Am. Sub. H.B. 215 of the 10790
122nd General Assembly, as amended by Am. Sub. H.B. 650 of the 10791
122nd General Assembly, be amended to read as follows: 10792

SECTION 50 OF AM. SUB. H.B. 215/122nd GA AS AMENDED BY AM. SUB.				10793
H.B. 650/122nd GA				10794
"Sec. 50. EDU DEPARTMENT OF EDUCATION				10795
General Revenue Fund				10796
GRF 200-100 Personal Services	\$	10,744,925	\$ 10,756,210	10797
			<u>11,256,210</u>	10798
GRF 200-200 Maintenance	\$	8,691,111	\$ 4,597,207	10799
		<u>3,991,111</u>	<u>6,797,207</u>	10800
GRF 200-300 Equipment	\$	117,449	\$ 116,773	10801
			<u>2,116,773</u>	10802
GRF 200-405 Primary and Secondary Education Funding	\$	0	\$ 0	10803
GRF 200-406 Head Start	\$	83,739,058	\$ 92,562,977	10804
GRF 200-408 Public Preschool	\$	17,468,094	\$ 17,904,796	10805
GRF 200-410 Professional Development	\$	0	\$ 29,649,944	10806
GRF 200-411 Family and Children First	\$	8,500,500	\$ 10,642,188	10807
GRF 200-412 Driver Education Administration	\$	143,429	\$ 142,605	10808
GRF 200-415 Consumer Education	\$	500,000	\$ 500,000	10809
GRF 200-416 Vocational Education Match	\$	2,245,026	\$ 2,248,664	10810
GRF 200-417 Professional Development	\$	14,370,077	\$ 0	10811
GRF 200-422 School Management Assistance	\$	800,596	\$ 841,563	10812
GRF 200-423 Teacher Recruitment	\$	1,289,067	\$ 0	10813
GRF 200-424 Simulation System	\$	449,796	\$ 447,210	10814
GRF 200-426 Ohio Educational Computer Network	\$	21,698,858	\$ 22,228,079	10815
GRF 200-429 Local Professional	\$	9,259,713	\$ 0	10816

		Development Block					
		Grants					
GRF	200-431	School Improvement	\$	16,450,000	\$	11,525,000	10817
		Models					
GRF	200-432	School Conflict	\$	392,575	\$	402,390	10818
		Management					
GRF	200-437	Student Proficiency	\$	10,555,476	\$	11,798,788	10819
GRF	200-441	American Sign Language	\$	226,245	\$	226,245	10820
GRF	200-442	Child Care Licensing	\$	1,359,171	\$	1,438,172	10821
GRF	200-446	Education Management	\$	12,060,657	\$	10,299,674	10822
		Information System					
GRF	200-447	GED Testing/Adult High	\$	1,939,001	\$	1,987,475	10823
		School					
GRF	200-455	Charter Schools	\$	1,200,000	\$	2,300,000	10824
GRF	200-500	School Finance Equity	\$	109,405,982	\$	66,957,250	10825
GRF	200-501	Base Cost Funding	\$	2,202,851,688	\$	2,986,915,811	10826
GRF	200-502	Pupil Transportation	\$	179,702,987	\$	231,595,463	10827
GRF	200-503	Bus Purchase Allowance	\$	36,365,821	\$	37,274,967	10828
GRF	200-504	Special Education	\$	556,029,126	\$	0	10829
GRF	200-505	School Lunch Match	\$	9,450,000	\$	9,450,000	10830
GRF	200-507	Vocational Education	\$	317,612,847	\$	0	10831
GRF	200-509	Adult Literacy	\$	8,928,273	\$	9,151,480	10832
		Education					
GRF	200-511	Auxiliary Services	\$	95,956,267	\$	101,617,687	10833
GRF	200-512	Driver Education	\$	6,026,070	\$	6,206,852	10834
GRF	200-514	Post-Secondary/Adult	\$	20,695,861	\$	20,695,861	10835
		Vocational Education					
GRF	200-520	Disadvantaged Pupil	\$	277,205,650	\$	386,618,741	10836
		Impact Aid					
GRF	200-521	Gifted Pupil Program	\$	34,383,349	\$	36,326,043	10837
GRF	200-524	Educational Excellence	\$	9,528,000	\$	9,168,000	10838
		and Competency					
GRF	200-526	Vocational Education	\$	4,941,622	\$	0	10839

		Equipment Replacement					
GRF	200-532	Nonpublic	\$	41,829,125	\$	44,297,043	10840
		Administrative Cost					
		Reimbursement					
GRF	200-533	School-Age Child Care	\$	1,046,647	\$	1,046,647	10841
GRF	200-534	Desegregation Costs	\$	50,400,000	\$	50,400,000	10842
GRF	200-540	Special Education	\$	0	\$	136,286,490	10843
		Enhancements					
GRF	200-541	Peer Review	\$	1,840,000	\$	0	10844
GRF	200-542	National Board	\$	1,600,000	\$	0	10845
		Certification					
GRF	200-543	Entry Year Program	\$	2,396,205	\$	0	10846
GRF	200-544	Individual Career Plan	\$	5,708,968	\$	0	10847
		& Passport					
GRF	200-545	Vocational Education	\$	0	\$	184,298,314	10848
		Enhancements					
						<u>201,991,432</u>	10849
GRF	200-546	Charge-Off Supplement	\$	0	\$	11,000,000	10850
GRF	200-547	Power Equalization	\$	0	\$	12,500,000	10851
GRF	200-551	Reading Improvement	\$	1,666,133	\$	1,666,133	10852
GRF	200-552	County MR/DD Boards	\$	1,551,774	\$	1,590,569	10853
		Vehicle Purchases					
GRF	200-553	County MR/DD Boards	\$	6,611,623	\$	6,876,088	10854
		Transportation					
		Operating					
GRF	200-558	Emergency Loan	\$	0	\$	8,490,374	10855
		Interest Subsidy					
GRF	200-577	Preschool Special	\$	62,268,535	\$	0	10856
		Education					
GRF	200-589	Special Education	\$	1,635,157	\$	0	10857
		Aides					
GRF	200-901	Property Tax	\$	566,800,000	\$	600,800,000	10858
		Allocation - Education					

GRF 200-906	Tangible Tax Exemption	\$ 61,320,000	\$ 63,210,000	10859
	- Education			
TOTAL GRF	General Revenue Fund	\$ 4,899,958,534	\$ 5,257,055,773	10860
		<u>4,895,258,534</u>	<u>5,279,448,891</u>	10861
General Services Fund Group				10862
4D1 200-602	Ohio	\$ 277,560	\$ 285,332	10863
	Prevention/Education			
	Resource Center			
138 200-606	Computer Services	\$ 4,036,728	\$ 4,143,201	10864
452 200-638	Fees and Gifts	\$ 1,788,862	\$ 1,838,335	10865
596 200-656	Ohio Career	\$ 647,156	\$ 660,812	10866
	Information System			
4P1 200-629	Adult Literacy	\$ 2,364,400	\$ 2,430,603	10867
	Education			
4L2 200-681	Teacher Certification	\$ 3,580,741	\$ 3,675,311	10868
	and Licensure			
TOTAL GSF	General Services			10869
Fund Group		\$ 12,695,447	\$ 13,033,594	10870
Federal Special Revenue Fund Group				10871
309 200-601	Educationally	\$ 12,486,104	\$ 12,904,245	10872
	Disadvantaged			
366 200-604	Adult Basic Education	\$ 16,300,000	\$ 18,000,000	10873
3H9 200-605	Head Start	\$ 200,000	\$ 200,000	10874
	Collaboration Project			
367 200-607	School Food Services	\$ 9,290,000	\$ 10,160,000	10875
368 200-614	Veterans' Training	\$ 565,232	\$ 593,493	10876
369 200-616	Vocational Education	\$ 10,556,971	\$ 10,787,320	10877
3L6 200-617	Federal School Lunch	\$ 159,570,000	\$ 167,550,000	10878
3L7 200-618	Federal School	\$ 29,818,000	\$ 31,607,000	10879
	Breakfast			
3L8 200-619	Child and Adult Care	\$ 58,600,000	\$ 59,800,000	10880
	Programs			

3L9	200-621	Vocational Education Basic Grant	\$	54,122,121	\$	54,122,121	10881
3M0	200-623	ESEA Chapter One	\$	356,669,568	\$	374,503,047	10882
370	200-624	Education of All Handicapped Children	\$	12,902,838	\$	12,902,838	10883
3N7	200-627	School-to-Work	\$	18,000,000	\$	13,500,000	10884
371	200-631	EEO Title IV	\$	364,655	\$	377,850	10885
372	200-635	Federal Driver Education Projects	\$	84,500	\$	84,500	10886
373	200-642	Pupil Transportation Safety Project	\$	81,000	\$	81,000	10887
374	200-647	E.S.E.A. Consolidated Grants	\$	260,301	\$	265,624	10888
375	200-652	Technical Assistance for Educational Mobility	\$	216,720	\$	227,556	10889
376	200-653	J.T.P.A.	\$	5,000,000	\$	5,034,523	10890
3R3	200-654	Goals 2000	\$	19,789,214	\$	22,000,000	10891
377	200-657	Sex Equity	\$	125,685	\$	131,969	10892
378	200-660	Math/Science Technology Investments	\$	10,802,634	\$	12,000,000	10893
3D1	200-664	Drug Free Schools	\$	17,410,259	\$	19,500,000	10894
3D2	200-667	Honors Scholarship Program	\$	1,231,979	\$	1,231,979	10895
3E2	200-668	AIDS Education Project	\$	718,734	\$	620,775	10896
3M1	200-678	ESEA Chapter Two	\$	13,478,447	\$	14,152,369	10897
3M2	200-680	Ind W/Disab Education Act	\$	91,825,830	\$	91,825,830	10898
TOTAL FED Federal Special							10899
Revenue Fund Group			\$	900,470,792	\$	934,164,039	10900
State Special Revenue Fund Group							10901
454	200-610	Guidance and Testing	\$	490,662	\$	503,912	10902
455	200-608	Commodity Foods	\$	8,000,000	\$	8,000,000	10903

4V7	200-633	Interagency Vocational Support	\$	514,000	\$	528,392	10904
5F8	200-645	Textbooks/Instructional Materials	\$	25,000,000	\$	25,000,000	10905
598	200-659	Auxiliary Services Mobile Units	\$	1,224,444	\$	1,258,728	10906
5H3	200-687	School District Solvency Assistance	\$	0	\$	30,000,000	10907
4R7	200-695	Indirect Cost Recovery	\$	1,357,434	\$	1,393,146	10908
TOTAL SSR State Special Revenue							10909
Fund Group			\$	36,586,540	\$	66,684,178	10910
Lottery Profits Education Fund Group							10911
017	200-682	Lease Rental Payment Reimbursement	\$	21,105,000	\$	32,780,000	10912
017	200-610	Base Cost Funding	\$	0	\$	666,093,028	10913
017	200-670	School Foundation - Basic Allowance	\$	584,137,200	\$	0	10914
017	200-671	Special Education	\$	44,000,000	\$	0	10915
017	200-672	Vocational Education	\$	30,000,000	\$	0	10916
017	200-673	Primary and Secondary Lottery Funding	\$	0	\$	0	10917
017	200-694	Bus Purchase One Time Supplement	\$	10,000,000	\$	0	10918
							10919
018	200-669	Judgment Loan	\$	5,650,000	\$	0	10920
Total 017 and 018							10921
LPE Lottery Profits Education							10922
Fund Group			\$	694,892,200	\$	698,873,028	10923
Education Improvement Fund							10924
006	200-689	Hazardous Waste Removal	\$	1,500,000	\$	1,443,401	10925
TOTAL Education Improvement Fund			\$	1,500,000	\$	1,443,401	10926

TOTAL ALL BUDGET FUND GROUPS	\$ 6,546,103,513	\$ 6,969,810,612	10927
	<u>6,541,403,513</u>	<u>6,992,203,730</u>	10928

Professional Development 10929

Of the foregoing appropriation item 200-410, Professional 10930
 Development, \$5,997,829 shall be used by the Department of 10931
 Education to develop a statewide comprehensive system of twelve 10932
 professional development centers that support local educators' 10933
 ability to foster academic achievement in the students they serve. 10934
 The centers shall include training teachers on site-based 10935
 management concepts to encourage teachers to become involved in 10936
 the management of their schools. Each fiscal year, up to \$450,000 10937
 of the appropriation item shall be used to continue Ohio 10938
 leadership academies to develop and train superintendents, 10939
 principals, other administrators, and board members in new 10940
 leadership and management practices to support high performance 10941
 schools. This training shall be coordinated with other locally 10942
 administered leadership programs. 10943

Of the foregoing appropriation item 200-410, Professional 10944
 Development, \$50,000 each year shall be distributed to the Ohio 10945
 Geographical Alliance at such time as matching funds are provided 10946
 by the National Geographical Society. These moneys shall be used 10947
 by the Ohio Geographical Alliance to provide inservice geography 10948
 training to Ohio public school teachers. 10949

Of the foregoing appropriation item 200-410, Professional 10950
 Development, \$75,000 in each fiscal year shall be distributed by 10951
 the Department of Education to the Ohio University Leadership 10952
 Project. 10953

Of the foregoing appropriation item 200-410, Professional 10954
 Development, up to \$500,000 each year shall be used by the 10955
 Department of Education to work with school districts in 10956
 coordinating and improving the training and performance of 10957

classroom teachers. 10958

Of the foregoing appropriation item 200-410, Professional 10959
Development, \$25,000 in each fiscal year shall be used by the Lake 10960
County Educational Service Center and \$25,000 in each fiscal year 10961
shall be used by the Geauga County Educational Service Center. 10962
Both projects shall be used for professional teacher development 10963
of innovative teaching practices in science and math. 10964

Of the foregoing appropriation item 200-410, Professional 10965
Development, \$500,000 in each fiscal year shall be used by the 10966
Rural Appalachian Initiative to create professional development 10967
academies for teachers, principals, and superintendents in the 10968
Appalachian region. 10969

Of the foregoing appropriation item 200-410, Professional 10970
Development, up to \$1,800,000 in fiscal year 1999 shall be used by 10971
the Department of Education in cooperation with the Regional 10972
Professional Development Centers to train mentor teachers and 10973
provide stipends of \$1,500 per year to each mentor teacher to 10974
assist in the professional development of beginning teachers. 10975

Of the foregoing appropriation item 200-410, Professional 10976
Development, up to \$1,000,000 in fiscal year 1999 shall be used by 10977
the Department of Education in cooperation with the Regional 10978
Professional Development Centers to train teacher assessors and 10979
provide stipends of \$2,500 per year to each teacher assessor to 10980
assist in the evaluation of the classroom performance of beginning 10981
teachers. 10982

Of the foregoing appropriation item 200-410, Professional 10983
Development, \$1,321,292 shall be used by the Department of 10984
Education to establish programs targeted at recruiting 10985
under-represented populations into the teaching profession. In 10986
each year, the appropriation item shall be used by the department 10987
to include, but not be limited to, alternative teacher licensure 10988

or certification programs emphasizing the recruitment of highly
qualified minority candidates into teaching, including emphasizing
the recruitment of highly qualified minority candidates into
teaching positions in schools which have a high percentage of
minority students. The recruitment programs shall also target
recruiting qualified candidates available as a result of
downsizing of the military and business sectors. Funding shall
also be targeted to statewide, regional, and local programs that
are competitively selected as promising programs demonstrating the
potential of significantly increasing Ohio's minority teaching
force.

Of the foregoing appropriation item 200-410, Professional
Development, \$500,000 in each fiscal year shall be used to
establish or enhance alternative disciplinary schools by providing
grants of \$100,000 annually to each of the following programs:
Wood County Alternative School Program, Interval Opportunity
School in Summit County, Portage County Opportunity School in
Ravenna, Auglaize County Alternative School Program, and Licking
County Alternative School Program. Such pilot programs shall
encourage collaborative relationships with juvenile courts and
other agencies to develop effective teaching and learning
programs.

Of the foregoing appropriation item 200-410, Professional
Development, \$200,000 in each fiscal year shall be provided to the
Stark County Schools Teacher Technical Training Center.

Of the foregoing appropriation item 200-410, Professional
Development, \$9,659,713 shall be distributed on a per teacher
basis to all school districts, joint vocational school districts,
and chartered nonpublic schools for locally developed teacher
training and professional development and for the establishment of
local professional development committees. School districts and
joint vocational school districts shall not be precluded from

using these funds for cooperative activities on a county or 11021
regional basis. 11022

Of the foregoing appropriation item 200-410, Professional 11023
Development, \$2,875,000 shall be used by the Department of 11024
Education to develop a peer review program for teachers, to 11025
provide training, and to implement the peer review program in 11026
school districts on a pilot basis in fiscal year 1998. Funds for 11027
fiscal year 1999 shall be awarded on a competitive basis to school 11028
districts wishing to implement peer review programs. In each 11029
fiscal year, \$640,000 shall be distributed to the Regional 11030
Professional Development Centers to provide training for mentor 11031
teachers and for leadership teams from districts implementing peer 11032
review programs. 11033

Of the foregoing appropriation item 200-410, Professional 11034
Development, \$125,000 in each fiscal year shall be used by the 11035
Rural Appalachian Initiative to develop a peer review and coaching 11036
model whereby teachers coach one another. In addition, the funds 11037
shall be used to train and provide stipends for teacher coaches 11038
and mentors, and to develop training modules for professional 11039
improvement through establishing and attaining goals. 11040

Of the foregoing appropriation item 200-410, Professional 11041
Development, \$1,650,000 shall be used by the Department of 11042
Education to pay the application fee for teachers from public and 11043
chartered nonpublic schools applying to the National Board for 11044
Professional Teaching Standards for professional teaching 11045
certificates or licenses that the board offers, and to provide 11046
grants in each fiscal year to recognize and reward teachers who 11047
become certified by the board pursuant to section 3319.55 of the 11048
Revised Code. 11049

In each fiscal year, the appropriation item shall be used to 11050
pay for the first 400 applications received by the department. 11051

Each prospective applicant for certification or licensure shall
submit an application to the Department of Education. When the
department has collected a group of applications, but no later
than 30 days after receipt of the first application in a group, it
shall send the applications to the National Board for Professional
Teaching Standards along with a check to cover the cost of the
application fee for all applicants in that group.

Of the foregoing appropriation item 200-410, Professional
Development, up to \$300,000 shall be used each fiscal year by the
Department of Education to support the connection of teacher
applicants to university programs that enhance applicant learning
and professional development during the National Board
Certification process.

Of the foregoing appropriation item 200-410, Professional
Development, \$2,456,110 shall be used by the Department of
Education to expand the pilot residency programs established
pursuant to provisions of Am. Sub. H.B. 152 of the 120th General
Assembly.

The Department of Education shall select eligible beginning
teachers to participate in a year-long entry year program which
provides for guidance and coaching by experienced school district
and university faculty and regular teacher performance assessment.
The program is designed to assess each beginning teacher with the
Education Testing Service's Praxis III examination. These funds
shall be used to support the supervisory, teaching, and assessment
services associated with the pilot residency program in urban,
suburban, and rural sites.

SECTION 50.07 OF AM. SUB. H.B. 215/122nd GA AS AMENDED BY AM. SUB.

H.B. 650/122nd GA

Sec. 50.07. Potential Value Recomputation

(A) Notwithstanding division (A)(2) of section 3317.022 of

the Revised Code in fiscal year 1999 the Department of Education 11083
shall first calculate all state basic aid payments to school 11084
districts required under Chapter 3317. of the Revised Code and 11085
other sections of Am. Sub. H.B. 215 and Am. Sub. H.B. 650 of the 11086
122nd General Assembly under which payments are made from 11087
appropriation items 200-501, ~~School Foundation Basic Allowance~~ 11088
Base Cost Funding, and 200-670, ~~School Foundation Basic Allowance~~ 11089
Base Cost Funding, as if such division had not been enacted. Such 11090
calculated amounts shall be paid to school districts in accordance 11091
with section 3317.01 of the Revised Code and Am. Sub. H.B. 650 of 11092
the 122nd General Assembly. 11093

(B) After the calculation required by division (A) of this 11094
section, the department shall recalculate all state basic aid 11095
payments to school districts required under Chapter 3317. of the 11096
Revised Code and other sections of Am. Sub. H.B. 215 and Am. Sub. 11097
H.B. 650 of the 122nd General Assembly, utilizing in such 11098
recalculation the provisions of division (A)(2) of section 11099
3317.022 of the Revised Code. From the additional available money, 11100
the department shall pay each district an amount equal to the 11101
difference between its calculated amount of basic aid under 11102
division (A) of this section and its recalculated amount under 11103
this division. If there is not enough additional money to pay such 11104
amounts to all school districts, the department shall pay each 11105
district a percentage of such amount equal to the percentage the 11106
total amount of additional available money represents of the total 11107
amount of money that would be necessary to make the payments 11108
prescribed under this division to all districts. 11109

SECTION 50.09 OF AM. SUB. H.B. 215/122nd GA AS AMENDED BY AM. SUB. 11110

H.B. 650/122nd GA 11111

Sec. 50.09. Adult Literacy Education 11112

The foregoing appropriation item 200-509, Adult Literacy 11113
Education, shall be used to support Adult Basic and Literacy 11114

Education instructional programs, the State Literacy Resource 11115
Center program, and the State Advisory Council on Adult Education 11116
and Literacy. 11117

Of the foregoing appropriation item 200-509, Adult Literacy 11118
Education, up to \$410,000 in fiscal year 1998 and \$512,500 in 11119
fiscal year 1999 shall be used to satisfy state match requirements 11120
for the support and operation of the State Literacy Resource 11121
Center and the State Advisory Council on Adult Education and 11122
Literacy. 11123

Of the foregoing appropriation item 200-509, Adult Literacy 11124
Education, up to \$50,000 in each fiscal year shall be used to 11125
provide funds to literacy councils that have not previously 11126
received funding. Each of these councils, in order to receive 11127
funds, shall have its plan of service approved by the local Family 11128
and Children First council. 11129

The remainder shall be used to continue to satisfy the state 11130
match requirement for the support and operation of the Ohio 11131
Department of Education administered instructional grant program 11132
for Adult Basic and Literacy Education in accordance with the 11133
department's state plan for Adult Basic and Literacy Education as 11134
approved by the State Board of Education and the Secretary of the 11135
United States Department of Education. 11136

Auxiliary Services 11137

The foregoing appropriation item 200-511, Auxiliary Services, 11138
shall be used by the State Board of Education for the purpose of 11139
implementing section 3317.06 of the Revised Code. Of the 11140
appropriation, up to \$1,000,000 in each fiscal year of the 11141
biennium may be used for payment of the Post-Secondary Enrollment 11142
Options Program for nonpublic students pursuant to section 3365.10 11143
of the Revised Code. 11144

Driver Education 11145

The foregoing appropriation item 200-512, Driver Education, 11146
shall be used by the State Board of Education for subsidizing 11147
driver education courses for which the State Board of Education 11148
prescribes minimum standards pursuant to section 3301.07 of the 11149
Revised Code and courses for students released by high school 11150
principals to attend commercial driver training schools licensed 11151
under Chapter 4508. of the Revised Code. 11152

Post-Secondary/Adult Vocational Education 11153

The foregoing appropriation item 200-514, 11154
Post-Secondary/Adult Vocational Education, shall be used by the 11155
State Board of Education to provide post-secondary/adult 11156
vocational education pursuant to sections 3313.52 and 3313.53 of 11157
the Revised Code. 11158

Of the foregoing appropriation item 200-514, 11159
Post-Secondary/Adult Vocational Education, up to \$500,000 in each 11160
fiscal year shall be allocated for the Ohio Career Information 11161
System (OCIS) and used for the dissemination of career information 11162
data to public schools, libraries, rehabilitation centers, two- 11163
and four-year colleges and universities, and other governmental 11164
units. 11165

Of the foregoing appropriation item 200-514, 11166
Post-Secondary/Adult Vocational Education, up to \$30,000 in each 11167
fiscal year shall be used for the statewide coordination of the 11168
activities of the Ohio Young Farmers. 11169

Disadvantaged Pupil Impact Aid 11170

The foregoing appropriation item 200-520, Disadvantaged Pupil 11171
Impact Aid, shall be distributed to school districts according to 11172
the provisions of section 3317.029 of the Revised Code. However, 11173
no money shall be distributed for all-day kindergarten to any 11174
school district whose three-year average formula ADM exceeds 11175
17,500 but whose DPIA index is not at least equal to 1.00, unless 11176

the Department of Education certifies that sufficient funds exist 11177
in this appropriation to make all other payments required by 11178
section 3317.029 of the Revised Code. 11179

Annually, \$1,450,000 shall be used by the Department of 11180
Education to provide state matching funds to implement the federal 11181
building based Effective School Program. 11182

Of the foregoing appropriation item 200-520, Disadvantaged 11183
Pupil Impact Aid, up to \$3,000,000 in each year of the biennium 11184
shall be used for school breakfast programs. Of the \$3,000,000, up 11185
to \$500,000 shall be used each year by the Department of Education 11186
to provide start-up grants to rural school districts that start 11187
school breakfast programs. The remainder of the \$3,000,000 shall 11188
be used to: (1) partially reimburse school buildings within school 11189
districts that are required to have a school breakfast program 11190
pursuant to section 3313.813 of the Revised Code, at a rate 11191
decided upon by the department, for each breakfast served to any 11192
pupil enrolled in the district; (2) partially reimburse districts 11193
participating in the National School Lunch Program that have at 11194
least 20 per cent of students who are eligible for free and 11195
reduced meals according to federal standards, at a rate decided 11196
upon by the department; and (3) to partially reimburse districts 11197
participating in the National School Lunch Program for breakfast 11198
served to children eligible for free and reduced meals enrolled in 11199
the district, at a rate decided upon by the department. 11200

Of the portion of the funds distributed to the Cleveland City 11202
School District under section 3317.029 of the Revised Code 11203
calculated under division (F)(2) of that section, up to \$8,700,000 11204
in fiscal year 1999 shall be used to operate the pilot school 11205
choice program in the Cleveland City School District pursuant to 11206
sections 3313.974 to 3313.979 of the Revised Code. 11207

Of the foregoing appropriation item 200-520, Disadvantaged 11208
Pupil Impact Aid, \$8,750,000 in fiscal year 1999 shall be used for 11209
competitive discipline intervention grants for the 21 urban school 11210
districts as defined in division (O) of section 3317.02 of the 11211
Revised Code as it existed prior to July 1, 1998. The grants shall 11212
be administered by the Ohio Department of Education and designed 11213
to reduce problems with student attendance, truancy, dropouts, and 11214
discipline. 11215

Of the foregoing appropriation item 200-520, Disadvantaged 11216
Pupil Impact Aid, \$250,000 in fiscal year 1999 shall be 11217
distributed to the Franklin County Educational Council to provide 11218
a cross district alternative learning environment for students 11219
with alternative learning requirements, in collaboration with 11220
member districts and community services. 11221

Of the foregoing appropriation item 200-520, Disadvantaged 11222
Pupil Impact Aid, \$900,000 each year shall be used to support 11223
dropout recovery programs administered by the Ohio Department of 11224
Education, Jobs for Ohio's Graduates program. 11225

Of the foregoing appropriation item 200-520, Disadvantaged 11226
Pupil Impact Aid, up to \$1,000,000 in each year of the biennium 11227
shall be used to fund grants to improve reading performance, using 11228
programs such as Failure Free Reading, Slavin's Success for All, 11229
and other programs that have a demonstrated record of improving 11230
reading comprehension. The grants shall be made by the Department 11231
of Education to 20 schools in which at least 50 per cent of fourth 11232
grade students failed to pass at least four parts of the fourth 11233
grade proficiency test. The grants shall be made in the amount of 11234
\$50,000 for each school. 11235

Of the foregoing appropriation item 200-520, Disadvantaged 11236
Pupil Impact Aid, the Department shall distribute \$75,000 in each 11237
fiscal year to the Collinwood Community Center to continue 11238

outreach work on the Parents' Pledge of Responsibility in the 11239
Cleveland City School District. This distribution shall come from 11240
the Cleveland City School District's Disadvantaged Pupil Impact 11241
Aid. 11242

Of the foregoing appropriation item 200-520, Disadvantaged 11243
Pupil Impact Aid, up to \$500,000 in each fiscal year shall be used 11244
by the Department of Education to encourage school districts to 11245
set high academic standards and provide a helping hand for 11246
students striving to meet them. A Summer Proficiency Academy shall 11247
be any school district's summer school program that is conducted 11248
for students who have been enrolled in the fourth and sixth 11249
grades, whether district-wide, in several school buildings or 11250
within a cluster of school buildings, that addresses the needs of 11251
students who did not pass at least three of the five parts of 11252
either the fourth-grade or sixth-grade proficiency test, that is 11253
of at least six weeks' duration, and that provides an innovative, 11254
enriching educational experience. The department shall use the 11255
funds indicated in this paragraph to make grants to those school 11256
districts that conduct such Summer Proficiency Academies and that 11257
have valuation per pupil less than 150 per cent of the statewide 11258
average valuation per pupil, to defray 75 per cent of the costs of 11259
conducting such academies. The amount of each grant shall not 11260
exceed \$150,000 and each school district shall be eligible for up 11261
to four grants in each fiscal year. Grants shall be made to school 11262
districts based on the percentage of students failing three or 11263
more tests, with first priority given to districts with the 11264
highest failure rates. As used in this paragraph, "valuation per 11265
pupil" has the same meaning as in division (A)(4) of section 11266
3317.0212 of the Revised Code as it existed prior to July 1, 1998. 11267
SECTION 50.10 OF AM. SUB. H.B. 215/122nd GA AS AMENDED BY AM. SUB. 11268

H.B. 650/122nd GA 11269

Sec. 50.10. Gifted Pupil Program 11270

The foregoing appropriation item 200-521, Gifted Pupil Program, shall be used for gifted education units not to exceed 927 in fiscal year 1998 and 950 in fiscal year 1999. Up to \$70,000 per year shall be used for the operation and support of the Ohio Summer School for the Gifted. Up to \$600,000 per year shall be used for research and demonstration projects.

Notwithstanding the prohibition in section 3317.05 of the Revised Code that the State Board of Education annually approve for school districts and educational service centers no more than the number of gifted education units for which it determines appropriations have been made and notwithstanding the amounts required to be annually paid to school districts and educational service centers for approved gifted education units under division ~~(Q)~~(P) of section 3317.024 and division (B) of section 3317.162 of the Revised Code, if the foregoing appropriation item is not sufficient to fund the maximum allowable number of funded gifted education units in fiscal year 1999 in accordance with division ~~(Q)~~(P) of section 3317.024 and division (B) of section 3317.162 of the Revised Code, the State Board of Education may approve up to the maximum allowable number of funded gifted education units in each fiscal year of the biennium and, in lieu of the amounts required to be paid for approved units under division ~~(Q)~~(P) of section 3317.024 and division (B) of section 3317.162 of the Revised Code, shall proportionately reduce those amounts so that the total amount the State Board and educational service centers pays to school districts for all approved units does not exceed the amount of funds available in the foregoing appropriation item for such units. During the course of each fiscal year, the State Board may alter its determination of any reduction under this section for that fiscal year.

Of the foregoing appropriation item 200-521, Gifted Pupil Program, the Department of Education shall be authorized to expend

up to \$1,000,000 each year for the Summer Honors Institute for 11303
gifted freshmen and sophomore high school students. 11304

Of the foregoing appropriation item 200-521, Gifted Pupil 11305
Program, up to \$200,000 each year shall be used for the W.E.B. 11306
DuBois Talented Tenth Teacher Training Academy. The program will 11307
provide a summer honors program to promising minority students 11308
identified by their school districts as potential future teachers, 11309
~~pursuant to section 3313.608 of the Revised Code.~~ 11310

SECTION 50.12 OF AM. SUB. H.B. 215/122ND GA AS AMENDED BY AM. SUB. 11311
H.B. 650/122ND GA 11312

Sec. 50.12. Educational Excellence and Competency 11313

Of the foregoing appropriation item 200-524, Educational 11314
Excellence and Competency, up to \$35,000 in each year of the 11315
biennium shall be reserved for the Ohio Science Olympiad and up to 11316
\$35,000 in each year of the biennium shall be reserved for the 11317
International Science and Engineering Fair. In each year of the 11318
biennium, \$250,000 shall be reserved for a Math and Science 11319
Initiative to enhance math and science education for elementary 11320
students in a county-wide collaborative. 11321

The Department of Education shall distribute \$100,000 in 11322
fiscal year 1998 and \$150,000 in fiscal year 1999 to the 11323
Christopher Project. The department shall distribute \$120,000 in 11324
each fiscal year to the Regional District/University Consortium to 11325
Validate At-Risk Programs for Rural School Districts. The 11326
Department shall distribute \$75,000 in each fiscal year to the 11327
Cincinnati Artworks Project. In fiscal year 1998, \$100,000 shall 11328
be used for the Fairborn Community Vision and \$300,000 in fiscal 11329
year 1998 and \$100,000 in fiscal year 1999 shall be used for 11330
Ledgemont Education Excellency. In addition, the department shall 11331
distribute \$275,000 in each fiscal year to the Summit County 11332
Technology Project. 11333

In each fiscal year, \$300,000 shall be used for a pilot project for the integration and implementation of distance learning, virtual reality, and computer technology to prepare students for careers in industry. Of this amount, \$65,000 in each fiscal year shall be distributed to the Math, Science and Industrial Technology Institute at Kent State University-Trumbull Campus for purposes of this pilot project and \$235,000 in each fiscal year shall be distributed to the Trumbull County Educational Service Center for the Industrial Technology Career Academy pilot project. In each fiscal year, \$140,000 shall be used for the Crouse School Readiness Program.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$90,000 in fiscal year 1998 shall be used for the Cleveland Language pilot program; and \$20,000 in fiscal year 1998 shall be used for the Columbus Language pilot program.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$850,000 in fiscal year 1998 and \$850,000 in fiscal year 1999 shall be used to assist local school districts in the implementation of financial literacy programs as part of the school curriculum in kindergarten through grade six. The funds shall be used to purchase financial literacy instructional materials, including student books, hands-on material, and supporting teacher guides, which promote economic awareness by addressing fundamental life skills such as earning money, saving money, and spending money wisely. The financial literacy curriculum shall also introduce students to the concepts of economic interdependence, profit, loss, investment, and supply and demand. In fiscal year 1999, each school district shall be eligible for one \$1,000 grant for each kindergarten through sixth grade level in each school building. A school building with five or more classes per grade level may receive up to \$2,000 for that

grade level. 11366

The remainder of the appropriation shall be used by the 11367

Department of Education to fund programs for at-risk students each 11368

year as follows: 11369

Earn and Learn	\$1,030,000	113
Trumbull County "Make Learning Fun"	\$75,000	113
LEAF	\$65,000	113
Coventry	\$25,000	113
Columbus Youth Corp	\$50,000	113
Montgomery County Summer Math program	\$215,000	113
Columbus City District's "I Know I Can"	\$645,000	113
Dayton-Montgomery County Scholarship Program	\$645,000	113
Cleveland Scholarship	\$500,000	113
Cleveland Initiative for Education	\$360,000	113
Cincinnati Project Succeed Academy	\$100,000	113
Cincinnati Scholarship Foundation	\$645,000	113
Improved Solutions for Urban Systems (ISUS)	\$100,000	113
Lorain County Access	\$150,000	113
Amer-I-Can	\$850,000	113
London Learns	\$100,000	113
Project Succeed	\$1,000,000	113
Greater Toledo School-To-Work Consortium	\$100,000	113
Muskingum Valley Services Center	\$100,000	113

For the Cleveland Initiative in Education program, the grant 11389

shall support its mentoring and advocacy program. 11390

Of the foregoing appropriation item 200-524, Educational 11391

Excellence and Competency, \$83,000 in fiscal year 1998 and \$83,000 11392

in fiscal year 1999 shall be used for the Shaker Heights 11393

Educational Mobility program. 11394

Each program or entity that receives funds under the 11395

foregoing appropriation item 200-524, Educational Excellence and 11396

Competency, shall submit annually to the chairpersons of the
education committees of the House of Representatives and the
Senate and to the Department of Education a report that includes a
description of the services supported by the funds, a description
of the results achieved by those services, an analysis of the
effectiveness of the program, and an opinion as to the program's
applicability to other school districts. No funds shall be
provided by the Department of Education to a district for the
fiscal year 1999 until its report for the fiscal year 1998 has
been submitted.

Nonpublic Administrative Cost Reimbursement

The foregoing appropriation item 200-532, Nonpublic
Administrative Cost Reimbursement, shall be used by the State
Board of Education for the purpose of implementing section
3317.063 of the Revised Code.

School-Age Child Care

Of the foregoing appropriation item 200-533, School-Age Child
Care, up to \$200,000 in each fiscal year shall be used for the
"Training Ohio's Parents for Success" program. Up to \$500,000 in
each fiscal year shall be used for the "Parents as Teachers"
program.

Of the foregoing appropriation item 200-533, School-Age Child
Care, up to \$62,500 in each fiscal year shall be used by the
Cincinnati YWCA for its Home Instruction Program for Preschool
Youngsters (HIPPY).

As used under this heading "school-age child care" means a
program of child care conducted outside of regular school hours
for school age children.

The remainder of the foregoing appropriation item 200-533,
School-Age Child Care, shall be used by the Department of

Education to provide grants to city, local, and exempted village 11427
school districts and educational service centers for school-age 11428
child care programs. In each fiscal year, the department shall 11429
make grants. All grants shall be awarded by the department on the 11430
basis of project proposals submitted by school district boards of 11431
education or educational service center governing boards. The 11432
board of education of each district or governing board of each 11433
educational service center that receives a grant shall keep a 11434
record of how the grant is used, and issue a report at the end of 11435
the school year for which the grant was made explaining the goals 11436
and objectives determined, the activities implemented, and the 11437
progress made toward achieving goals and objectives. 11438

Desegregation Costs 11439

The foregoing appropriation item 200-534, Desegregation 11440
Costs, shall be used to pay desegregation costs. 11441

(A) Notwithstanding any section of law to the contrary, if in 11442
each fiscal year, due to federal court order, the Department of 11443
Education is obligated to pay for desegregation costs in any 11444
school district, the costs shall be paid from the foregoing 11445
appropriation item 200-534, Desegregation Costs. 11446

Of the foregoing appropriation item 200-534, Desegregation 11447
Costs, up to \$900,000 in fiscal year 1998 ~~and up to \$1,000,000 in~~ 11448
~~fiscal year 1999~~ may be used to cover the legal fees associated 11449
with desegregation cases brought against the state. 11450

Of the foregoing appropriation item 200-534, Desegregation 11451
Costs, in fiscal year 1999 any unobligated balances may be used to 11452
cover the legal fees associated with desegregation cases brought 11453
against the state. 11454

By May 1 of each year, the Department of Education will 11455
determine if the appropriation exceeds the state's obligation for 11456
desegregation costs. Any appropriations in excess of the state's 11457

obligation shall be transferred to appropriation item 200-406, 11458
Head Start, by the Director of Budget and Management. 11459

(B) As part of managing state desegregation costs, any board 11460
of education of a school district subject to a federal court 11461
desegregation order that requires the district board to bus 11462
students for the purpose of racial balance shall, within one year 11463
of the effective date of Am. Sub. H.B. 215 of the 122nd General 11464
Assembly: 11465

(1) Update its plan required under Am. Sub. H.B. 298 of the 11466
119th General Assembly designed to satisfy the court so as to 11467
obtain release from the court's desegregation order; and 11468

(2) Submit an updated copy of the plan to the State Board of 11469
Education. 11470

Upon request of the district board, the State Board shall provide 11471
technical assistance to the school district board in developing a 11472
plan. 11473

Within ninety days of the date on which the plan is submitted 11474
to the State Board of Education, the district board, or the 11475
district board and the State Board of Education jointly if both 11476
are parties to the desegregation case, shall submit the plan to 11477
the court and apply for release from the court's desegregation 11478
order. 11479

Of the foregoing appropriation item 200-534, Desegregation 11480
Costs, Cleveland City Schools shall receive \$40,000,000 in fiscal 11481
year 1998 and \$38,200,000 in fiscal year 1999; Dayton City Schools 11482
shall receive at least \$4,500,000 in each of fiscal year 1998 and 11483
fiscal year 1999. 11484

Of the foregoing appropriation item 200-534, Desegregation 11485
Costs, \$5,000,000 in each fiscal year shall be used by the 11486
Department of Education to support the Cincinnati Magnet School 11487

Program. 11488

SECTION 50.13 OF AM. SUB. H.B. 215/122nd GA AS AMENDED BY AM. SUB. 11489
H.B. 650/122nd GA 11490

Sec. 50.13. Special Education Enhancements 11491

Of the foregoing appropriation item 200-540, Special 11492
Education Enhancements, up to \$42,000,000 shall be used to fund up 11493
to 894 special education classroom and related services units at 11494
MR/DD boards and institutions. 11495

Of the foregoing appropriation item 200-540, Special 11496
Education Enhancements, up to \$22,000,000 in ~~each~~ fiscal year 1998 11497
and \$3,000,000 in fiscal year 1999 shall be used for home 11498
instruction and special instructional services for handicapped 11499
children; up to \$2,000,000 may be used in ~~each~~ fiscal year 1998 11500
for occupational and physical therapy contract services, including 11501
services provided by physical therapy assistants and certified 11502
occupational therapy assistants, and up to \$500,000 in fiscal year 11503
1999 may be used for contracted occupational and physical therapy 11504
services including services provided by physical therapy 11505
assistants and certified occupational therapy assistants to 11506
students attending county boards of mental retardation and 11507
developmental disabilities; up to \$1,000,000 in fiscal year 1998 11508
and up to \$1,150,000 in fiscal year 1999 shall be used for parent 11509
mentoring programs; and \$100,000 shall be expended in each year of 11510
the biennium for teacher training; up to \$2,500,000 may be used in 11511
fiscal year 1999 for psychology interns; and up to \$4,000,000 may 11512
be used in fiscal year 1999 for special individual instructional 11513
related services including interpreters, guides, and reader 11514
services. Of the foregoing appropriation item 200-540, Special 11515
Education Enhancements, up to \$14,000,000 in fiscal year 1999 11516
shall be used to provide speech services to students who, pursuant 11517
to an IEP require speech services only. The funds are intended to 11518
supplement funds received under division (C) of section 3317.022 11519

Of the Revised Code. The Department of Education shall adopt rules 11520
for the distribution of the \$14,000,000 for speech instruction 11521
services based upon the adjusted total taxable value of each 11522
school district pursuant to section 3317.02 Of the Revised Code. 11523

11524

Of the foregoing appropriation item 200-540, Special 11525
Education Enhancements, \$1,684,212 in fiscal year 1999 shall be 11526
used by the Department of Education to assist school districts in 11527
funding aides pursuant to paragraph (A)(3)(c)(i)(b) of Rule 11528
3301-51-04 of the Administrative Code. 11529

Of the foregoing appropriation item 200-540, Special 11530
Education Enhancements, \$67,352,278 shall be distributed by the 11531
Department of Education to county boards of mental retardation and 11532
developmental disabilities, educational service centers, and 11533
school districts for preschool special education units and 11534
preschool supervisory units in accordance with section 3317.161 of 11535
the Revised Code. The department may reimburse county boards of 11536
mental retardation and developmental disabilities, educational 11537
service centers, and school districts for related services as 11538
defined in Rule 3301-01-05 of the Ohio Administrative Code, for 11539
preschool occupational and physical therapy services provided by a 11540
physical therapy assistant and certified occupational therapy 11541
assistant, and for an instructional assistant. To the greatest 11542
extent possible, the Department of Education shall allocate these 11543
units to school districts and educational service centers. The 11544
Controlling Board may approve the transfer of unallocated funds 11545
from appropriation item 200-501, Base Cost Funding, to 11546
appropriation item 200-540, Special Education Enhancements, to 11547
fully fund existing units as necessary or to fully fund additional 11548
units. The Controlling Board may approve the transfer of 11549
unallocated funds from appropriation item 200-540, Special 11550
Education Enhancements, to appropriation item 200-501, Base Cost 11551

Funding, to fully fund existing units, as necessary, or to fully fund additional units. 11552
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SECTION 50.14 OF AM. SUB. H.B. 215/122ND GA AS AMENDED BY AM. SUB. 11554
H.B. 650/122ND GA 11555

Sec. 50.14. Vocational Education Enhancements 11556

Of the foregoing appropriation item 200-545, Vocational 11557
Education Enhancements, up to ~~\$125,000,000~~ \$134,000,000 shall be 11558
used to fund up to ~~2,800~~ 3,000 vocational education units, 11559
inclusive of GRADS units, at joint vocational school districts and 11560
up to \$2,300,000 shall be used to fund up to 51 vocational 11561
education units at institutions. Up to \$7,500,000 in fiscal year 11562
1999 may be used for nonvocational units necessary for graduation 11563
pursuant to section 3317.16 of the Revised Code, up to \$6,500,000 11564
in fiscal year 1999 shall be used for joint vocational school 11565
equalization pursuant to section 3317.16 of the Revised Code, up 11566
to \$300,000 shall be distributed to the Toledo Technology Academy 11567
each fiscal year, up to \$9,500,000 in fiscal year 1999 shall be 11568
used to fund the Jobs for Ohio Graduates (JOG) program, up to 11569
\$2,205,000 in fiscal year 1999 may be used to support tech prep 11570
consortia, and up to \$7,193,118 in fiscal year 1999 shall be used 11571
to fund the Graduation, Reality, and Dual Role Skills (GRADS) 11572
program according to that program's rules, which shall be 11573
developed by the Superintendent of Public Instruction. Up to 11574
~~\$3,100,000~~ \$4,600,000 may be used to pay for special education 11575
classroom and related services units at joint vocational schools. 11576

Funds for nonvocational units necessary for graduation shall 11577
be distributed according to rules adopted by the State Board of 11578
Education. If federal funds for vocational education cannot be 11579
used for local school district leadership without being matched by 11580
state funds, then an amount as determined by the Superintendent of 11581
Public Instruction shall be made available from state funds 11582
appropriated for vocational education. If any state funds are used 11583

for this purpose, federal funds in an equal amount shall be 11584
distributed for vocational education in accordance with 11585
authorization of the state plan for vocational education for Ohio 11586
as approved by the Secretary of the United States Department of 11587
Education. 11588

The Legislative Office of Education Oversight shall study the 11589
various programs designed to serve at-risk high school students. 11590
Differences and possible overlaps of purposes, goals, objectives 11591
and strategies among such programs as Jobs for Ohio Graduates 11592
(JOG), Graduation, Reality, and Dual Role Skills (GRADS), 11593
Occupational Work Experience (OWE), and Occupational Work 11594
Adjustment (OWA) will be identified. 11595

Of the foregoing appropriation item 200-545, Vocational 11596
Education Enhancements, \$100,000 in fiscal year 1998 shall be used 11597
for the Cuyahoga County Vocational Apprenticeship Program, which 11598
provides funding for training in the building trades of eligible 11599
residents of the City of Cleveland. The program utilizes new 11600
housing development and rehabilitation programs of four nonprofit 11601
neighborhood development corporations as the focus of the skills 11602
training apprenticeship program. The four neighborhood development 11603
corporations participating in the program are the Glenville 11604
Development Corporation, Northeastern Neighborhood Development 11605
Corporation, Bell, Burton, and Carr Development Corporation, and 11606
the Buckeye Area Development Corporation. 11607

Of the foregoing appropriation item 200-545, Vocational 11608
Education Enhancements, \$5,851,692 in fiscal year 1999 shall be 11609
used to enable students to develop career plans, to identify 11610
initial educational and career goals, and to develop a career 11611
passport which provides a clear understanding of the student's 11612
knowledge, skills, and credentials to present to future employers, 11613
universities, and other training institutes. 11614

The amount of \$5,851,692 shall be allocated to school 11615
districts pursuant to guidelines developed by the Department of 11616
Education for programs described in section 3313.607 of the 11617
Revised Code for children in the kindergarten through twelfth 11618
grades. Funds so allocated shall be used for educational 11619
materials, services, career information, curriculum development, 11620
staff development, mentorships, career exploration, and career 11621
assessment instruments as needed to develop individualized career 11622
plans and passports. 11623

Of the foregoing appropriation item 200-545, Vocational 11624
Education Enhancements, \$4,941,622 shall be used to provide an 11625
amount to each eligible school district for the replacement or 11626
updating of equipment essential for the instruction of students in 11627
job skills taught as part of a vocational program or programs 11628
approved for such instruction by the State Board of Education. 11629
School districts replacing or updating vocational education 11630
equipment may purchase or lease such equipment. The Department of 11631
Education shall review and approve all equipment requests and may 11632
allot appropriated funds to eligible school districts on the basis 11633
of the number of units of vocational education in all eligible 11634
districts making application for funds. 11635

The State Board of Education may adopt standards of need for 11636
equipment allocation. Pursuant to the adoption of any such 11637
standards of need by the State Board of Education, appropriated 11638
funds may be allotted to eligible districts according to such 11639
standards. Equipment funds allotted under either process shall be 11640
provided to a school district on a 40, 50, or 60 per cent of cost 11641
on the basis of a district vocational priority index rating 11642
developed by the Department of Education for all districts each 11643
year. The vocational priority index shall give preference to 11644
districts with a large percentage of disadvantaged students and 11645
shall include other socio-economic factors as determined by the 11646

State Board of Education. 11647

Of the foregoing appropriation item 200-545, Vocational 11648
Education Enhancements, up to \$17,000,000 in fiscal year 1999 11649
shall be used for the Vocational Education Programs set-aside, 11650
from which moneys shall be distributed to school districts for 11651
vocational education programs in comprehensive high schools. In 11652
addition to any other payments made under Chapter 3317. of the 11653
Revised Code, any city, local, or exempted village school district 11654
providing an approved vocational education program may receive a 11655
supplemental vocational education payment from the set-aside for 11656
the purpose of meeting additional costs of providing vocational 11657
education. The moneys shall be distributed in accordance with 11658
rules adopted by the Superintendent of Public Instruction. The 11659
rules shall specify the vocational education related purposes for 11660
which the moneys received may be expended and may establish a 11661
system of prioritizing the distribution of moneys. 11662

Reading Improvement 11663

The foregoing appropriation item 200-551, Reading 11664
Improvement, shall be used by the Department of Education to fund 11665
the Reading Recovery training network, to cover the cost of 11666
release time for the teacher trainers, and to provide grants to 11667
districts to implement other reading improvement programs on a 11668
pilot basis. Funds for this appropriation item may also be used to 11669
conduct evaluations of the impact and effectiveness of Reading 11670
Recovery and other reading improvement programs. 11671

In addition, the Department of Education shall report to the 11672
General Assembly and the Governor each fiscal year on the progress 11673
that has been made in implementing these programs, including an 11674
evaluation of the effectiveness of the programs. 11675

Twenty per cent of the foregoing appropriation item 200-551, 11676
Reading Improvement, shall be used for the continuation of a 11677

phonics demonstration project as described in Sub. H.B. 81 of the 121st General Assembly. The Department of Education may make a portion of the funds for the demonstration project available to additional school districts that want to participate in the program that did not receive funding under the original project authorized in Sub. H.B. 81 of the 121st General Assembly.

County MR/DD Boards-Vehicle Purchases

The foregoing appropriation item 200-552, County MR/DD Boards-Vehicle Purchases, shall be used to provide financial assistance to MR/DD boards for the purchase of vehicles as permitted in section 3317.07 of the Revised Code.

The foregoing appropriation item 200-553, County MR/DD Boards-Transportation Operating, shall be used to provide financial assistance for transportation operating costs as provided in section 3317.024 of the Revised Code.

Emergency Loan Interest Subsidy

The foregoing appropriation item 200-558, Emergency Loan Interest Subsidy, shall be used to provide a subsidy to school districts receiving emergency school loans pursuant to section 3313.484 of the Revised Code. The subsidy shall be used to pay these districts the difference between the amount of interest the district is paying on an emergency loan, and the interest that the district would have paid if the interest rate on the loan had been two per cent.

Auxiliary Services Mobile Repair

Notwithstanding section 3317.064 of the Revised Code, if the unobligated cash balance is sufficient then the Treasurer of State shall transfer \$1,500,000 in fiscal year 1998 within thirty days of the effective date of this section and \$1,500,000 in fiscal year 1999 by August 1, 1998, from the Auxiliary Services Personnel

Unemployment Compensation Fund to the Department of Education's 11708
Auxiliary Services Mobile Repair Fund (Fund 598). 11709

SECTION 50.24 OF AM. SUB. H.B. 215/122nd GA AS AMENDED BY AM. SUB. 11710
H.B. 650/122nd GA 11711

Sec. 50.24. Lottery Profits 11712

(A) There is hereby created the Lottery Profits Education 11713
Reserve Fund (Fund 018) in the State Treasury. At no time shall 11714
the amount to the credit of the fund exceed \$50,000,000. 11715
Investment earnings of the Lottery Profits Education Reserve Fund 11716
shall be credited to the fund. Notwithstanding any provisions of 11717
law to the contrary, for fiscal years 1998 and 1999, there is 11718
hereby appropriated to the Department of Education, from the 11719
Lottery Profits Education Reserve Fund, an amount necessary to 11720
make loans authorized by sections 3317.0210, 3317.0211, and 11721
3317.62 of the Revised Code. All loan repayments from loans made 11722
in fiscal years 1992, 1993, 1994, 1995, 1996, 1997, or 1998 shall 11723
be deposited into the credit of the Lottery Profits Education 11724
Reserve Fund. 11725

(B) On or before July 15, 1998, the Director of Budget and 11726
Management shall determine the amount by which lottery profit 11727
transfers received by the Lottery Profits Education Fund for 11728
fiscal year 1998 exceed \$679,417,200. The amount so determined 11729
shall be distributed in fiscal year 1999 pursuant to divisions 11730
(C)(E) and (D)(F) of this section. 11731

The Director of Budget and Management shall annually certify 11732
the amounts determined pursuant to this section to the Speaker of 11733
the House of Representatives and the President of the Senate. 11734

(C) Not later than January 16, 1998, the Department of 11735
Education, in consultation with the Director of Budget and 11736
Management, shall determine, based upon estimates, if a 11737
reallocation of funds as described in the section titled 11738

"Reallocation of Funds" of Am. Sub. H.B. 215 of the 122nd General Assembly is required. 11739
11740

If a reallocation of funds is required, then the Superintendent of Public Instruction shall request Controlling Board approval for a release of any balances in the Lottery Profits Education Fund available for the purpose of this division and pursuant to divisions (C)(1) and (2) of the section titled "Reallocation of Funds" of Am. Sub. H.B. 215. Any moneys so released are hereby appropriated. 11741
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(D) In fiscal year 1998, if the Department of Education does not determine that a reallocation of funds is necessary by January 16, as provided in division (C) of this section, or if there is a balance in the Lottery Profits Education Fund after the release of any amount needed to preclude a reallocation of funds as provided in division (C) of this section, the moneys in the Lottery Profits Education Fund shall be allocated as provided in this division. Any amounts so allocated are hereby appropriated. 11748
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(1) An amount equal to five per cent of the estimated lottery profits of \$661,200,000 in fiscal year 1997 or the amount remaining in the fund, whichever is the lesser amount, shall be transferred to the Lottery Profits Education Reserve Fund within the limitations specified in division (A) of this section and be reserved and shall not be available for allocation or distribution during fiscal year 1998. Any amounts exceeding \$50,000,000 shall be distributed pursuant to divisions (D)(2), (3), and (4) of this section. 11756
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(2) After reserving the required amount under division (D)(1) of this section, an amount equal to \$25,000,000 or the unreserved amount remaining in the fund, whichever is the lesser amount, shall be transferred to the Public School Building Fund (Fund 021) to be allocated and distributed in accordance with Chapter 3318. Of the Revised Code. The School Facilities Commission shall submit 11765
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annually a report to the Governor and General Assembly on the use 11771
of these funds. The report shall include for each project, a 11772
description of the need for the project, the total cost, the state 11773
and local share of the cost, and the project repayment schedule. 11774

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(3) After the allocation under division (D)(2) of this 11776
section, an amount equal to \$20,000,000 or the unreserved amount 11777
remaining in the fund, whichever is the lesser amount, shall be 11778
allocated to the School Facilities Commission to assist school 11779
districts in complying with federal regulations on asbestos 11780
abatement and removal and to assist school districts in making 11781
school buildings accessible to the handicapped. 11782

(4) After the allocation under division (D)(3) of this 11783
section, the unreserved amount remaining in the fund shall be 11784
distributed pursuant to division (G) of this section. 11785

(E) Not later than January 16, 1999, the Department of 11786
Education, in consultation with the Director of Budget and 11787
Management, shall determine, based upon estimates, if a 11788
reallocation of funds as described in the section titled 11789
"Reallocation of Funds" of Am. Sub. H.B. 215 of the 122nd General 11790
Assembly is required. 11791

If a reallocation of funds is required, then the 11792
Superintendent of Public Instruction shall request Controlling 11793
Board approval for a release of any balances in the Lottery 11794
Profits Education Fund available for the purpose of this division 11795
and pursuant to divisions (C)(1) and (2) of the section titled 11796
"Reallocation of Funds" of Am. Sub. H.B. 215. Any moneys so 11797
released are hereby appropriated. 11798

~~(D)~~(F) In fiscal year 1999, if the Department of Education 11799
does not determine that a reallocation of funds is necessary by 11800
January 16, as provided in division ~~(C)~~(E) of this section, or if 11801

there is a balance in the Lottery Profits Education Fund after the 11802
release of any amount needed to preclude a reallocation of funds 11803
as provided in division ~~(C)~~(E) of this section, the moneys in the 11804
Lottery Profits Education Fund shall be allocated as provided in 11805
this division. Any amounts so allocated are hereby appropriated. 11806

(1) An amount equal to five per cent of the estimated lottery 11807
profits transfers of \$679,417,200 in fiscal year 1998 or the 11808
amount remaining in the fund, whichever is the lesser amount, 11809
shall be transferred to the Lottery Profits Education Reserve Fund 11810
within the limitations specified in division (A) of this section 11811
and be reserved and shall not be available for allocation or 11812
distribution during fiscal year 1999. Any amounts exceeding 11813
\$50,000,000 shall be distributed pursuant to divisions ~~(D)~~(F)(2), 11814
(3), and (4) of this section. 11815

(2) After reserving the required amount under division 11816
~~(D)~~(F)(1) of this section, an amount equal to \$25,000,000 or the 11817
unreserved amount remaining in the fund, whichever is the lesser 11818
amount, shall be transferred to the School Building Fund (Fund 11819
021) to be allocated and distributed in accordance with Chapter 11820
3318. of the Revised Code. The School Facilities Commission shall 11821
submit annually a report to the Governor and General Assembly on 11822
the use of these funds. The report shall include for each project, 11823
a description of the need for the project, the total cost, the 11824
state and local share of the cost, and the project repayment 11825
schedule. 11826

(3) After the allocation under division ~~(D)~~(F)(2) of this 11827
section, an amount equal to \$20,000,000 or the unreserved amount 11828
remaining in the fund, whichever is the lesser amount, shall be 11829
allocated to the School Facilities Commission to assist school 11830
districts in complying with federal regulations on asbestos 11831
abatement and removal and to assist school districts in making 11832
school buildings accessible to the handicapped. 11833

(4) After the allocation under division ~~(D)~~(F)(3) of this 11834
section, the amount remaining in the fund shall be distributed 11835
pursuant to division ~~(E)~~(G) of this section. 11836

~~(E)~~(G) In the appropriate fiscal year, any remaining amounts 11837
after the operations required by division ~~(C)~~(D) or ~~(D)~~(F) of this 11838
section, respectively, shall be available for distribution in 11839
accordance with this division. 11840

(1) As used in this division: 11841

(a) "State basic aid" means the amount computed for a 11842
district under sections 3317.022, 3317.023, and 3317.025 to 11843
3317.028 of the Revised Code, plus any amount computed for the 11844
district under section 3317.0212 of the Revised Code Basic Aid 11845
Guarantee of this act or any amount computed under section 11846
3317.16 of the Revised Code. 11847

(b) "ADM" means: 11848

(i) In the case of a city, local, or exempted village school 11849
district, the district's formula ADM as defined in section 3317.02 11850
of the Revised Code, minus the portion of ADM computed under 11851
division (A)(3) of section 3317.03 of the Revised Code for 11852
students that are enrolled in a joint vocational school district; 11853

(ii) In the case of a joint vocational school district, the 11854
sum of the number of pupils enrolled in that joint vocational 11855
school district. 11856

(2) Ninety-seven and forty-three one-hundredths per cent of 11857
the amount made available for distribution under this division in 11858
each fiscal year shall be distributed to city, local, joint 11859
vocational, and exempted village school districts eligible to 11860
receive funds pursuant to Chapter 3317. of the Revised Code in 11861
proportion to the percentage that the ADM of each such district is 11862
of the ADM of all such districts and shall be for the use of the 11863

public schools of the district. Two and fifty-seven one-hundredths 11864
per cent of such amount made available for distribution under this 11865
division in each fiscal year shall be distributed to nonpublic 11866
schools for the purposes of section 3317.063 of the Revised Code. 11867
Not later than the first day of March of each fiscal year, the 11868
Department of Education shall compute each school district's share 11869
for that year of the amount to be distributed under this division 11870
and shall, subject to Controlling Board approval, distribute the 11871
shares so determined. 11872

Amounts distributed to school districts pursuant to this 11873
division shall be used solely to purchase textbooks and equipment. 11874
If funds have been appropriated by a board for any purposes 11875
permitted under this section, the amounts distributed to the 11876
district or educational service center under this division shall 11877
be used for additional expenditures for such purposes and shall 11878
not be substituted for funds previously appropriated by the board. 11879

(3) Districts and nonpublic schools shall report to the 11880
Department of Education no later than the last day of May of each 11881
fiscal year on the usage of funds received under this division. 11882
The Department of Education shall compile district data and report 11883
on the usage of all funds distributed under this division to the 11884
Controlling Board by the last day of June of each fiscal year. If 11885
the department determines that a district used funds distributed 11886
pursuant to this division for purposes not permitted, it shall 11887
reduce the district's state basic aid payments for the ensuing 11888
fiscal year by the amount improperly used. 11889

It is the intent of the General Assembly that moneys 11890
distributed pursuant to this section shall not be included in any 11891
spending base calculations when appropriations for the 1999-2000 11892
biennium are being considered. 11893

SECTION 50.52.10 OF AM. SUB. H.B. 215/122nd GA AS AMENDED BY AM. 11894

SUB. H.B. 650/122nd GA 11895

Sec. 50.52.10. (A) As used in this subsection:	11896
(1) "Base formula amount" means the amount specified as such	11897
in a community school's financial plan for a school year pursuant	11898
to Subsection 5 of this section.	11899
(2) "Cost-of-doing-business factor" has the same meaning as	11900
in section 3317.02 of the Revised Code.	11901
(3) "IEP" means an individualized education program defined	11902
by division (E) of section 3323.01 of the Revised Code.	11903
(4) " Actual Average county cost" means the actual cost,	11904
averaged among school districts within a county, of providing	11905
special education and related services to a special education	11906
student pursuant to an IEP in the school district where that	11907
student is entitled to attend school pursuant to sections 3313.64	11908
and 3313.65 of the Revised Code <u>similarly handicapped children</u> , as	11909
calculated in a manner acceptable to the Superintendent of Public	11910
Instruction.	11911
(5) "Basic aid" means the amount computed for a district	11912
under divisions (A) and (C) of section 3317.022 of the Revised	11913
Code.	11914
(6) "Guarantee funds" means any payments received by a school	11915
district pursuant to section 3317.0212 of the Revised Code.	11916
(7) "Per pupil state funds" for a district means the figure	11917
obtained when the sum of the district's total annual basic aid	11918
payments plus guarantee funds is divided by the district's formula	11919
ADM as certified in section 3317.03 of the Revised Code.	11920
(8) "Entitled to attend school in the district" means a	11921
student is entitled to attend school in a district pursuant to the	11922
provisions of section 3313.64 or 3313.65 of the Revised Code.	11923
(B) The state board of education shall adopt rules requiring	11924
both of the following:	11925

(1) The board of education of each city, exempted village, and local school district in the Lucas County area to annually report the number of students entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised Code in grades one through twelve, and one-half of the kindergarten students, who are enrolled in a community school established under this ~~chapter~~ section and for each child, both of the following:

(a) The community school in which the child is enrolled. In addition, for each such child receiving special education and related services in a community school pursuant to an IEP the board shall report the ~~actual~~ average county cost for such child.

(b) If the district receives disadvantageded pupil impact aid for the child pursuant to division (B) or divisions (C) and (E) of section 3317.029 of the Revised Code, the amount received for such child.

(2) The governing authority of each community school established under this section to annually report the number of students in grades one through twelve, and one-half of the kindergarten students, enrolled in ~~kindergarten through grade twelve in~~ the school who are not receiving special education and related services pursuant to an IEP, the number of enrolled students in ~~kindergarten through grade~~ grades one through twelve and one-half of the kindergarten students who are receiving special education and related services pursuant to an IEP, the number of enrolled preschool students counted in a unit approved by the State Board of Education under section 3317.05 of the Revised Code, the community school's base formula amount, and for each student, the city, exempted village, or local school district the student is entitled to attend under section 3313.64 or 3313.65 of the Revised Code.

(C) From the payments made to a city, exempted village, or local school district under Chapter 3317. and, if necessary, sections 321.14 and 323.156 of the Revised Code, the Department of Education shall annually subtract all of the following:

(1) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the number of the district's students reported under division (B)(2) of this subsection in grades one through twelve, and one-half of the kindergarten students, who are enrolled in ~~kindergarten through grade twelve in~~ that community school and are not receiving special education and related services pursuant to an IEP is multiplied by the base formula amount of that community school as adjusted by the school district's cost-of-doing-business factor.

(2) The sum of the ~~actual~~ average county costs for all district students reported under division (B)(2) of this subsection who are to be receiving special education and related services pursuant to an IEP in their respective community schools, less the sum of the prorated share for each such preschool handicapped student of any amounts received from state funded units or from any federal funds to provide special education and related services to students in kindergarten through grade twelve in the respective community schools. This prorated share of state unit funding or federal funds received for each such student shall be determined on the basis of all such funds received by a community school for students receiving similar services, as calculated in a manner acceptable to the Superintendent of Public Instruction.

(3) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the number of the district's students enrolled in that community school and residing in the district in a family

participating in Ohio works first under Chapter 5107. of the 11989
Revised Code is multiplied by the per pupil amount of 11990
disadvantaged pupil impact aid the school district receives that 11991
year under division (B) or divisions (C) and (E) of section 11992
3317.029 of the Revised Code. 11993

(D) The Department shall annually pay to a community school, 11994
or to the Lucas County Educational Service Center on behalf of a 11995
start-up school for which the Service Center's Treasurer is the 11996
chief financial officer and custodian of its funds pursuant to 11997
subsection 12 of this section, all of the following: 11998

(1) An amount equal to the sum of the amounts obtained when, 11999
for each school district where the community school's students are 12000
entitled to attend school under section 3313.64 or 3313.65 of the 12001
Revised Code, the number of students enrolled in ~~kindergarten~~ 12002
grades one through grade twelve plus one-half of the kindergarten 12003
students in the school as reported under division (B)(2) of this 12004
subsection who are not receiving special education and related 12005
services pursuant to an IEP is multiplied by the community 12006
school's base formula amount, as adjusted by that school 12007
district's cost-of-doing-business factor; 12008

(2) For each student enrolled in the school receiving special 12009
education and related services pursuant to an IEP, an amount equal 12010
to the ~~actual~~ average county cost for such student, less a 12011
prorated share for a preschool handicapped student of any amount 12012
received from state funded units or for any student, a prorated 12013
share of any federal funds to provide special education and 12014
related services to students in the community school. This 12015
prorated share shall be determined as described under division 12016
(C)(2) of this subsection. 12017

(3) An amount equal to the sum of the amounts obtained when, 12018
for each school district where the community school's students are 12019

entitled to attend school under section 3313.64 or 3313.65 of the
Revised Code, the number of that district's students enrolled in
the community school and participating in Ohio works first is
multiplied by the per pupil amount of disadvantaged pupil impact
aid that school district receives that year under division (B) or
divisions (C) and (E) of section 3317.029 of the Revised Code.

(E) For purposes of counting students in average daily
membership under section 3317.03 of the Revised Code, prior to the
first day of classes each year in any community school established
under this section, the parent, guardian, or custodian of each
student who is enrolled or intends to enroll that year in the
community school shall register the student's name and address
with the superintendent of the school district in which the
student is entitled to attend school. The superintendent shall
include all such students in the district's average daily
membership as if the students were enrolled during the first full
week of October in that school year.

(F) During the first year of operation of a community school
under this section, in addition to all other payments made to any
school district in which a student enrolled in the community
school is entitled to attend school pursuant to Chapter 3317. of
the Revised Code, the Department of Education shall pay such
school district for each student enrolled in the community school
who is otherwise entitled to attend school in the district an
amount equal to 50 per cent of the district's per pupil state
funds.

(G) A community school may apply to the Department of
Education for preschool handicapped or gifted unit funding the
school would receive if it were a school district. Upon request of
its governing authority, a community school that received unit
funding as a school district-operated school before it was
converted to a community school shall retain any units awarded to

it as a school district-operated school, provided the school 12052
continues to meet eligibility standards for the unit. 12053

A community school shall be considered a school district and 12054
its governing authority shall be considered a board of education 12055
for the purpose of applying to any state or federal agency for 12056
grants that a school district may receive under federal or state 12057
law or any appropriations act of the General Assembly. The 12058
governing authority of a community school may apply to any private 12059
entity for additional funds. 12060

(H) A board of education sponsoring a community school may 12061
utilize local funds to make enhancement grants to the school or 12062
may agree, either as part of the contract or separately, to 12063
provide any specific services to the community school at no cost 12064
to the school. 12065

(I) A community school may not levy taxes or issue bonds 12066
secured by tax revenues. 12067

(J) No community school shall charge tuition for the 12068
enrollment of any student. 12069

(K) A community school may borrow money to pay any necessary 12070
and actual expenses of the school in anticipation of the receipt 12071
of any portion of the payments to be received by the school 12072
pursuant to division (D) of this subsection. The school may issue 12073
notes to evidence such borrowing to mature no later than the end 12074
of the fiscal year in which such money was borrowed. The proceeds 12075
of the notes shall be used only for the purposes for which the 12076
anticipated receipts may be lawfully expended by the school. 12077

(L) For purposes of determining the number of students for 12078
which division (D)(3) of this subsection applies in any school 12079
year, a community school may submit to the state Department of 12080
Human Services, no later than the first day of March, a list of 12081
the students enrolled in the school. For each student on the list, 12082

the community school shall indicate the student's name, address, 12083
and date of birth and the school district where the student is 12084
entitled to attend school under section 3313.64 or 3313.65 of the 12085
Revised Code. Upon receipt of a list under this division, the 12086
Department of Human Services shall determine, for each school 12087
district where one or more students on the list are entitled to 12088
attend school under section 3313.64 or 3313.65 of the Revised 12089
Code, the number of students residing in that school district who 12090
were included in the Department's report required by section 12091
3317.10 of the Revised Code. The Department shall make this 12092
determination on the basis of information readily available to it. 12093
Upon making this determination and no later than ninety days after 12094
submission of the list by the community school, the Department 12095
shall report to the state Department of Education the number of 12096
students on the list who reside in each school district who were 12097
included in the Department's report made pursuant to section 12098
3317.10 of the Revised Code. In complying with this division, the 12099
Department of Human Services shall not report to the state 12100
Department of Education any personally identifiable information on 12101
any student." 12102

Section 8. That existing Sections 50, 50.07, 50.09, 50.10, 12103
50.12, 50.13, 50.14, 50.24, and 50.52.10 of Am. Sub. H.B. 215 of 12104
the 122nd General Assembly, as amended by Am. Sub. H.B. 650 of the 12105
122nd General Assembly, are hereby repealed. 12106

Section 9. That Section 18 of Am. Sub. H.B. 650 of the 122nd 12107
General Assembly be amended to read as follows: 12108

"Sec. 18. (A) As used in this section: 12109

(1) "FY 1998 state aid" means the total amount of state money 12110
received by a school district ~~under sections 3317.022, 3317.023,~~ 12111
~~and 3317.025 to 3317.028 of the Revised Code, prior to any~~ 12112

~~deductions or credits required by division (G), (I), (J), or (K)~~ 12113
~~of section 3317.023, plus any amounts for which the district was~~ 12114
~~eligible pursuant to divisions (K), (M), (N), and (O) of section~~ 12115
~~3317.024 and sections 3317.0212 and 3317.0213 of the Revised Code,~~ 12116
~~as those divisions and sections existed in fiscal year 1998 as~~ 12117
~~reported on the Department of Education's form "SF-12," adjusted~~ 12118
as follows: 12119

(a) Minus any amounts for approved preschool handicapped 12120
units; 12121

(b) Minus any additional amount attributable to the 12122
reappraisal guarantee of division (C) of section 3317.04 of the 12123
Revised Code; 12124

(c) Plus the amount deducted for payments to an educational 12125
service center; 12126

(d) Plus an estimated portion of the state money distributed 12127
in fiscal year 1998 to other school districts or educational 12128
service centers for approved units, other than preschool 12129
handicapped or gifted education units, attributable to the costs 12130
of providing services in those units to students entitled to 12131
attend school in the district; 12132

(e) Minus an estimated portion of the state money distributed 12133
to the school district in fiscal year 1998 for approved units, 12134
other than preschool handicapped units or gifted education units, 12135
attributable to the costs of providing services in those units to 12136
students entitled to attend school in another school district; 12137
12138

(f) Plus any additional amount paid pursuant to the 12139
vocational education recomputation required by former Section 12140
50.22 of Am. Sub. H.B. No. 215 of the 122nd General Assembly; 12141

(g) Plus any additional amount paid pursuant to the special 12142
education recomputation required by former division (I) of section 12143

<u>3317.023 of the Revised Code;</u>	12144
(h) <u>Plus any amount paid for equity aid under section</u>	12145
<u>3317.0213 of the Revised Code.</u>	12146
(2) "FY 1999 state aid," "FY 2000 state aid," "FY 2001 state	12147
aid," and "FY 2002 state aid" mean the total amount of state money	12148
a school district is eligible to receive for the applicable fiscal	12149
year under sections <u>divisions (A), (C)(1), and (D) of section</u>	12150
<u>3317.022, 3317.023, and sections 3317.025 to 3317.028, 3317.029,</u>	12151
<u>3317.0212, and 3317.0213 of the Revised Code, plus any amount for</u>	12152
which the district is eligible pursuant to division (Q) <u>(C) of</u>	12153
<u>section 3317.023, divisions (G) and (P) of section 1317.024, and</u>	12154
<u>division (B) of section 3317.162 of the Revised Code,</u> and prior to	12155
any deductions or credits required by division <u>(B), (D), (E), (F),</u>	12156
<u>(G), (H), or (I), (J), or (K) of section 3317.023 or division (J)</u>	12157
<u>of section 3317.029 of the Revised Code,</u> as those sections are	12158
enacted and amended by this act.	12159
(3) "FY 1999 actual aid," "FY 2000 actual aid," "FY 2001	12160
actual aid," and "FY 2002 actual aid" means the amount of the	12161
state aid described in division (A)(2) of this section that was	12162
actually paid to a school district in the applicable fiscal year	12163
after the application of divisions (B) to (E) of this section.	12164
(4) "FY 1998 ADM" has the meaning prescribed in section	12165
3317.0212 of the Revised Code.	12166
(5) "Formula amount" has the meaning, "formula ADM," and	12167
"three-year average formula ADM" have the meanings prescribed in	12168
section 3317.02 of the Revised Code.	12169
(5) <u>"All-day kindergarten" has the meaning prescribed in</u>	12170
<u>section 3317.029 Of the Revised Code.</u>	12171
(B) In fiscal year 1999, notwithstanding any provision of law	12172
to the contrary, no school district shall receive FY 1999 state	12173
aid that is equal to more than <u>the greater of the following:</u>	12174

<u>(1) 110 per cent of FY 1998 state aid.—If;</u>	12175
<u>(2) [1.06 X (FY 1998 state aid/FY 1998 ADM) X the greater of fiscal year 1999 formula ADM or three-year average formula ADM.</u>	12176 12177
<u>If a district's projected FY 1999 state aid is more than 110 per cent of its FY 1998 state aid the greater of division (B)(1) or (2) of this section,</u> such district shall receive only 110 per cent of its FY 1998 state aid <u>the greater of division (B)(1) or (2) of this section</u> in fiscal year 1999.	12178 12179 12180 12181 12182
(C) In fiscal year 2000, notwithstanding any provision of law to the contrary, no school district shall receive FY 2000 state aid that is equal to more than <u>the greater of the following:</u>	12183 12184 12185
<u>(1) 110 per cent of FY 1999 actual aid.—If;</u>	12186
<u>(2) [1.06 X (FY 1999 actual aid/fiscal year 1999 formula ADM) X the greater of fiscal year 2000 formula ADM or three-year average formula ADM.</u>	12187 12188 12189
<u>If a district's projected FY 2000 state aid is more than 110 per cent of its FY 1999 actual aid the greater of division (C)(1) or (2) of this section,</u> such district shall receive only 110 per cent of its FY 1999 actual aid <u>the greater of division (C)(1) or (2) of this section</u> in fiscal year 2000.	12190 12191 12192 12193 12194
(D) In fiscal year 2001, notwithstanding any provision of law to the contrary, no school district shall receive FY 2001 state aid that is equal to more than <u>the greater of the following:</u>	12195 12196 12197
<u>(1) 110 per cent of FY 2000 actual aid.—If;</u>	12198
<u>(2) [1.06 X (FY 2000 actual aid/fiscal year 2000 formula ADM) X the greater of fiscal year 2001 formula ADM or three-year average formula ADM.</u>	12199 12200 12201
<u>If a district's projected FY 2001 state aid is more than 110 per cent of its FY 2000 actual aid the greater of division (D)(1) or (2) of this section,</u> such district shall receive only 110 per	12202 12203 12204

~~cent of its FY 2000 actual aid the greater of division (D)(1) or 12205
(2) of this section in fiscal year 2001. 12206~~

(E) In fiscal year 2002, notwithstanding any provision of law 12207
to the contrary, no school district shall receive FY 2002 state 12208
aid that is ~~equal to~~ more than the greater of the following: 12209

~~(1) 110 per cent of FY 2001 actual aid. If;~~ 12210

(2) [1.06 X (FY 2001 actual aid/fiscal year 2001 formula ADM] 12211
X the greater of fiscal year 2002 formula ADM or three-year 12212
average formula ADM. 12213

~~If~~ a district's projected FY 2002 state aid is more than ~~110~~ 12214
~~per cent of its FY 2001 actual aid the greater of division (E)(1)~~ 12215
~~or (2) of this section,~~ such district shall receive only ~~110 per~~ 12216
~~cent of its FY 2001 actual aid the greater of division (E)(1) or~~ 12217
~~(2) of this section in fiscal year 2002. 12218~~

~~(F) Notwithstanding any provision of law to the contrary:~~ 12219

~~(1) The amount by which a school district's FY 1999 actual 12220
aid exceeds its FY 1998 state aid is hereby deemed to first 12221
consist of the disadvantaged pupil impact aid (DPIA) calculated 12222
under section 3317.029 of the Revised Code. In fiscal year 1999, 12223
each district shall spend for the purposes set forth in section 12224
3317.029 of the Revised Code at least the lesser of the amount 12225
calculated under that section or the amount by which its FY 1999 12226
actual aid exceeds its FY 1998 state aid. 12227~~

~~(2) The amount by which a school district's FY 2000 actual 12228
aid exceeds its FY 1999 actual aid is hereby deemed to first 12229
consist of the DPIA calculated under section 3317.029 of the 12230
Revised Code. In fiscal year 2000, each district shall spend for 12231
the purposes set forth in section 3317.029 of the Revised Code at 12232
least the lesser of the amount calculated under that section or 12233
the amount by which its FY 2000 actual aid exceeds its FY 1999 12234
actual aid. 12235~~

~~(3) The amount by which a school district's FY 2001 actual aid exceeds its FY 2000 actual aid is hereby deemed to first consist of the DPIA calculated under section 3317.029 of the Revised Code. In fiscal year 2001, each district shall spend for the purposes set forth in section 3317.029 of the Revised Code at least the lesser of the amount calculated under that section or the amount by which its FY 2001 actual aid exceeds its FY 2000 actual aid.~~

~~(4) The amount by which a school district's FY 2002 actual aid exceeds its FY 2001 actual aid is hereby deemed to first consist of the DPIA calculated under section 3317.029 of the Revised Code. In fiscal year 2002, each district shall spend for the purposes set forth in section 3317.029 of the Revised Code at least the lesser of the amount calculated under that section or the amount by which its FY 2002 actual aid exceeds its FY 2001 actual aid.~~

~~(G)(1) In lieu of the limitation on the amount of aid a district may receive in fiscal year 1999 provided in division (B) of this section, the district may receive an amount calculated under the following formula, if such amount is greater than the amount provided in division (B) of this section:~~

~~1.06 times minus (the district's FY 1998 state aid/district's FY 1998 ADM) > times the district's FY 1999 formula ADM~~

~~(2) In lieu of the limitation on the amount of aid a district may receive in fiscal year 2000 provided in division (C) of this section, the district may receive an amount calculated under the following formula, if such amount is greater than the amount provided in division (C) of this section:~~

~~1.06 times minus (the district's FY 1999 actual aid/district's FY 1999 formula ADM) > times the district's FY 2000 formula ADM~~

~~(3) In lieu of the limitation on the amount of aid a district~~

~~may receive in fiscal year 2001 provided in division (D) of this section, the district may receive an amount calculated under the following formula, if such amount is greater than the amount provided in division (D) of this section:~~

~~1.06 times minus (the district's FY 2000 actual aid/district's FY 2000 formula ADM) > times the district's FY 2001 formula ADM~~

~~(4) In lieu of the limitation on the amount of aid a district may receive in fiscal year 2002 provided in division (E) of this section, the district may receive an amount calculated under the following formula, if such amount is greater than the amount provided in division (E) of this section:~~

~~1.06 times minus (the district's FY 2001 actual aid/district's FY 2001 formula ADM) > times the district's FY 2002 formula ADM~~ This division and division (G) of this section apply only to districts subject to division (F) of section 3317.029 Of the Revised Code. As used in this division and division (G) of this section:

(1) "Capped district" means a district that pursuant to division (B), (C), (D), or (E) of this section will not receive the full amount of FY 1999, FY 2000, FY 2001, or FY 2002 state aid.

(2) "DPIA funds" means:

(a) In FY 1998, the amount calculated for the district pursuant to division (B) of section 3317.023 Of the Revised Code as it existed in that fiscal year;

(b) In any fiscal year after FY 1998, the total amount calculated for the district for that fiscal year pursuant to section 3317.029 Of the Revised Code.

(3) "Exempt DPIA portion" means:

(a) In the case of any district other than a capped district, an amount equal to zero;

(b) In the case of a capped district, the amount resulting 12297
from the application of the following formula: 12298
(The district's DPIA funds for the year of the calculation minus 12299
the district's DPIA funds for FY 1998) minus (the district's 12300
actual aid for the year of the calculation minus the district's FY 12301
98 state aid) 12302

However, if this formula produces a negative number, the 12303
district's exempt DPIA portion is zero. 12304

(4) "Required all-day kindergarten" for a district means the 12305
provision of all-day kindergarten to the number of students in the 12306
district's kindergarten percentage specified pursuant to division 12307
(H)(1) of section 3317.029 Of the Revised Code. 12308

(G) Notwithstanding any provision of law to the contrary: 12309

(1) In the case of any district, the district's DPIA funds 12310
are hereby deemed to first consist of any disadvantaged pupil 12311
impact aid calculated for the district for all-day kindergarten 12312
under division (D) of section 3317.029 Of the Revised Code, and to 12313
next consist of any disadvantaged pupil impact aid calculated for 12314
the district under divisions (C) and (E) of section 3317.029 Of 12315
the Revised Code. Each district shall expend whatever funds 12316
necessary to ensure provision of its required all-day 12317
kindergarten. 12318

(2) In FY 1999, a district shall expend for the purposes of 12319
section 3317.029 Of the Revised Code an amount equal to at least 12320
twenty-five per cent of the resultant derived from subtracting the 12321
district's exempt DPIA portion from the amount calculated for the 12322
district under divisions (C) and (E) of section 3317.029 Of the 12323
Revised Code. 12324

(3) In FY 2000, a district shall expend for the purposes of 12325
section 3317.029 Of the Revised Code an amount equal to at least 12326
fifty per cent of the resultant derived from subtracting the 12327

district's exempt DPIA portion from the amount calculated for the 12328
district under divisions (C) and (E) of section 3317.029 Of the 12329
Revised Code. 12330

(4) In FY 2001, a district shall expend for the purposes of 12331
section 3317.029 Of the Revised Code an amount equal to at least 12332
seventy-five per cent of the resultant derived from subtracting 12333
the district's exempt DPIA portion from the amount calculated for 12334
the district under divisions (C) and (E) of section 3317.029 Of 12335
the Revised Code. 12336

(5) In FY 2002 and thereafter, a district shall expend one 12337
hundred per cent of its DPIA funds for the purposes of section 12338
3317.029 Of the Revised Code. 12339

(6) Districts shall comply with the requirements of division 12340
(G) of section 3317.029 Of the Revised Code." 12341

Section 10. That existing Section 18 of Am. Sub. H.B. 650 of 12342
the 122nd General Assembly is hereby repealed. 12343

Section 11. That Section 50.06 of Am. Sub. H.B. 215 of the 12344
122nd General Assembly, as amended by Am. Sub. H.B. 182 and Am. 12345
Sub. H.B. 650 of the 122nd General Assembly, be amended to read as 12346
follows: 12347

SECTION 50.06 OF AM. SUB. H.B. 215/122nd GA AS AMENDED BY AM. SUB. 12348
H.B. 182/122nd GA AND AM. SUB. H.B. 650/122nd GA 12349

"Sec. 50.06. School Foundation Basic Allowance Base Cost 12350
Funding 12351

Of the foregoing appropriation item 200-501, Base Cost 12352
Funding, up to \$6,000,000 in each year of the biennium shall be 12353
expended by the State Board of Education for the extended service 12354
allowance which shall be the teachers' salaries pursuant to the 12355
schedule contained in section 3317.13 of the Revised Code, plus 12356
fifteen per cent for retirement and sick leave; up to \$425,000 12357

shall be expended in each year of the biennium for court payments 12358
pursuant to section 2151.357 of the Revised Code; up to \$150,000 12359
in each year of the biennium shall be expended pursuant to section 12360
3313.64 of the Revised Code; the Superintendent of Public 12361
Instruction shall expend in fiscal year 1998 the amount necessary 12362
for the purpose of making payments for the vocational education 12363
pupil recomputation pursuant to division (M) of section 3317.024 12364
of the Revised Code and the provisions under the section headed 12365
"Vocational Education Pupil Recomputation" in Am. Sub. H.B. 215 of 12366
the 122nd General Assembly and the special education pupil 12367
recomputation pursuant to division (I) of section 3317.023 of the 12368
Revised Code; up to \$100,000 shall be expended in each year of the 12369
biennium for supplemental payments pursuant to the section headed 12370
"Supplemental Payment" of Am. Sub. H.B. 215 of the 122nd General 12371
Assembly; an amount shall be available each year of the biennium 12372
for the cost of the reappraisal guarantee pursuant to section 12373
3317.04 of the Revised Code; up to \$9,000,000 in each year of the 12374
biennium shall be reserved for payments pursuant to sections 12375
3317.026, 3317.027, and 3317.028 of the Revised Code except that 12376
the Controlling Board may increase the \$9,000,000 amount if 12377
presented with such a request from the Department of Education. Of 12378
the foregoing appropriation line item 200-501, Base Cost Funding, 12379
up to \$13,861,282 shall be used in fiscal year 1999 to provide 12380
additional state aid to school districts for students in category 12381
three special education ADM pursuant to division (C)(4) of section 12382
3317.022 Of the Revised Code; up to \$2,000,000 in each year of the 12383
biennium shall be reserved for Youth Services tuition payments 12384
pursuant to section 3317.024 of the Revised Code; up to 12385
\$1,300,000 in fiscal year 1998 and \$1,300,000 in fiscal year 1999 12386
for small district aid; for districts with an ADM of less than 12387
100, in addition to other funds, an amount shall be paid equal to 12388
the amount above the actual fiscal year 1996 and 1997 amounts for 12389
basic aid, including any guarantee aid the district would have 12390

received in fiscal years 1996 and 1997 had the amendments to 12391
divisions (D) and (E) of section 3317.0212 of the Revised Code, as 12392
amended in Am. Sub. H.B. 215 of the 122nd General Assembly, been 12393
in effect; up to \$500,000 in each fiscal year shall be used to 12394
make payments to school districts that lose enrollment due to the 12395
implementation of the community schools program pursuant to Am. 12396
Sub. H.B. 215 of the 122nd General Assembly; \$500,000 shall be 12397
transferred each year by the Director of Budget and Management to 12398
appropriation item 200-422, School Management Assistance, to help 12399
the Department of Education administer, monitor, and implement the 12400
fiscal emergency and fiscal watch provisions under Chapter 3316. 12401
of the Revised Code. ~~Up; up~~ up to \$45,330,000 in fiscal year 1998 and 12402
up to \$47,795,600 in fiscal year 1999 shall be reserved to fund 12403
the state reimbursement of educational service centers pursuant to 12404
section 3317.11 of the Revised Code; and up to \$1,260,000 in 12405
fiscal year 1998 shall be used by the Superintendent of Public 12406
Instruction to make incentive payments in any amounts the 12407
superintendent deems necessary to joint educational service 12408
centers established pursuant to section 3311.053 of the Revised 12409
Code. These supplemental payments may be made in fiscal year 1998 12410
to defray the direct or indirect expenses of dissolving 12411
participating educational service centers. Each joint educational 12412
service center seeking a supplemental payment in fiscal year 1998 12413
shall submit to the Superintendent of Public Instruction any 12414
documents and information that the Superintendent may require no 12415
later than December 31, 1997. 12416

Notwithstanding any contrary provision of section 3313.843 or 12417
3317.11 of the Revised Code as amended by Amended Substitute House 12418
Bill No. 650 of the 122nd ~~general assembly~~ General Assembly, 12419
students receiving special education programs or related services 12420
in fiscal year 1998 through a state-funded special education 12421
classroom unit or a state-funded special education related 12422
services unit operated by an educational service center shall 12423

receive that program or those services from that educational 12424
service center in fiscal year 1999 through a contract entered into 12425
between the educational service center and the students' school 12426
district of enrollment unless the service center and district 12427
mutually agree that it is in the best interests of students to 12428
provide the program or services in a different manner. The 12429
contract for fiscal year 1999 shall provide for payment to the 12430
service center by the students' school district of enrollment for 12431
the program or services provided by the service center. If the 12432
service center and school district fail to agree on a payment 12433
amount for the students, they shall notify the department of 12434
education and the department shall determine the amount to be 12435
paid. If the service center and the district disagree that it is 12436
in the best interests of students to have the students receive the 12437
program or services in fiscal year 1999 from the service center, 12438
the district or service center shall notify the department of 12439
education and, prior to March 31, 1998, the department shall 12440
determine what manner of program or services in fiscal year 1999 12441
is in the best interests of the students. 12442

Of the foregoing appropriation item 200-501, Base Cost 12443
Funding, up to \$1,000,000 in each fiscal year shall be used by the 12444
Department of Education for a pilot program to pay for educational 12445
services for youth who have been assigned by a juvenile court or 12446
other authorized agency to any of the facilities described in 12447
division (A) of the section titled "Private Treatment Facility 12448
Pilot Project." 12449

The remaining portion of this appropriation item shall be 12450
expended for base cost funding for the public schools of city, 12451
local, and exempted village school districts pursuant to divisions 12452
(A) and (C) of section 3317.022 of the Revised Code. Any amounts 12453
which were encumbered in fiscal year 1997 by the Department of 12454
Education from appropriation item 200-501, School Foundation Basic 12455

Allowance, for any of the uses described in Section 45.05 of Am. Sub. H.B. 117 of the 121st General Assembly, but which, on the effective date of this amendment of this section, remain unexpended, may be used by the Department of Education to make payments for the purposes of sections 3317.027 and 3317.028 of the Revised Code in excess of the amounts specified in Section 45.05 of Am. Sub. H.B. 117 of the 121st General Assembly, for fiscal year 1997 obligations pursuant to sections 3317.027 and 3317.028 of the Revised Code."

Section 12. That existing Section 50.06 of Am. Sub. H.B. 215 of the 122nd General Assembly, as amended by Am. Sub. H.B. 182 and Am. Sub. H.B. 650 of the 122nd General Assembly, is hereby repealed.

Section 13. The enactment by this act of R.C. 3345.122 is intended to confirm the enactment of the section by Am. Sub. H.B. 215 of the 122nd General Assembly, the biennial operating budget measure. The Statement of the Reasons for the Veto of Items in Amended Substitute House Bill 215, Item Number Three, states that the Governor disapproved the enactment of the section, R.C. 3345.182, that immediately follows R.C. 3345.122 in Am. Sub. H.B. 215. In boxing R.C. 3345.182 to indicate this disapproval, however, the Governor also boxed R.C. 3345.122. The Statement of the Reasons for the Veto of Items, Item Number Three, indicates no intention to disapprove R.C. 3345.122. And neither do the Governor's disapprovals in the enacting clauses of the title and Section 1 of Am. Sub. H.B. 215, where the Governor boxed the intention to enact R.C. 3345.182, but not the intention to enact R.C. 3345.122.

This section is subject to the referendum.

Section 14. Section 5733.04 of the Revised Code is presented

in this act as a composite of the section as amended by both Am. 12486
Sub. H.B. 215 and Sub. H.B. 408 of the 122nd General Assembly, 12487
with the new language of neither of the acts shown in capital 12488
letters. This is in recognition of the principle stated in 12489
division (B) of section 1.52 of the Revised Code that such 12490
amendments are to be harmonized where not substantively 12491
irreconcilable and constitutes a legislative finding that such is 12492
the resulting version in effect prior to the effective date of 12493
this act. 12494

Section 15. Section 5747.01 of the Revised Code is presented 12495
in this act as a composite of the section as amended by both Am. 12496
Sub. H.B. 215 and Sub. H.B. 408 of the 122nd General Assembly, 12497
with the new language of neither of the acts shown in capital 12498
letters. This is in recognition of the principle stated in 12499
division (B) of section 1.52 of the Revised Code that such 12500
amendments are to be harmonized where not substantively 12501
irreconcilable and constitutes a legislative finding that such is 12502
the resulting version in effect prior to the effective date of 12503
this act. 12504

Section 16. Except as otherwise specifically provided in this 12505
act, the codified and uncodified sections of law contained in this 12506
act, and the items of law of which the codified and uncodified 12507
sections of law contained in this act are composed, are not 12508
subject to the referendum. Therefore, under Ohio Constitution, 12509
Article II, Section 1d and section 1.471 of the Revised Code, the 12510
codified and uncodified sections and items of law contained in 12511
this act, except as otherwise specifically provided in this act, 12512
go into immediate effect when this act becomes law. 12513
12514

Section 17. Sections 3313.646, 3313.841, 3313.842, 3313.98, 12515

3314.03, 3314.07, 3314.08, 3314.12, 3314.13, 3317.01, 3317.013, 12516
3317.02, 3317.021, 3317.022, 3317.023, 3317.024, 3317.029, 12517
3317.0212, 3317.0213, 3317.0214, 3317.0215, 3317.0216, 3317.03, 12518
3317.05, 3317.051, 3317.06, 3317.082, 3317.10, 3317.11, 3317.161, 12519
3317.19, 3318.06, 3318.08, 3318.10, 3323.091, and 3323.12 of the 12520
Revised Code and Section 50.11 of Am. Sub. H.B. 215 of the 122nd 12521
General Assembly (renumbered as section 3317.162 of the Revised 12522
Code), as contained in this act, and the items of law of which 12523
such sections as contained in this act are composed, are not 12524
subject to the referendum. Therefore, under Ohio Constitution, 12525
Article II, Section 1d and section 1.471 of the Revised Code, such 12526
sections and items of law are entitled to go into immediate effect 12527
when this act becomes law. However, such sections and items of law 12528
take effect on July 1, 1998, or the day this act becomes law, 12529
whichever is later. 12530

Section 18. Sections 101.34, 101.70, 101.71, 101.72, 101.73, 12531
101.74, 101.75, 101.77, 101.78, 101.79, 121.60, 121.61, 121.62, 12532
121.63, 121.64, 121.65, 121.68, 121.69, 126.14, 131.35, 133.06, 12533
715.013, 718.01, 3315.171, 3315.181, 3345.122, 3704.14, 3734.57, 12534
3734.82, 4123.40, 4701.10, 4701.20, 4743.05, 4745.01, 4981.091, 12535
5711.22, 5733.04, 5733.05, 5733.057, 5733.058, 5733.0611, 5733.12, 12536
5733.40, 5733.401, 5733.402, 5733.98, 5747.01, 5747.08, 5747.401, 12537
5747.43, 5747.98, and 5907.15 of the Revised Code, as contained in 12538
this act, and the items of law of which such sections as contained 12539
in this act are composed, are subject to the referendum. 12540
Therefore, under Ohio Constitution, Article II, Section 1c and 12541
section 1.471 of the Revised Code, such sections and items of law 12542
take effect on the ninety-first day after this act is filed with 12543
the Secretary of State. If, however, a referendum petition is 12544
filed against any such section or item of law, the section or item 12545
of law, unless rejected at the referendum, takes effect at the 12546

earliest time permitted by law. 12547

Section 19. The repeal of section 5747.452 of the Revised 12548
Code is subject to the referendum. Therefore, under Ohio 12549
Constitution, Article II, Section 1c and section 1.471 of the 12550
Revised Code, the repeal takes effect on the ninety-first day 12551
after this act is filed with the Secretary of State. If, however, 12552
a referendum petition is filed against the repeal, the repeal, 12553
unless rejected at the referendum, takes effect at the earliest 12554
time permitted by law. 12555

Section 20. Uncodified sections of law contained in this act, 12556
and items of law contained within the uncodified sections of law 12557
contained in this act, that explicitly state they are subject to 12558
the referendum are subject to the referendum. Therefore, under 12559
Ohio Constitution, Article II, Section 1c and section 1.471 of the 12560
Revised Code, the uncodified sections and items of law that 12561
explicitly state they are subject to the referendum take effect on 12562
the ninety-first day after this act is filed with the Secretary of 12563
State. If, however, a referendum petition is filed against an 12564
uncodified section or item of law that explicitly states it is 12565
subject to the referendum, the uncodified section or item of law, 12566
unless rejected at the referendum, takes effect at the earliest 12567
time permitted by law. 12568

This section defines the effect of an uncodified section or 12569
item of law explicitly stating that it is subject to the 12570
referendum, but this section is not itself to be considered 12571
explicitly to state that it is subject to the referendum. 12572