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A BILL

To amend sections 122.15, 122.151, 122.152, 122.154, 1
122.171, 166.01, 166.02, 166.08, 166.11, 166.13, 2
166.14, 166.16, 5733.98, and 5747.98 and to enact 3
sections 166.17 to 166.21, 184.04, 5733.352, and 4
5747.331 of the Revised Code and to amend Sections 5
41 and 41.15 of Am. Sub. H.B. 94 of the 124th 6
General Assembly, as subsequently amended, to 7
increase the dollar amount that may be invested in 8
technology and revise the eligibility requirements 9
for, and increase the maximum amount of, 10
technology investment tax credits that may be 11
issued; to create the Ohio Research 12
Commercialization Grant Program; to increase the 13
maximum amount of obligations that may be issued 14
to fund economic development programs; to move the 15
Innovation Ohio Loan Fund into the State Treasury; 16
to create the Research and Development Loan Fund, 17
and authorize the Director to make loans from that 18

Fund and issue obligations for research and 19
development projects; to grant tax credits for 20
qualified research and development loan payments; 21
to extend the maximum term of, and to change the 22
job retention requirements for, the job retention 23
tax credit; to grant a tax credit to corporations 24
operating call centers to offset future changes in 25
the corporation franchise tax law; and to make an 26
appropriation. 27

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

Section 1. That sections 122.15, 122.151, 122.152, 122.154, 28
122.171, 166.01, 166.02, 166.08, 166.11, 166.13, 166.14, 166.16, 29
5733.98, and 5747.98 be amended and sections 166.17, 166.18, 30
166.19, 166.20, 166.21, 184.04, 5733.352, and 5747.331 of the 31
Revised Code be enacted to read as follows: 32

Sec. 122.15. As used in sections 122.15 to 122.154 of the 33
Revised Code: 34

(A) "Edison center" means a cooperative research and 35
development facility that receives funding through the Thomas Alva 36
Edison grant program under division (C) of section 122.33 of the 37
Revised Code. 38

(B) "Ohio entity" means any corporation, limited liability 39
company, or unincorporated business organization, including a 40
general or limited partnership, that has its principal place of 41
business located in this state and has at least fifty per cent of 42
its gross assets and fifty per cent of its employees located in 43
this state. If a corporation, limited liability company, or 44
unincorporated business organization is a member of an affiliated 45
group, the gross assets and the number of employees of all of the 46

members of that affiliated group, wherever those assets and 47
employees are located, shall be included for the purpose of 48
determining the percentage of the corporation's, company's, or 49
organization's gross assets and employees that are located in this 50
state. 51

(C) "Qualified trade or business" means any trade or business 52
that primarily involves research and development, technology 53
transfer, bio-technology, information technology, or the 54
application of new technology developed through research and 55
development or acquired through technology transfer. "Qualified 56
trade or business" does not include any of the following: 57

(1) Any trade or business involving the performance of 58
services in the field of law, engineering, architecture, 59
accounting, actuarial science, performing arts, consulting, 60
athletics, financial services, or brokerage services, or any trade 61
or business where the principal asset of the trade or business is 62
the reputation or skill of one or more of its employees; 63

(2) Any banking, insurance, financing, leasing, rental, 64
investing, or similar business; 65

(3) Any farming business, including the business of raising 66
or harvesting trees; 67

(4) Any business involving the production or extraction of 68
products of a character with respect to which a deduction is 69
allowable under section 611, 613, or 613A of the "Internal Revenue 70
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 611, 613, or 613A; 71

(5) Any business of operating a hotel, motel, restaurant, or 72
similar business; 73

(6) Any trade or business involving a hospital, a private 74
office of a licensed health care professional, a group practice of 75
licensed health care professionals, or a nursing home. As used in 76
division (C)(6) of this section: 77

(a) "Nursing home" has the same meaning as in section 3721.50	78
of the Revised Code.	79
(b) "Hospital" has the same meaning as in section 3727.01 of	80
the Revised Code.	81
(D) "Information technology" means the branch of technology	82
devoted to the study and application of data and the processing	83
thereof; the automatic acquisition, storage, manipulation or	84
transformation, management, movement, control, display, switching,	85
interchange, transmission or reception of data, and the	86
development or use of hardware, software, firmware, and procedures	87
associated with this processing. Information technology includes	88
matters concerned with the furtherance of computer science and	89
technology, design, development, installation and implementation	90
of information systems and applications that in turn will be	91
licensed or sold to a specific target market. Information	92
technology does not include the creation of a distribution method	93
for existing products and services.	94
(E) "Insider" means an individual who owns, controls, or	95
holds power to vote five per cent or more of the outstanding	96
securities of a business. For purposes of determining whether an	97
investor is an insider, the percentage of voting power in the Ohio	98
entity held by a person related to the investor shall be added to	99
the investor's percentage of voting power in the same Ohio entity,	100
if the investor claimed the person related to the investor as a	101
dependent or a spouse on the investor's federal income tax return	102
for the previous tax year.	103
(F) "Related to" means being the spouse, parent, child, or	104
sibling of an individual.	105
(G) "Research and development" means designing, creating, or	106
formulating new or enhanced products, equipment, or processes, and	107
conducting scientific or technological inquiry and experimentation	108

in the physical sciences with the goal of increasing scientific 109
knowledge that may reveal the bases for new or enhanced products, 110
equipment, or processes. 111

(H) "State tax liability" means any tax liability incurred 112
under division (D) of section 5707.03, section 5727.24, 5727.38, 113
or 5747.02, or Chapter 5733. of the Revised Code. 114

(I) "Technology transfer" means the transfer of technology 115
from one sector of the economy to another, including the transfer 116
of military technology to civilian applications, civilian 117
technology to military applications, or technology from public or 118
private research laboratories to military or civilian 119
applications. 120

(J) "Affiliated group" means two or more persons related in 121
such a way that one of the persons owns or controls the business 122
operations of another of those persons. In the case of a 123
corporation issuing capital stock, one corporation owns or 124
controls the business operations of another corporation if it owns 125
more than fifty per cent of the other corporation's capital stock 126
with voting rights. In the case of a limited liability company, 127
one person owns or controls the business operations of the company 128
if that person's membership interest, as defined in section 129
1705.01 of the Revised Code, is greater than fifty per cent of 130
combined membership interest of all persons owning such interests 131
in the company. In the case of an unincorporated business 132
organization, one person owns or controls the business operations 133
of the organization if, under the articles of organization or 134
other instrument governing the affairs of the organization, that 135
person has a beneficial interest in the organization's profits, 136
surpluses, losses, or other distributions greater than fifty per 137
cent of the combined beneficial interests of all persons having 138
such an interest in the organization. 139

(K) "Money" means United States currency, or a check, draft, 140

or cashier's check for United States currency, payable on demand 141
and drawn on a bank. 142

(L) "EDGE business enterprise" means an Ohio entity certified 143
by the director of administrative services as a participant in the 144
encouraging diversity, growth, and equity program established by 145
the governor's executive order 2002-17T. 146

(M) "Distressed area" has the same meaning as in section 147
122.23 of the Revised Code. 148

Sec. 122.151. (A) An investor who proposes to make an 150
investment of money in an Ohio entity may apply to an Edison 151
center for a tax credit under this section. The Edison center 152
shall prescribe the form of the application and any information 153
that the investor must submit with the application. The investor 154
shall include with the application a fee of two hundred dollars. 155
The center, within three weeks after receiving the application, 156
shall review it, determine whether the investor should be 157
recommended for the tax credit, and send written notice of its 158
initial determination to the industrial technology and enterprise 159
advisory council and to the investor. If the center determines the 160
investor should not be recommended for the tax credit, it shall 161
include in the notice the reasons for the determination. Subject 162
to divisions (C) and (D) of this section, an investor is eligible 163
for a tax credit if all of the following requirements are met: 164

(1) The investor's investment of money is in an Ohio entity 165
engaged in a qualified trade or business. 166

(2) The Ohio entity had less than ~~one~~ two million five 167
hundred thousand dollars of gross revenue during its most recently 168
completed fiscal year or had a net book value of less than ~~one~~ two 169
million five hundred thousand dollars at the end of that fiscal 170
year. 171

(3) The investment takes the form of the purchase of common 172
or preferred stock, a membership interest, a partnership interest, 173
or any other ownership interest. 174

(4) The amount of the investment for which the credit is 175
being claimed does not exceed ~~one~~ three hundred ~~fifty~~ thousand 176
dollars in the case of an investment in an EDGE business 177
enterprise or in an Ohio entity located in a distressed area, or 178
two hundred fifty thousand dollars in the case of an investment in 179
any other Ohio entity. 180

(5) The money invested is entirely at risk of loss, where 181
repayment depends upon the success of the business operations of 182
the Ohio entity. 183

(6) No repayment of principal invested will be made for at 184
least three years from the date the investment is made. 185

(7) The annual combined amount of any dividend and interest 186
payments to be made to the investor will not exceed ten per cent 187
of the amount of the investment for at least three years from the 188
date the investment is made. 189

(8) The investor is not an employee with proprietary 190
decision-making authority of the Ohio entity in which the 191
investment of money is proposed, or related to such an individual. 192
The Ohio entity is not an individual related to the investor. For 193
purposes of this division, the industrial technology and 194
enterprise advisory council shall define "an employee with 195
proprietary decision-making authority." 196

(9) The investor is not an insider. 197

For the purposes of determining the net book value of an Ohio 198
entity under division (A)(1) or (2) of this section, if the entity 199
is a member of an affiliated group, the combined net book values 200
of all of the members of that affiliated group shall be used. 201

Nothing in division (A)(6) or (7) of this section limits or 202
disallows the distribution to an investor in a pass-through entity 203
of a portion of the entity's profits equal to the investor's 204
federal, state, and local income tax obligations attributable to 205
the investor's allocable share of the entity's profits. Nothing in 206
division (A)(6) or (7) of this section limits or disallows the 207
sale by an investor of part or all of the investor's interests in 208
an Ohio entity by way of a public offering of shares in the Ohio 209
entity. 210

(B) A group of two but not more than twenty investors, each 211
of whom proposes to make an investment of money in the same Ohio 212
entity, may submit an application for tax credits under division 213
(A) of this section. The group shall include with the application 214
a fee of eight hundred dollars. The application shall identify 215
each investor in the group and the amount of money each investor 216
proposes to invest in the Ohio entity, and shall name a contact 217
person for the group. The Edison center, within three weeks after 218
receiving the application, shall review it, determine whether each 219
investor of the group should be recommended for a tax credit under 220
the conditions set forth in division (A) of this section, and send 221
written notice of its determination to the industrial technology 222
and enterprise advisory council and to the contact person. The 223
center shall not recommend that a group of investors receive a tax 224
credit unless each investor is eligible under those conditions. 225
The center may disqualify from a group any investor who is not 226
eligible under the conditions and recommend that the remaining 227
group of investors receive the tax credit. If the center 228
determines the group should not be recommended for the tax credit, 229
it shall include in the notice the reasons for the determination. 230

(C) The industrial technology and enterprise advisory council 231
shall establish from among its members a three-person committee. 232

Within four weeks after the council receives a notice of 233
recommendation from an Edison center, the committee shall review 234
the recommendation and issue a final determination of whether the 235
investor or group is eligible for a tax credit under the 236
conditions set forth in division (A) of this section. The 237
committee may require the investor or group to submit additional 238
information to support the application. The vote of at least two 239
members of the committee is necessary for the issuance of a final 240
determination or any other action of the committee. Upon making 241
the final determination, the committee shall send written notice 242
of approval or disapproval of the tax credit to the investor or 243
group contact person, the director of development, and the Edison 244
center. If the committee disapproves the tax credit, it shall 245
include in the notice the reasons for the disapproval. 246

(D)(1) The industrial technology and enterprise advisory 247
council committee shall not approve more than one million five 248
hundred thousand dollars of investments in any one Ohio entity. 249
However, if a proposed investment of money in an Ohio entity has 250
been approved but the investor does not actually make the 251
investment, the committee may reassign the amount of that 252
investment to another investor, as long as the total amount 253
invested in the entity under this section does not exceed one 254
million five hundred thousand dollars. 255

If the one-million-five-hundred-thousand-dollar limit for an 256
Ohio entity has not yet been reached and an application proposes 257
an investment of money that would exceed the limit for that 258
entity, the committee shall send written notice to the investor, 259
or for a group, the contact person, that the investment cannot be 260
approved as requested. Upon receipt of the notice, the investor or 261
group may amend the application to propose an investment of money 262
that does not exceed the limit. 263

(2) Not more than ~~ten~~ twenty million dollars of tax credits 264
shall be issued under sections 122.15 to 122.154 of the Revised 265
Code. 266

(E) If an investor makes an approved investment of ~~money in~~ 267
~~an Ohio entity of less than one~~ two hundred fifty thousand dollars 268
in any Ohio entity other than an EDGE business enterprise or in an 269
Ohio entity located in a distressed area, the investor may apply 270
for approval of another investment of money in that entity, as 271
long as the total amount invested in that entity by the investor 272
under this section does not exceed ~~one~~ two hundred fifty thousand 273
dollars. If an investor makes an approved investment of less than 274
three hundred thousand dollars in an EDGE business enterprise or 275
in an Ohio entity located in a distressed area, the investor may 276
apply for approval of another investment of money in that entity, 277
as long as the total amount invested in that entity by the 278
investor under this section does not exceed three hundred thousand 279
dollars. An investor who receives approval of an investment of 280
money as part of a group may subsequently apply on an individual 281
basis for approval of an additional investment of money in the 282
Ohio entity. 283

(F) The industrial technology and enterprise advisory council 284
committee shall approve or disapprove tax credit applications 285
under this section in the order in which they are received by the 286
council. 287

(G) The director of development may disapprove any 288
application recommended by an Edison center and approved by the 289
industrial technology and enterprise advisory council committee, 290
or may disapprove a credit for which a tax credit certificate has 291
been issued under section 122.152 of the Revised Code, if the 292
director determines that the entity in which the applicant 293
proposes to invest or has invested is not an Ohio entity eligible 294

to receive investments that qualify for the credit. If the 295
director disapproves an application, the director shall certify 296
the action to the investor, the Edison center that recommended the 297
application, the industrial technology and enterprise advisory 298
council, and the tax commissioner, together with a written 299
explanation of the reasons for the disapproval. If the director 300
disapproves a tax credit after a tax credit certificate is issued, 301
the investor shall not claim the credit for the taxable year that 302
includes the day the director disapproves the credit, or for any 303
subsequent taxable year. 304

The director of development, in accordance with section 305
111.15 of the Revised Code and with the advice of the industrial 306
technology and enterprise advisory council, may adopt, amend, and 307
rescind rules necessary to implement sections 122.15 to 122.154 of 308
the Revised Code. 309

(H) An Edison center shall use application fees received 310
under this section only for the costs of administering sections 311
122.15 to 122.154 of the Revised Code. 312

Sec. 122.152. (A) After receiving notice of approval for an 313
investment of money from the industrial technology and enterprise 314
advisory council committee under section 122.151 of the Revised 315
Code, an investor, within a period of time determined by the 316
committee, may make the investment and apply to the council for a 317
tax credit certificate. If the ~~council~~ committee is satisfied the 318
investor has made the investment in the proper form, it shall 319
issue to the investor a tax credit certificate signed by the 320
chairperson of the committee and the director of development 321
indicating that the investor is allowed a tax credit ~~in an amount~~ 322
equal to ~~twenty five per cent of the investment~~ one of the 323
following amounts: 324

(1) Thirty per cent of the investment if the investment was 325
made in an EDGE business enterprise or in an Ohio entity located 326
in a distressed area; 327

(2) Twenty-five per cent of the investment if the investment 328
was made in an Ohio entity other than an EDGE business enterprise. 329

An investor who receives approval of a proposed investment of 330
money through a group application, after making the investment, 331
shall apply for a tax credit certificate on an individual basis. 332

(B) An investor who is issued a tax credit certificate under 333
this section may claim a nonrefundable credit equal to the amount 334
indicated on the certificate against any state tax liability. The 335
investor shall claim the credit for the taxable year in which the 336
certificate is issued. 337

(1) If the credit to which a taxpayer otherwise would be 338
entitled under this section for any taxable year is greater than 339
the tax otherwise due under division (D) of section 5707.03 or 340
section 5727.24 or 5727.38 of the Revised Code, the excess shall 341
be allowed as a credit in each of the ensuing fifteen taxable 342
years, but the amount of any excess credit allowed in an ensuing 343
taxable year shall be deducted from the balance carried forward to 344
the next taxable year. 345

(2) If the credit to which a taxpayer otherwise would be 346
entitled under this section for any taxable year is greater than 347
the tax otherwise due under section 5747.02 or Chapter 5733. of 348
the Revised Code, after allowing for any other credits that 349
precede the credit allowed under this section in the order 350
required under section 5733.98 or 5747.98 of the Revised Code, the 351
excess shall be allowed as a credit in each of the ensuing fifteen 352
taxable years, but the amount of any excess credit allowed in an 353
ensuing taxable year shall be deducted from the balance carried 354
forward to the next taxable year. 355

(C) Any portion of a credit allowed under this section that 356
is utilized by an investor to reduce the investor's state tax 357
liability shall not be utilized by any other person. 358

(D) To claim a tax credit allowed under this section, an 359
investor shall attach to the appropriate return a copy of the 360
certificate issued to the investor under this section. 361

(E) Nothing in this section shall limit or disallow 362
pass-through treatment of a pass-through entity's income, 363
deductions, or credits, or other amounts necessary to compute a 364
state tax liability. 365

(F) A tax credit certificate issued to an investor under this 366
section may not be transferred by that investor to any other 367
person. 368

(G)(1) The ~~industrial technology and enterprise advisory~~ 369
~~council~~ director of development shall develop the form of the tax 370
credit certificate and the industrial technology and enterprise 371
advisory council committee shall use that form when issuing a tax 372
credit certificate under this section. 373

(2) The ~~industrial technology and enterprise advisory council~~ 374
director of development shall report to the tax commissioner any 375
information requested by the commissioner concerning tax credit 376
certificates issued under this section. 377

(H) An investment made by an investor or group of investors 378
who enter into a contractual agreement with an Ohio entity to 379
invest money in the Ohio entity is an acceptable investment if all 380
of the following conditions are met: 381

(1) The investment is made pursuant to a subscription 382
agreement providing that the investor or group of investors is 383
entitled to receive a refund of funds if the investment is not 384
approved by the industrial technology and enterprise advisory 385

council committee. 386

(2) The investment is placed in escrow until the investment 387
is approved by the industrial technology and enterprise advisory 388
council committee. 389

(3) The investor or group of investors shows proof of the 390
withdrawal of the funds by the Ohio entity after the investment is 391
approved by the industrial technology and enterprise advisory 392
council committee. 393

Sec. 122.154. (A) A business may apply to an Edison center 394
for a determination as to whether the business is an Ohio entity 395
eligible to receive investments of money under section 122.151 of 396
the Revised Code that qualify the investor for a tax credit under 397
section 122.152 of the Revised Code. The business shall include 398
with the application a fee of one hundred fifty dollars and a 399
business plan. The Edison center shall prescribe any other 400
information the business must submit with the application and the 401
form of the application. The center, within three weeks after 402
receiving the application, shall review it, determine whether the 403
business is an Ohio entity eligible to receive investments of 404
money that qualify for the tax credit, and send written notice to 405
the industrial technology and enterprise advisory council and the 406
business of its initial determination. If the center determines 407
that the business is not an Ohio entity eligible to receive 408
investments of money that qualify for the tax credit, it shall 409
include in the notice the reasons for the determination. 410

Within four weeks after the council receives a notice of 411
recommendation from an Edison center, the industrial technology 412
and enterprise advisory council committee established under 413
section 122.152 of the Revised Code shall review the 414
recommendation and issue a final determination of whether the 415
business is an Ohio entity eligible to receive investments of 416

money under section 122.151 of the Revised Code that qualify an 417
investor for a tax credit under section 122.152 of the Revised 418
Code. The committee may require the business to submit additional 419
information to support the application. The vote of at least two 420
members of the committee is necessary for the issuance of a final 421
determination. On making the final determination, the committee 422
shall send written notice of approval or disapproval to the 423
business, the director of development, and the Edison center. If 424
the committee determines that the business is not an Ohio entity 425
eligible to receive investments of money that qualify for the tax 426
credit, it shall include in the notice the reasons for the 427
determination. 428

(B) The department of development shall maintain a list of 429
the businesses that have been determined to be Ohio entities 430
eligible to receive investments of money that qualify for the tax 431
credit. The department shall furnish copies of the list to the 432
public upon request. 433

(C) The department of development may prescribe a schedule 434
under which businesses periodically must submit information to 435
enable the center to maintain the accuracy of the list. At the 436
times required in the schedule, each business on the list shall 437
submit any information the center requires to determine if the 438
business continues to be an Ohio entity eligible to receive 439
investments of money that qualify for the tax credit. 440

(D) An Edison center shall use fees received under this 441
section only for the costs of administering sections 122.15 to 442
122.154 of the Revised Code. 443

(E) The Edison centers and the industrial technology and 444
enterprise advisory council and its committee do not assume any 445
responsibility for the accuracy or truthfulness of information 446
furnished by an Ohio entity or its agents. 447

An investor in an Ohio entity is solely responsible for due diligence in verifying information submitted by an Ohio entity. An Edison center is not liable for any action resulting from its provision of such information to investors in accordance with sections 122.15 to 122.154 of the Revised Code.

Sec. 122.171. (A) As used in this section:

(1) "Capital investment project" means a plan of investment at a project site for the acquisition, construction, renovation, or repair of buildings, machinery, or equipment, or for capitalized costs of basic research and new product development determined in accordance with generally accepted accounting principles, but does not include any of the following:

(a) Payments made for the acquisition of personal property through operating leases;

(b) Project costs paid before January 1, 2002, or after December 31, 2006;

(c) Payments made to a related member as defined in section 5733.042 of the Revised Code.

(2) "Eligible business" means a business with Ohio operations satisfying all of the following:

(a) Employed an average of at least one thousand employees in full-time employment positions at a project site during each of the twelve months preceding the application for a tax credit under this section; and

(b) On or after January 1, 2002, has made payments for the capital investment project of either of the following:

(i) At least two hundred million dollars in the aggregate at the project site during a period of three consecutive calendar years including the calendar year that includes a day of the

taxpayer's taxable year with respect to which the credit is 477
granted; 478

(ii) If the average wage of all full-time employment 479
positions at the project site is greater than four hundred per 480
cent of the federal minimum wage, at least one hundred million 481
dollars in the aggregate at the project site during a period of 482
three consecutive calendar years including the calendar year that 483
includes a day of the taxpayer's taxable year with respect to 484
which the credit is granted. 485

(c) Is engaged at the project site primarily as a 486
manufacturer or is providing significant corporate administrative 487
functions; 488

(d) Has had a capital investment project reviewed and 489
approved by the tax credit authority as provided in divisions (C), 490
(D), and (E) of this section. 491

(3) "Full-time employment position" means a position of 492
employment for consideration for at least thirty-five hours a week 493
that has been filled for at least one hundred eighty days 494
immediately preceding the filing of an application under this 495
section and for at least one hundred eighty days during each 496
taxable year with respect to which the credit is granted. 497

(4) "Manufacturer" has the same meaning as in section 498
5739.011 of the Revised Code. 499

(5) "Project site" means an integrated complex of facilities 500
in this state, as specified by the tax credit authority under this 501
section, within a fifteen-mile radius where a taxpayer is 502
primarily operating as an eligible business. 503

(6) "Applicable corporation" means a corporation satisfying 504
all of the following: 505

(a)(i) For the entire taxable year immediately preceding the 506

tax year, the corporation develops software applications primarily 507
to provide telecommunication billing and information services 508
through outsourcing or licensing to domestic or international 509
customers. 510

(ii) Sales and licensing of software generated at least six 511
hundred million dollars in revenue during the taxable year 512
immediately preceding the tax year the corporation is first 513
entitled to claim the credit provided under division (B) of this 514
section. 515

(b) For the entire taxable year immediately preceding the tax 516
year, the corporation or one or more of its related members 517
provides customer or employee care and technical support for 518
clients through one or more contact centers within this state, and 519
the corporation and its related members together have a daily 520
average, based on a three hundred sixty-five day year, of at least 521
five hundred thousand successful customer contacts through one or 522
more of their contact centers, wherever located. 523

(c) The corporation is eligible for the credit under division 524
(B) of this section for the tax year. 525

(7) "Related member" has the same meaning as in section 526
5733.042 of the Revised Code as that section existed on the 527
effective date of its amendment by Am. Sub. H.B. 215 of the 122nd 528
general assembly. 529

(8) "Successful customer contact" means a contact with an end 530
user via telephone, including interactive voice recognition or 531
similar means, where the contact culminates in a conversation or 532
connection other than a busy signal or equipment busy. 533

(9) "Telecommunications" means all forms of 534
telecommunications service as defined in section 5739.01 of the 535
Revised Code, and includes services in wireless, wireline, cable, 536
broadband, internet protocol, and satellite. 537

(10)(a) "Applicable difference" means the difference between 538
the tax for the tax year under Chapter 5733. of the Revised Code 539
applying the law in effect for that tax year, and the tax for that 540
tax year if section 5733.042 of the Revised Code applied as that 541
section existed on the effective date of its amendment by Am. Sub. 542
H.B. 215 of the 122nd general assembly, subject to division 543
(A)(10)(b) of this section. 544

(b) If the tax rate set forth in division (B) of section 545
5733.06 of the Revised Code for the tax year is less than eight 546
and one-half per cent, the tax calculated under division 547
(A)(10)(a) of this section shall be computed by substituting a tax 548
rate of eight and one-half per cent for the rate set forth in 549
division (B) of section 5733.06 of the Revised Code for the tax 550
year. 551

(c) If the resulting difference is negative, the applicable 552
tax difference for the tax year shall be zero. 553

(B) The tax credit authority created under section 122.17 of 554
the Revised Code may grant tax credits under this section for the 555
purpose of fostering job retention in this state. Upon application 556
by an eligible business and upon consideration of the 557
recommendation of the director of budget and management, tax 558
commissioner, and director of development under division (C) of 559
this section, the tax credit authority may grant to an eligible 560
business a nonrefundable credit against the tax imposed by section 561
5733.06 or 5747.02 of the Revised Code for a period up to ~~ten~~ 562
fifteen taxable years. The credit shall be in an amount not 563
exceeding seventy-five per cent of the Ohio income tax withheld 564
from the employees of the eligible business occupying full-time 565
employment positions at the project site during the calendar year 566
that includes the last day of such business' taxable year with 567
respect to which the credit is granted. The amount of the credit 568
shall not be based on the Ohio income tax withheld from full-time 569

employees for a calendar year prior to the calendar year in which 570
the minimum investment requirement referred to in division 571
(A)(2)(b) of this section is completed. The credit shall be 572
claimed only for the taxable years specified in the eligible 573
business' agreement with the tax credit authority under division 574
(E) of this section, but in no event shall the credit be claimed 575
for a taxable year terminating before the date specified in the 576
agreement. 577

The credit computed under this division is in addition to any 578
credit allowed under division (M) of this section which the tax 579
credit authority may also include in the agreement. 580

Any unused portion of a tax credit may be carried forward for 581
not more than three additional years after the year for which the 582
credit is granted. 583

(C) A taxpayer that proposes a capital investment project to 584
retain jobs in this state may apply to the tax credit authority to 585
enter into an agreement for a tax credit under this section. The 586
director of development shall prescribe the form of the 587
application. After receipt of an application, the authority shall 588
forward copies of the application to the director of budget and 589
management, the tax commissioner, and the director of development, 590
each of whom shall review the application to determine the 591
economic impact the proposed project would have on the state and 592
the affected political subdivisions and shall submit a summary of 593
their determinations and recommendations to the authority. The 594
authority shall make no agreements under this section after June 595
30, 2007. 596

(D) Upon review of the determinations and recommendations 597
described in division (C) of this section, the tax credit 598
authority may enter into an agreement with the taxpayer for a 599
credit under this section if the authority determines all of the 600
following: 601

(1) The taxpayer's capital investment project will result in the retention of full-time employment positions in this state.

(2) The taxpayer is economically sound and has the ability to complete the proposed capital investment project.

(3) The taxpayer intends to and has the ability to maintain operations at the project site for at least twice the term of the credit.

(4) Receiving the credit is a major factor in the taxpayer's decision to begin, continue with, or complete the project.

(5) The political subdivisions in which the project is located have agreed to provide substantial financial support to the project.

(E) An agreement under this section shall include all of the following:

(1) A detailed description of the project that is the subject of the agreement, including the amount of the investment, the period over which the investment has been or is being made, and the number of full-time employment positions at the project site.

(2) The method of calculating the number of full-time employment positions as specified in division (A)(3) of this section.

(3) The term and percentage of the tax credit, and the first year for which the credit may be claimed.

(4) A requirement that the taxpayer maintain operations at the project site for at least twice the number of years as the term of the credit.

(5) A requirement that the taxpayer retain a specified number of full-time employment positions at the project site and within this state for the term of the credit, including a requirement that the taxpayer continue to employ at least one thousand

employees in full-time employment positions at the project site 632
during the entire term of any agreement, subject to division 633
(E)(7) of this section. 634

(6) A requirement that the taxpayer annually report to the 635
director of development the number of full-time employment 636
positions subject to the credit, the amount of tax withheld from 637
employees in those positions, the amount of the payments made for 638
the capital investment project, and any other information the 639
director needs to perform the director's duties under this 640
section. 641

(7) A requirement that the director of development annually 642
review the annual reports of the taxpayer to verify the 643
information reported under division (E)(6) of this section and 644
compliance with the agreement. Upon verification, the director 645
shall issue a certificate to the taxpayer stating that the 646
information has been verified and identifying the amount of the 647
credit for the taxable year. The Unless otherwise specified by the 648
tax credit authority in a resolution and included as part of the 649
agreement, the director shall not issue a certificate for any year 650
in which the total number of filled full-time employment positions 651
for each day of the calendar year divided by three hundred 652
sixty-five is less than ninety per cent of the full-time 653
employment positions specified in division (E)(5) of this section. 654
In determining the number of full-time employment positions, no 655
position shall be counted that is filled by an employee who is 656
included in the calculation of a tax credit under section 122.17 657
of the Revised Code. 658

(8)(a) A provision requiring that the taxpayer, except as 659
otherwise provided in division (E)(8)(b) of this section, shall 660
not relocate employment positions from elsewhere in this state to 661
the project site that is the subject of the agreement for the 662
lesser of five years from the date the agreement is entered into 663

or the number of years the taxpayer is entitled to claim the 664
credit. 665

(b) The taxpayer may relocate employment positions from 666
elsewhere in this state to the project site that is the subject of 667
the agreement if the director of development determines both of 668
the following: 669

(i) That the site from which the employment positions would 670
be relocated is inadequate to meet market and industry conditions, 671
expansion plans, consolidation plans, or other business 672
considerations affecting the taxpayer; 673

(ii) That the legislative authority of the county, township, 674
or municipal corporation from which the employment positions would 675
be relocated has been notified of the relocation. 676

For purposes of this section, the movement of an employment 677
position from one political subdivision to another political 678
subdivision shall be considered a relocation of an employment 679
position unless the movement is confined to the project site. The 680
transfer of an individual employee from one political subdivision 681
to another political subdivision shall not be considered a 682
relocation of an employment position as long as the individual's 683
employment position in the first political subdivision is 684
refilled. 685

(9) A waiver by the taxpayer of any limitations periods 686
relating to assessments or adjustments resulting from the 687
taxpayer's failure to comply with the agreement. 688

(F) If a taxpayer fails to meet or comply with any condition 689
or requirement set forth in a tax credit agreement, the tax credit 690
authority may amend the agreement to reduce the percentage or term 691
of the credit. The reduction of the percentage or term shall take 692
effect in the taxable year immediately following the taxable year 693
in which the authority amends the agreement. If the taxpayer 694

relocates employment positions in violation of the provision 695
required under division (D)(8)(a) of this section, the taxpayer 696
shall not claim the tax credit under section 5733.0610 of the 697
Revised Code for any tax years following the calendar year in 698
which the relocation occurs, or shall not claim the tax credit 699
under section 5747.058 of the Revised Code for the taxable year in 700
which the relocation occurs and any subsequent taxable years. 701

(G) Financial statements and other information submitted to 702
the department of development or the tax credit authority by an 703
applicant for or recipient of a tax credit under this section, and 704
any information taken for any purpose from such statements or 705
information, are not public records subject to section 149.43 of 706
the Revised Code. However, the chairperson of the authority may 707
make use of the statements and other information for purposes of 708
issuing public reports or in connection with court proceedings 709
concerning tax credit agreements under this section. Upon the 710
request of the tax commissioner, the chairperson of the authority 711
shall provide to the commissioner any statement or other 712
information submitted by an applicant for or recipient of a tax 713
credit in connection with the credit. The commissioner shall 714
preserve the confidentiality of the statement or other 715
information. 716

(H) A taxpayer claiming a tax credit under this section shall 717
submit to the tax commissioner a copy of the director of 718
development's certificate of verification under division (E)(7) of 719
this section for the taxable year. However, failure to submit a 720
copy of the certificate does not invalidate a claim for a credit. 721

(I) For the purposes of this section, a taxpayer may include 722
a partnership, a corporation that has made an election under 723
subchapter S of chapter one of subtitle A of the Internal Revenue 724
Code, or any other business entity through which income flows as a 725
distributive share to its owners. A tax credit received under this 726

section by a partnership, S-corporation, or other such business 727
entity shall be apportioned among the persons to whom the income 728
or profit of the partnership, S-corporation, or other entity is 729
distributed, in the same proportions as those in which the income 730
or profit is distributed. 731

(J) If the director of development determines that a taxpayer 732
that received a tax credit under this section is not complying 733
with the requirement under division (E)(4) of this section, the 734
director shall notify the tax credit authority of the 735
noncompliance. After receiving such a notice, and after giving the 736
taxpayer an opportunity to explain the noncompliance, the 737
authority may terminate the agreement and require the taxpayer to 738
refund to the state all or a portion of the credit claimed in 739
previous years, as follows: 740

(1) If the taxpayer maintained operations at the project site 741
for less than the term of the credit, the amount required to be 742
refunded shall not exceed the amount of any tax credits previously 743
allowed and received under this section. 744

(2) If the taxpayer maintained operations at the project site 745
longer than the term of the credit but less than one and one-half 746
times the term of the credit, the amount required to be refunded 747
shall not exceed fifty per cent of the sum of any tax credits 748
previously allowed and received under this section. 749

(3) If the taxpayer maintained operations at the project site 750
for at least one and one-half times the term of the credit but 751
less than twice the term of the credit, the amount required to be 752
refunded shall not exceed twenty-five per cent of the sum of any 753
tax credits previously allowed and received under this section. 754

In determining the portion of the credit to be refunded to 755
this state, the authority shall consider the effect of market 756
conditions on the taxpayer's project and whether the taxpayer 757

continues to maintain other operations in this state. After making 758
the determination, the authority shall certify the amount to be 759
refunded to the tax commissioner. The commissioner shall make an 760
assessment for that amount against the taxpayer under Chapter 761
5733. or 5747. of the Revised Code. The time limitations on 762
assessments under Chapter 5733. or 5747. of the Revised Code do 763
not apply to an assessment under this division, but the 764
commissioner shall make the assessment within one year after the 765
date the authority certifies to the commissioner the amount to be 766
refunded. 767

If the director of development determines that a taxpayer 768
that received a tax credit under this section has reduced the 769
number of employees agreed to under division (E)(5) of this 770
section by more than ten per cent, the director shall notify the 771
tax credit authority of the noncompliance. After receiving such 772
notice, and after providing the taxpayer an opportunity to explain 773
the noncompliance, the authority may amend the agreement to reduce 774
the percentage or term of the tax credit. The reduction in the 775
percentage or term shall take effect in the taxable year in which 776
the authority amends the agreement. 777

(K) The director of development, after consultation with the 778
tax commissioner and in accordance with Chapter 119. of the 779
Revised Code, shall adopt rules necessary to implement this 780
section. The rules may provide for recipients of tax credits under 781
this section to be charged fees to cover administrative costs of 782
the tax credit program. At the time the director gives public 783
notice under division (A) of section 119.03 of the Revised Code of 784
the adoption of the rules, the director shall submit copies of the 785
proposed rules to the chairpersons of the standing committees on 786
economic development in the senate and the house of 787
representatives. 788

(L) On or before the thirty-first day of March of each year, 789

the director of development shall submit a report to the governor, 790
the president of the senate, and the speaker of the house of 791
representatives on the tax credit program under this section. The 792
report shall include information on the number of agreements that 793
were entered into under this section during the preceding calendar 794
year, a description of the project that is the subject of each 795
such agreement, and an update on the status of projects under 796
agreements entered into before the preceding calendar year. 797

(M)(1) A nonrefundable credit shall be allowed to an 798
applicable corporation and its related members in an amount equal 799
to the applicable difference. The credit is in addition to the 800
credit granted to the corporation or related members under 801
division (B) of this section. The credit is subject to divisions 802
(B) to (E) and division (J) of this section. 803

(2) A person qualifying as an applicable corporation under 804
this section for a tax year does not necessarily qualify as an 805
applicable corporation for any other tax year. No person is 806
entitled to the credit allowed under division (M) of this section 807
for the tax year immediately following the taxable year during 808
which the person fails to meet the requirements in divisions 809
(A)(6)(a)(i) and (A)(6)(b) of this section. No person is entitled 810
to the credit allowed under division (M) of this section for any 811
tax year for which the person is not eligible for the credit 812
provided under division (B) of this section. 813

Sec. 166.01. As used in this chapter: 814

(A) "Allowable costs" means all or part of the costs of 815
project facilities ~~or~~, eligible innovation projects, or eligible 816
research and development projects, including costs of acquiring, 817
constructing, reconstructing, rehabilitating, renovating, 818
enlarging, improving, equipping, or furnishing project facilities 819
~~or~~, eligible innovation projects, or eligible research and 820

development projects, site clearance and preparation, 821
supplementing and relocating public capital improvements or 822
utility facilities, designs, plans, specifications, surveys, 823
studies, and estimates of costs, expenses necessary or incident to 824
determining the feasibility or practicability of assisting an 825
eligible project ~~or~~, an eligible innovation project, or an 826
eligible research and development project, or providing project 827
facilities or facilities related to an eligible innovation project 828
or an eligible research and development project, architectural, 829
engineering, and legal services fees and expenses, the costs of 830
conducting any other activities as part of a voluntary action, and 831
such other expenses as may be necessary or incidental to the 832
establishment or development of an eligible project ~~or~~, an 833
eligible innovation project, or an eligible research and 834
development project, and reimbursement of moneys advanced or 835
applied by any governmental agency or other person for allowable 836
costs. 837

(B) "Allowable innovation costs" includes allowable costs of 838
eligible innovation projects and, in addition, includes the costs 839
of research and development of eligible innovation projects; 840
obtaining or creating any requisite software or computer hardware 841
related to an eligible innovation project or the products or 842
services associated therewith; testing (including, without 843
limitation, quality control activities necessary for initial 844
production), perfecting, and marketing of such products and 845
services; creating and protecting intellectual property related to 846
an eligible innovation project or any products or services related 847
thereto, including costs of securing appropriate patent, 848
trademark, trade secret, trade dress, copyright, or other form of 849
intellectual property protection for an eligible innovation 850
project or related products and services; all to the extent that 851
such expenditures could be capitalized under then-applicable 852
generally accepted accounting principles; and the reimbursement of 853

moneys advanced or applied by any governmental agency or other 854
person for allowable innovation costs. 855

(C) "Eligible innovation project" includes an eligible 856
project, including any project facilities associated with an 857
eligible innovation project and, in addition, includes all 858
tangible and intangible property related to a new product or 859
process based on new technology or the creative application of 860
existing technology, including research and development, product 861
or process testing, quality control, market research, and related 862
activities, that is to be acquired, established, expanded, 863
remodeled, rehabilitated, or modernized for industry, commerce, 864
distribution, or research, or any combination thereof, the 865
operation of which, alone or in conjunction with other eligible 866
projects, eligible innovation projects, or innovation property, 867
will create new jobs or preserve existing jobs and employment 868
opportunities and improve the economic welfare of the people of 869
the state. 870

(D) "Eligible project" means project facilities to be 871
acquired, established, expanded, remodeled, rehabilitated, or 872
modernized for industry, commerce, distribution, or research, or 873
any combination thereof, the operation of which, alone or in 874
conjunction with other facilities, will create new jobs or 875
preserve existing jobs and employment opportunities and improve 876
the economic welfare of the people of the state. "Eligible 877
project" includes, without limitation, a voluntary action. For 878
purposes of this division, "new jobs" does not include existing 879
jobs transferred from another facility within the state, and 880
"existing jobs" includes only those existing jobs with work places 881
within the municipal corporation or unincorporated area of the 882
county in which the eligible project is located. 883

"Eligible project" does not include project facilities to be 884
acquired, established, expanded, remodeled, rehabilitated, or 885

modernized for industry, commerce, distribution, or research, or 886
any combination of industry, commerce, distribution, or research, 887
if the project facilities consist solely of 888
point-of-final-purchase retail facilities. If the project 889
facilities consist of both point-of-final-purchase retail 890
facilities and nonretail facilities, only the portion of the 891
project facilities consisting of nonretail facilities is an 892
eligible project. If a warehouse facility is part of a 893
point-of-final-purchase retail facility and supplies only that 894
facility, the warehouse facility is not an eligible project. 895
Catalog distribution facilities are not considered 896
point-of-final-purchase retail facilities for purposes of this 897
paragraph, and are eligible projects. 898

(E) "Eligible research and development project" means an 899
eligible project, including project facilities, comprising, 900
within, or related to, a facility or portion of a facility at 901
which research is undertaken for the purpose of discovering 902
information that is technological in nature and the application of 903
which is intended to be useful in the development of a new or 904
improved product, process, technique, formula, or invention, a new 905
product or process based on new technology, or the creative 906
application of existing technology. 907

(F) "Financial assistance" means inducements under division 908
(B) of section 166.02 of the Revised Code, loan guarantees under 909
section 166.06 of the Revised Code, and direct loans under section 910
166.07 of the Revised Code. 911

~~(F)~~(G) "Governmental action" means any action by a 912
governmental agency relating to the establishment, development, or 913
operation of an eligible project ~~or~~, eligible innovation project, 914
or eligible research and development project, and project 915
facilities that the governmental agency acting has authority to 916
take or provide for the purpose under law, including, but not 917

limited to, actions relating to contracts and agreements, zoning, 918
building, permits, acquisition and disposition of property, public 919
capital improvements, utility and transportation service, 920
taxation, employee recruitment and training, and liaison and 921
coordination with and among governmental agencies. 922

~~(G)~~(H) "Governmental agency" means the state and any state 923
department, division, commission, institution or authority; a 924
municipal corporation, county, or township, and any agency 925
thereof, and any other political subdivision or public corporation 926
or the United States or any agency thereof; any agency, 927
commission, or authority established pursuant to an interstate 928
compact or agreement; and any combination of the above. 929

~~(H)~~(I) "Innovation financial assistance" means inducements 930
under division (B) of section 166.12 of the Revised Code, 931
innovation Ohio loan guarantees under section 166.15 of the 932
Revised Code, and innovation Ohio loans under section 166.16 of 933
the Revised Code. 934

~~(I)~~(J) "Innovation Ohio loan guarantee reserve requirement" 935
means, at any time, with respect to innovation loan guarantees 936
made under section 166.15 of the Revised Code, a balance in the 937
innovation Ohio loan guarantee fund equal to the greater of twenty 938
per cent of the then-outstanding principal amount of all 939
outstanding innovation loan guarantees made pursuant to section 940
166.15 of the Revised Code or fifty per cent of the principal 941
amount of the largest outstanding guarantee made pursuant to 942
section 166.15 of the Revised Code. 943

~~(J)~~(K) "Innovation property" includes property and also 944
includes software, inventory, licenses, contract rights, goodwill, 945
intellectual property, including without limitation, patents, 946
patent applications, trademarks and service marks, and trade 947
secrets, and other tangible and intangible property, and any 948
rights and interests in or connected to the foregoing. 949

~~(K)~~(L) "Loan guarantee reserve requirement" means, at any 950
time, with respect to loan guarantees made under section 166.06 of 951
the Revised Code, a balance in the loan guarantee fund equal to 952
the greater of twenty per cent of the then-outstanding principal 953
amount of all outstanding guarantees made pursuant to section 954
166.06 of the Revised Code or fifty per cent of the principal 955
amount of the largest outstanding guarantee made pursuant to 956
section 166.06 of the Revised Code. 957

~~(L)~~(M) "Person" means any individual, firm, partnership, 958
association, corporation, or governmental agency, and any 959
combination thereof. 960

~~(M)~~(N) "Project facilities" means buildings, structures, and 961
other improvements, and equipment and other property, excluding 962
small tools, supplies, and inventory, and any one, part of, or 963
combination of the above, comprising all or part of, or serving or 964
being incidental to, an eligible project ~~or~~ an eligible 965
innovation project, or an eligible research and development 966
project, including, but not limited to, public capital 967
improvements. 968

~~(N)~~(O) "Property" means real and personal property and 969
interests therein. 970

~~(O)~~(P) "Public capital improvements" means capital 971
improvements or facilities that any governmental agency has 972
authority to acquire, pay the costs of, own, maintain, or operate, 973
or to contract with other persons to have the same done, 974
including, but not limited to, highways, roads, streets, water and 975
sewer facilities, railroad and other transportation facilities, 976
and air and water pollution control and solid waste disposal 977
facilities. 978

~~(P)~~(Q) "Research and development financial assistance" means 979
inducements under section 166.17 of the Revised Code, research and 980

development loans under section 166.21 of the Revised Code, and 981
research and development tax credits under sections 5733.352 and 982
5747.331 of the Revised Code. 983

(R) "Targeted innovation industry sectors" means industry 984
sectors involving the production or use of advanced materials, 985
instruments, controls and electronics, power and propulsion, 986
biosciences, and information technology, or such other sectors as 987
may be designated by the director of development. 988

~~(Q)~~(S) "Voluntary action" means a voluntary action, as 989
defined in section 3746.01 of the Revised Code, that is conducted 990
under the voluntary action program established in Chapter 3746. of 991
the Revised Code. 992

~~(R)~~(T) "Project financing obligations" means obligations 993
issued pursuant to section 166.08 of the Revised Code other than 994
obligations for which the bond proceedings provide that bond 995
service charges shall be paid from receipts of the state 996
representing gross profit on the sale of spirituous liquor as 997
referred to in division (B)(4) of section 4310.10 of the Revised 998
Code. 999

~~(S)~~(U) "Regional economic development entity" means an entity 1000
that is under contract with the director of development to 1001
administer a loan program under this chapter in a particular area 1002
of this state. 1003

Sec. 166.02. (A) The general assembly finds that many local 1004
areas throughout the state are experiencing economic stagnation or 1005
decline, and that the economic development program provided for in 1006
sections 166.01 to 166.11 of the Revised Code will constitute a 1007
deserved, necessary reinvestment by the state in those areas, 1008
materially contribute to their economic revitalization, and result 1009
in improving the economic welfare of all the people of the state. 1010
Accordingly, it is declared to be the public policy of the state, 1011

through the operations under sections 166.01 to 166.11 of the 1012
Revised Code and other applicable laws adopted pursuant to Section 1013
13 of Article VIII, Ohio Constitution, and other authority vested 1014
in the general assembly, to assist in and facilitate the 1015
establishment or development of eligible projects or assist and 1016
cooperate with any governmental agency in achieving such purpose. 1017

(B) In furtherance of such public policy and to implement 1018
such purpose, the director of development may: 1019

(1) After consultation with appropriate governmental 1020
agencies, enter into agreements with persons engaged in industry, 1021
commerce, distribution, or research and with governmental agencies 1022
to induce such persons to acquire, construct, reconstruct, 1023
rehabilitate, renovate, enlarge, improve, equip, or furnish, or 1024
otherwise develop, eligible projects and make provision therein 1025
for project facilities and governmental actions, as authorized by 1026
this chapter and other applicable laws, subject to any required 1027
actions by the general assembly or the controlling board and 1028
subject to applicable local government laws and regulations; 1029

(2) Provide for the guarantees and loans as provided for in 1030
sections 166.06 and 166.07 of the Revised Code; 1031

(3) Subject to release of such moneys by the controlling 1032
board, contract for labor and materials needed for, or contract 1033
with others, including governmental agencies, to provide, project 1034
facilities the allowable costs of which are to be paid for or 1035
reimbursed from moneys in the facilities establishment fund, and 1036
contract for the operation of such project facilities; 1037

(4) Subject to release thereof by the controlling board, from 1038
moneys in the facilities establishment fund acquire or contract to 1039
acquire by gift, exchange, or purchase, including the obtaining 1040
and exercise of purchase options, property, and convey or 1041
otherwise dispose of, or provide for the conveyance or disposition 1042

of, property so acquired or contracted to be acquired by sale, 1043
exchange, lease, lease purchase, conditional or installment sale, 1044
transfer, or other disposition, including the grant of an option 1045
to purchase, to any governmental agency or to any other person 1046
without necessity for competitive bidding and upon such terms and 1047
conditions and manner of consideration pursuant to and as the 1048
director determines to be appropriate to satisfy the objectives of 1049
sections 166.01 to 166.11 of the Revised Code; 1050

(5) Retain the services of or employ financial consultants, 1051
appraisers, consulting engineers, superintendents, managers, 1052
construction and accounting experts, attorneys, and employees, 1053
agents, and independent contractors as are necessary in the 1054
director's judgment and fix the compensation for their services; 1055

(6) Receive and accept from any person grants, gifts, and 1056
contributions of money, property, labor, and other things of 1057
value, to be held, used and applied only for the purpose for which 1058
such grants, gifts, and contributions are made; 1059

(7) Enter into appropriate arrangements and agreements with 1060
any governmental agency for the taking or provision by that 1061
governmental agency of any governmental action; 1062

(8) Do all other acts and enter into contracts and execute 1063
all instruments necessary or appropriate to carry out the 1064
provisions of Chapter 166. of the Revised Code; 1065

(9) Adopt rules to implement any of the provisions of Chapter 1066
166. of the Revised Code applicable to the director. 1067

(C) The determinations by the director that facilities 1068
constitute eligible projects, that facilities are project 1069
facilities, that costs of such facilities are allowable costs, and 1070
all other determinations relevant thereto or to an action taken or 1071
agreement entered into shall be conclusive for purposes of the 1072
validity and enforceability of rights of parties arising from 1073

actions taken and agreements entered into under this chapter. 1074

(D) Except as otherwise prescribed in Chapter 166. of the 1075
Revised Code, all expenses and obligations incurred by the 1076
director in carrying out the director's powers and in exercising 1077
the director's duties under Chapter 166. of the Revised Code, 1078
shall be payable solely from, as appropriate, moneys in the 1079
facilities establishment fund, the loan guarantee fund, the 1080
innovation Ohio loan guarantee fund, the innovation Ohio loan 1081
fund, the research and development loan fund, or moneys 1082
appropriated for such purpose by the general assembly. Chapter 1083
166. of the Revised Code does not authorize the director or the 1084
issuing authority under section 166.08 of the Revised Code to 1085
incur bonded indebtedness of the state or any political 1086
subdivision thereof, or to obligate or pledge moneys raised by 1087
taxation for the payment of any bonds or notes issued or 1088
guarantees made pursuant to Chapter 166. of the Revised Code. 1089

(E) No financial assistance for project facilities shall be 1090
provided under this chapter unless the provisions of the agreement 1091
providing for such assistance specify that all wages paid to 1092
laborers and mechanics employed on such project facilities for 1093
which the assistance is granted shall be paid at the prevailing 1094
rates of wages of laborers and mechanics for the class of work 1095
called for by such project facilities, which wages shall be 1096
determined in accordance with the requirements of Chapter 4115. of 1097
the Revised Code for determination of prevailing wage rates, 1098
provided that the requirements of this division do not apply where 1099
the federal government or any of its agencies provides financing 1100
assistance as to all or any part of the funds used in connection 1101
with such project facilities and prescribes predetermined minimum 1102
wages to be paid to such laborers and mechanics; and provided 1103
further that should a nonpublic user beneficiary of the eligible 1104
project undertake, as part of the eligible project, construction 1105

to be performed by its regular bargaining unit employees who are 1106
covered under a collective bargaining agreement which was in 1107
existence prior to the date of the document authorizing such 1108
assistance then, in that event, the rate of pay provided under the 1109
collective bargaining agreement may be paid to such employees. 1110

(F) Any governmental agency may enter into an agreement with 1111
the director, any other governmental agency, or a person to be 1112
assisted under this chapter, to take or provide for the purposes 1113
of this chapter any governmental action it is authorized to take 1114
or provide, and to undertake on behalf and at the request of the 1115
director any action which the director is authorized to undertake 1116
pursuant to divisions (B)(3), (4), and (5) of this section or 1117
divisions (B)(3), (4), and (5) of section 166.12 of the Revised 1118
Code. Governmental agencies of the state shall cooperate with and 1119
provide assistance to the director of development and the 1120
controlling board in the exercise of their respective functions 1121
under this chapter. 1122

Sec. 166.08. (A) As used in this chapter: 1123

(1) "Bond proceedings" means the resolution, order, trust 1124
agreement, indenture, lease, and other agreements, amendments and 1125
supplements to the foregoing, or any one or more or combination 1126
thereof, authorizing or providing for the terms and conditions 1127
applicable to, or providing for the security or liquidity of, 1128
obligations issued pursuant to this section, and the provisions 1129
contained in such obligations. 1130

(2) "Bond service charges" means principal, including 1131
mandatory sinking fund requirements for retirement of obligations, 1132
and interest, and redemption premium, if any, required to be paid 1133
by the state on obligations. 1134

(3) "Bond service fund" means the applicable fund and 1135
accounts therein created for and pledged to the payment of bond 1136

service charges, which may be, or may be part of, the economic 1137
development bond service fund created by division (S) of this 1138
section including all moneys and investments, and earnings from 1139
investments, credited and to be credited thereto. 1140

(4) "Issuing authority" means the treasurer of state, or the 1141
officer who by law performs the functions of such officer. 1142

(5) "Obligations" means bonds, notes, or other evidence of 1143
obligation including interest coupons pertaining thereto, issued 1144
pursuant to this section. 1145

(6) "Pledged receipts" means all receipts of the state 1146
representing the gross profit on the sale of spirituous liquor, as 1147
referred to in division (B)(4) of section 4301.10 of the Revised 1148
Code, after paying all costs and expenses of the division of 1149
liquor control and providing an adequate working capital reserve 1150
for the division of liquor control as provided in that division, 1151
but excluding the sum required by the second paragraph of section 1152
4301.12 of the Revised Code, as in effect on May 2, 1980, to be 1153
paid into the state treasury; moneys accruing to the state from 1154
the lease, sale, or other disposition, or use, of project 1155
facilities, and from the repayment, including interest, of loans 1156
made from proceeds received from the sale of obligations; accrued 1157
interest received from the sale of obligations; income from the 1158
investment of the special funds; and any gifts, grants, donations, 1159
and pledges, and receipts therefrom, available for the payment of 1160
bond service charges. 1161

(7) "Special funds" or "funds" means, except where the 1162
context does not permit, the bond service fund, and any other 1163
funds, including reserve funds, created under the bond 1164
proceedings, and the economic development bond service fund 1165
created by division (S) of this section to the extent provided in 1166
the bond proceedings, including all moneys and investments, and 1167
earnings from investment, credited and to be credited thereto. 1168

(B) Subject to the limitations provided in section 166.11 of 1169
the Revised Code, the issuing authority, upon the certification by 1170
the director of development to the issuing authority of the amount 1171
of moneys or additional moneys needed in the facilities 1172
establishment fund, the loan guarantee fund, the innovation Ohio 1173
loan fund, ~~or~~ the innovation Ohio loan guarantee fund, or the 1174
research and development loan fund for the purpose of paying, or 1175
making loans for, allowable costs from the facilities 1176
establishment fund ~~or~~, allowable innovation costs from the 1177
innovation Ohio loan fund, or allowable costs from the research 1178
and development loan fund, or needed for capitalized interest, for 1179
funding reserves, and for paying costs and expenses incurred in 1180
connection with the issuance, carrying, securing, paying, 1181
redeeming, or retirement of the obligations or any obligations 1182
refunded thereby, including payment of costs and expenses relating 1183
to letters of credit, lines of credit, insurance, put agreements, 1184
standby purchase agreements, indexing, marketing, remarketing and 1185
administrative arrangements, interest swap or hedging agreements, 1186
and any other credit enhancement, liquidity, remarketing, renewal, 1187
or refunding arrangements, all of which are authorized by this 1188
section, or providing moneys for the loan guarantee fund or the 1189
innovation Ohio loan guarantee fund, as provided in this chapter 1190
or needed for the purposes of funds established in accordance with 1191
or pursuant to sections 122.35, 122.42, 122.54, 122.55, 122.56, 1192
122.561, 122.57, and 122.80 of the Revised Code which are within 1193
the authorization of Section 13 of Article VIII, Ohio 1194
Constitution, shall issue obligations of the state under this 1195
section in the required amount; provided that such obligations may 1196
be issued to satisfy the covenants in contracts of guarantee made 1197
under section 166.06 or 166.15 of the Revised Code, 1198
notwithstanding limitations otherwise applicable to the issuance 1199
of obligations under this section. The proceeds of such 1200
obligations, except for the portion to be deposited in special 1201

funds, including reserve funds, as may be provided in the bond 1202
proceedings, shall as provided in the bond proceedings be 1203
deposited by the director of development to the facilities 1204
establishment fund, the loan guarantee fund, the innovation Ohio 1205
loan guarantee fund, ~~or~~ the innovation Ohio loan fund, or the 1206
research and development loan fund. Bond proceedings for project 1207
financing obligations may provide that the proceeds derived from 1208
the issuance of such obligations shall be deposited into such fund 1209
or funds provided for in the bond proceedings and, to the extent 1210
provided for in the bond proceedings, such proceeds shall be 1211
deemed to have been deposited into the facilities establishment 1212
fund and transferred to such fund or funds. The issuing authority 1213
may appoint trustees, paying agents, and transfer agents and may 1214
retain the services of financial advisors, accounting experts, and 1215
attorneys, and retain or contract for the services of marketing, 1216
remarketing, indexing, and administrative agents, other 1217
consultants, and independent contractors, including printing 1218
services, as are necessary in the issuing authority's judgment to 1219
carry out this section. The costs of such services are allowable 1220
costs payable from the facilities establishment fund or the 1221
research and development loan fund or allowable innovation costs 1222
payable from the innovation Ohio loan fund. 1223

(C) The holders or owners of such obligations shall have no 1224
right to have moneys raised by taxation obligated or pledged, and 1225
moneys raised by taxation shall not be obligated or pledged, for 1226
the payment of bond service charges. Such holders or owners shall 1227
have no rights to payment of bond service charges from any moneys 1228
accruing to the state from the lease, sale, or other disposition, 1229
or use, of project facilities, or from payment of the principal of 1230
or interest on loans made, or fees charged for guarantees made, or 1231
from any money or property received by the director, treasurer of 1232
state, or the state under Chapter 122. of the Revised Code, or 1233
from any other use of the proceeds of the sale of the obligations, 1234

and no such moneys may be used for the payment of bond service 1235
charges, except for accrued interest, capitalized interest, and 1236
reserves funded from proceeds received upon the sale of the 1237
obligations and except as otherwise expressly provided in the 1238
applicable bond proceedings pursuant to written directions by the 1239
director. The right of such holders and owners to payment of bond 1240
service charges is limited to all or that portion of the pledged 1241
receipts and those special funds pledged thereto pursuant to the 1242
bond proceedings in accordance with this section, and each such 1243
obligation shall bear on its face a statement to that effect. 1244

(D) Obligations shall be authorized by resolution or order of 1245
the issuing authority and the bond proceedings shall provide for 1246
the purpose thereof and the principal amount or amounts, and shall 1247
provide for or authorize the manner or agency for determining the 1248
principal maturity or maturities, not exceeding twenty-five years 1249
from the date of issuance, the interest rate or rates or the 1250
maximum interest rate, the date of the obligations and the dates 1251
of payment of interest thereon, their denomination, and the 1252
establishment within or without the state of a place or places of 1253
payment of bond service charges. Sections 9.98 to 9.983 of the 1254
Revised Code are applicable to obligations issued under this 1255
section, subject to any applicable limitation under section 166.11 1256
of the Revised Code. The purpose of such obligations may be stated 1257
in the bond proceedings in terms describing the general purpose or 1258
purposes to be served. The bond proceedings also shall provide, 1259
subject to the provisions of any other applicable bond 1260
proceedings, for the pledge of all, or such part as the issuing 1261
authority may determine, of the pledged receipts and the 1262
applicable special fund or funds to the payment of bond service 1263
charges, which pledges may be made either prior or subordinate to 1264
other expenses, claims, or payments, and may be made to secure the 1265
obligations on a parity with obligations theretofore or thereafter 1266
issued, if and to the extent provided in the bond proceedings. The 1267

pledged receipts and special funds so pledged and thereafter 1268
received by the state are immediately subject to the lien of such 1269
pledge without any physical delivery thereof or further act, and 1270
the lien of any such pledges is valid and binding against all 1271
parties having claims of any kind against the state or any 1272
governmental agency of the state, irrespective of whether such 1273
parties have notice thereof, and shall create a perfected security 1274
interest for all purposes of Chapter 1309. of the Revised Code, 1275
without the necessity for separation or delivery of funds or for 1276
the filing or recording of the bond proceedings by which such 1277
pledge is created or any certificate, statement or other document 1278
with respect thereto; and the pledge of such pledged receipts and 1279
special funds is effective and the money therefrom and thereof may 1280
be applied to the purposes for which pledged without necessity for 1281
any act of appropriation. Every pledge, and every covenant and 1282
agreement made with respect thereto, made in the bond proceedings 1283
may therein be extended to the benefit of the owners and holders 1284
of obligations authorized by this section, and to any trustee 1285
therefor, for the further security of the payment of the bond 1286
service charges. 1287

(E) The bond proceedings may contain additional provisions as 1288
to: 1289

(1) The redemption of obligations prior to maturity at the 1290
option of the issuing authority at such price or prices and under 1291
such terms and conditions as are provided in the bond proceedings; 1292

(2) Other terms of the obligations; 1293

(3) Limitations on the issuance of additional obligations; 1294

(4) The terms of any trust agreement or indenture securing 1295
the obligations or under which the same may be issued; 1296

(5) The deposit, investment and application of special funds, 1297
and the safeguarding of moneys on hand or on deposit, without 1298

regard to Chapter 131. or 135. of the Revised Code, but subject to 1299
any special provisions of this chapter, with respect to particular 1300
funds or moneys, provided that any bank or trust company which 1301
acts as depository of any moneys in the special funds may furnish 1302
such indemnifying bonds or may pledge such securities as required 1303
by the issuing authority; 1304

(6) Any or every provision of the bond proceedings being 1305
binding upon such officer, board, commission, authority, agency, 1306
department, or other person or body as may from time to time have 1307
the authority under law to take such actions as may be necessary 1308
to perform all or any part of the duty required by such provision; 1309

(7) Any provision that may be made in a trust agreement or 1310
indenture; 1311

(8) Any other or additional agreements with the holders of 1312
the obligations, or the trustee therefor, relating to the 1313
obligations or the security therefor, including the assignment of 1314
mortgages or other security obtained or to be obtained for loans 1315
under section 122.43, 166.07, or 166.16 of the Revised Code. 1316

(F) The obligations may have the great seal of the state or a 1317
facsimile thereof affixed thereto or printed thereon. The 1318
obligations and any coupons pertaining to obligations shall be 1319
signed or bear the facsimile signature of the issuing authority. 1320
Any obligations or coupons may be executed by the person who, on 1321
the date of execution, is the proper issuing authority although on 1322
the date of such bonds or coupons such person was not the issuing 1323
authority. If the issuing authority whose signature or a facsimile 1324
of whose signature appears on any such obligation or coupon ceases 1325
to be the issuing authority before delivery thereof, such 1326
signature or facsimile is nevertheless valid and sufficient for 1327
all purposes as if the former issuing authority had remained the 1328
issuing authority until such delivery; and if the seal to be 1329
affixed to obligations has been changed after a facsimile of the 1330

seal has been imprinted on such obligations, such facsimile seal 1331
shall continue to be sufficient as to such obligations and 1332
obligations issued in substitution or exchange therefor. 1333

(G) All obligations are negotiable instruments and securities 1334
under Chapter 1308. of the Revised Code, subject to the provisions 1335
of the bond proceedings as to registration. The obligations may be 1336
issued in coupon or in registered form, or both, as the issuing 1337
authority determines. Provision may be made for the registration 1338
of any obligations with coupons attached thereto as to principal 1339
alone or as to both principal and interest, their exchange for 1340
obligations so registered, and for the conversion or reconversion 1341
into obligations with coupons attached thereto of any obligations 1342
registered as to both principal and interest, and for reasonable 1343
charges for such registration, exchange, conversion, and 1344
reconversion. 1345

(H) Obligations may be sold at public sale or at private 1346
sale, as determined in the bond proceedings. 1347

Obligations issued to provide moneys for the loan guarantee 1348
fund or the innovation Ohio loan guarantee fund may, as determined 1349
by the issuing authority, be sold at private sale, and without 1350
publication of a notice of sale. 1351

(I) Pending preparation of definitive obligations, the 1352
issuing authority may issue interim receipts or certificates which 1353
shall be exchanged for such definitive obligations. 1354

(J) In the discretion of the issuing authority, obligations 1355
may be secured additionally by a trust agreement or indenture 1356
between the issuing authority and a corporate trustee which may be 1357
any trust company or bank having its principal place of business 1358
within the state. Any such agreement or indenture may contain the 1359
resolution or order authorizing the issuance of the obligations, 1360
any provisions that may be contained in any bond proceedings, and 1361

other provisions which are customary or appropriate in an	1362
agreement or indenture of such type, including, but not limited	1363
to:	1364
(1) Maintenance of each pledge, trust agreement, indenture,	1365
or other instrument comprising part of the bond proceedings until	1366
the state has fully paid the bond service charges on the	1367
obligations secured thereby, or provision therefor has been made;	1368
(2) In the event of default in any payments required to be	1369
made by the bond proceedings, or any other agreement of the	1370
issuing authority made as a part of the contract under which the	1371
obligations were issued, enforcement of such payments or agreement	1372
by mandamus, the appointment of a receiver, suit in equity, action	1373
at law, or any combination of the foregoing;	1374
(3) The rights and remedies of the holders of obligations and	1375
of the trustee, and provisions for protecting and enforcing them,	1376
including limitations on rights of individual holders of	1377
obligations;	1378
(4) The replacement of any obligations that become mutilated	1379
or are destroyed, lost, or stolen;	1380
(5) Such other provisions as the trustee and the issuing	1381
authority agree upon, including limitations, conditions, or	1382
qualifications relating to any of the foregoing.	1383
(K) Any holders of obligations or trustees under the bond	1384
proceedings, except to the extent that their rights are restricted	1385
by the bond proceedings, may by any suitable form of legal	1386
proceedings, protect and enforce any rights under the laws of this	1387
state or granted by such bond proceedings. Such rights include the	1388
right to compel the performance of all duties of the issuing	1389
authority, the director of development, or the division of liquor	1390
control required by this chapter or the bond proceedings; to	1391
enjoin unlawful activities; and in the event of default with	1392

respect to the payment of any bond service charges on any 1393
obligations or in the performance of any covenant or agreement on 1394
the part of the issuing authority, the director of development, or 1395
the division of liquor control in the bond proceedings, to apply 1396
to a court having jurisdiction of the cause to appoint a receiver 1397
to receive and administer the pledged receipts and special funds, 1398
other than those in the custody of the treasurer of state, which 1399
are pledged to the payment of the bond service charges on such 1400
obligations or which are the subject of the covenant or agreement, 1401
with full power to pay, and to provide for payment of bond service 1402
charges on, such obligations, and with such powers, subject to the 1403
direction of the court, as are accorded receivers in general 1404
equity cases, excluding any power to pledge additional revenues or 1405
receipts or other income or moneys of the issuing authority or the 1406
state or governmental agencies of the state to the payment of such 1407
principal and interest and excluding the power to take possession 1408
of, mortgage, or cause the sale or otherwise dispose of any 1409
project facilities. 1410

Each duty of the issuing authority and the issuing 1411
authority's officers and employees, and of each governmental 1412
agency and its officers, members, or employees, undertaken 1413
pursuant to the bond proceedings or any agreement or lease, 1414
lease-purchase agreement, or loan made under authority of this 1415
chapter, and in every agreement by or with the issuing authority, 1416
is hereby established as a duty of the issuing authority, and of 1417
each such officer, member, or employee having authority to perform 1418
such duty, specifically enjoined by the law resulting from an 1419
office, trust, or station within the meaning of section 2731.01 of 1420
the Revised Code. 1421

The person who is at the time the issuing authority, or the 1422
issuing authority's officers or employees, are not liable in their 1423
personal capacities on any obligations issued by the issuing 1424

authority or any agreements of or with the issuing authority. 1425

(L) The issuing authority may authorize and issue obligations 1426
for the refunding, including funding and retirement, and advance 1427
refunding with or without payment or redemption prior to maturity, 1428
of any obligations previously issued by the issuing authority. 1429
Such obligations may be issued in amounts sufficient for payment 1430
of the principal amount of the prior obligations, any redemption 1431
premiums thereon, principal maturities of any such obligations 1432
maturing prior to the redemption of the remaining obligations on a 1433
parity therewith, interest accrued or to accrue to the maturity 1434
dates or dates of redemption of such obligations, and any 1435
allowable costs including expenses incurred or to be incurred in 1436
connection with such issuance and such refunding, funding, and 1437
retirement. Subject to the bond proceedings therefor, the portion 1438
of proceeds of the sale of obligations issued under this division 1439
to be applied to bond service charges on the prior obligations 1440
shall be credited to an appropriate account held by the trustee 1441
for such prior or new obligations or to the appropriate account in 1442
the bond service fund for such obligations. Obligations authorized 1443
under this division shall be deemed to be issued for those 1444
purposes for which such prior obligations were issued and are 1445
subject to the provisions of this section pertaining to other 1446
obligations, except as otherwise provided in this section; 1447
provided that, unless otherwise authorized by the general 1448
assembly, any limitations imposed by the general assembly pursuant 1449
to this section with respect to bond service charges applicable to 1450
the prior obligations shall be applicable to the obligations 1451
issued under this division to refund, fund, advance refund or 1452
retire such prior obligations. 1453

(M) The authority to issue obligations under this section 1454
includes authority to issue obligations in the form of bond 1455
anticipation notes and to renew the same from time to time by the 1456

issuance of new notes. The holders of such notes or interest 1457
coupons pertaining thereto shall have a right to be paid solely 1458
from the pledged receipts and special funds that may be pledged to 1459
the payment of the bonds anticipated, or from the proceeds of such 1460
bonds or renewal notes, or both, as the issuing authority provides 1461
in the resolution or order authorizing such notes. Such notes may 1462
be additionally secured by covenants of the issuing authority to 1463
the effect that the issuing authority and the state will do such 1464
or all things necessary for the issuance of such bonds or renewal 1465
notes in appropriate amount, and apply the proceeds thereof to the 1466
extent necessary, to make full payment of the principal of and 1467
interest on such notes at the time or times contemplated, as 1468
provided in such resolution or order. For such purpose, the 1469
issuing authority may issue bonds or renewal notes in such 1470
principal amount and upon such terms as may be necessary to 1471
provide funds to pay when required the principal of and interest 1472
on such notes, notwithstanding any limitations prescribed by or 1473
for purposes of this section. Subject to this division, all 1474
provisions for and references to obligations in this section are 1475
applicable to notes authorized under this division. 1476

The issuing authority in the bond proceedings authorizing the 1477
issuance of bond anticipation notes shall set forth for such bonds 1478
an estimated interest rate and a schedule of principal payments 1479
for such bonds and the annual maturity dates thereof, and for 1480
purposes of any limitation on bond service charges prescribed 1481
under division (A) of section 166.11 of the Revised Code, the 1482
amount of bond service charges on such bond anticipation notes is 1483
deemed to be the bond service charges for the bonds anticipated 1484
thereby as set forth in the bond proceedings applicable to such 1485
notes, but this provision does not modify any authority in this 1486
section to pledge receipts and special funds to, and covenant to 1487
issue bonds to fund, the payment of principal of and interest and 1488
any premium on such notes. 1489

(N) Obligations issued under this section are lawful 1490
investments for banks, societies for savings, savings and loan 1491
associations, deposit guarantee associations, trust companies, 1492
trustees, fiduciaries, insurance companies, including domestic for 1493
life and domestic not for life, trustees or other officers having 1494
charge of sinking and bond retirement or other special funds of 1495
political subdivisions and taxing districts of this state, the 1496
commissioners of the sinking fund of the state, the administrator 1497
of workers' compensation, the state teachers retirement system, 1498
the public employees retirement system, the school employees 1499
retirement system, and the Ohio police and fire pension fund, 1500
notwithstanding any other provisions of the Revised Code or rules 1501
adopted pursuant thereto by any governmental agency of the state 1502
with respect to investments by them, and are also acceptable as 1503
security for the deposit of public moneys. 1504

(O) Unless otherwise provided in any applicable bond 1505
proceedings, moneys to the credit of or in the special funds 1506
established by or pursuant to this section may be invested by or 1507
on behalf of the issuing authority only in notes, bonds, or other 1508
obligations of the United States, or of any agency or 1509
instrumentality of the United States, obligations guaranteed as to 1510
principal and interest by the United States, obligations of this 1511
state or any political subdivision of this state, and certificates 1512
of deposit of any national bank located in this state and any 1513
bank, as defined in section 1101.01 of the Revised Code, subject 1514
to inspection by the superintendent of banks. If the law or the 1515
instrument creating a trust pursuant to division (J) of this 1516
section expressly permits investment in direct obligations of the 1517
United States or an agency of the United States, unless expressly 1518
prohibited by the instrument, such moneys also may be invested in 1519
no-front-end-load money market mutual funds consisting exclusively 1520
of obligations of the United States or an agency of the United 1521

States and in repurchase agreements, including those issued by the 1522
fiduciary itself, secured by obligations of the United States or 1523
an agency of the United States; and in common trust funds 1524
established in accordance with section 1111.20 of the Revised Code 1525
and consisting exclusively of any such securities, notwithstanding 1526
division (A)(4) of that section. The income from such investments 1527
shall be credited to such funds as the issuing authority 1528
determines, and such investments may be sold at such times as the 1529
issuing authority determines or authorizes. 1530

(P) Provision may be made in the applicable bond proceedings 1531
for the establishment of separate accounts in the bond service 1532
fund and for the application of such accounts only to the 1533
specified bond service charges on obligations pertinent to such 1534
accounts and bond service fund and for other accounts therein 1535
within the general purposes of such fund. Unless otherwise 1536
provided in any applicable bond proceedings, moneys to the credit 1537
of or in the several special funds established pursuant to this 1538
section shall be disbursed on the order of the treasurer of state, 1539
provided that no such order is required for the payment from the 1540
bond service fund when due of bond service charges on obligations. 1541

(Q) The issuing authority may pledge all, or such portion as 1542
the issuing authority determines, of the pledged receipts to the 1543
payment of bond service charges on obligations issued under this 1544
section, and for the establishment and maintenance of any 1545
reserves, as provided in the bond proceedings, and make other 1546
provisions therein with respect to pledged receipts as authorized 1547
by this chapter, which provisions are controlling notwithstanding 1548
any other provisions of law pertaining thereto. 1549

(R) The issuing authority may covenant in the bond 1550
proceedings, and any such covenants are controlling 1551
notwithstanding any other provision of law, that the state and 1552
applicable officers and governmental agencies of the state, 1553

including the general assembly, so long as any obligations are 1554
outstanding, shall: 1555

(1) Maintain statutory authority for and cause to be charged 1556
and collected wholesale and retail prices for spirituous liquor 1557
sold by the state or its agents so that the pledged receipts are 1558
sufficient in amount to meet bond service charges, and the 1559
establishment and maintenance of any reserves and other 1560
requirements provided for in the bond proceedings, and, as 1561
necessary, to meet covenants contained in contracts of guarantee 1562
made under section 166.06 of the Revised Code; 1563

(2) Take or permit no action, by statute or otherwise, that 1564
would impair the exemption from federal income taxation of the 1565
interest on the obligations. 1566

(S) There is hereby created the economic development bond 1567
service fund, which shall be in the custody of the treasurer of 1568
state but shall be separate and apart from and not a part of the 1569
state treasury. All moneys received by or on account of the 1570
issuing authority or state agencies and required by the applicable 1571
bond proceedings, consistent with this section, to be deposited, 1572
transferred, or credited to a bond service fund or the economic 1573
development bond service fund, and all other moneys transferred or 1574
allocated to or received for the purposes of the fund, shall be 1575
deposited and credited to such fund and to any separate accounts 1576
therein, subject to applicable provisions of the bond proceedings, 1577
but without necessity for any act of appropriation. During the 1578
period beginning with the date of the first issuance of 1579
obligations and continuing during such time as any such 1580
obligations are outstanding, and so long as moneys in the 1581
pertinent bond service funds are insufficient to pay all bond 1582
services charges on such obligations becoming due in each year, a 1583
sufficient amount of the gross profit on the sale of spirituous 1584
liquor included in pledged receipts are committed and shall be 1585

paid to the bond service fund or economic development bond service 1586
fund in each year for the purpose of paying the bond service 1587
charges becoming due in that year without necessity for further 1588
act of appropriation for such purpose and notwithstanding anything 1589
to the contrary in Chapter 4301. of the Revised Code. The economic 1590
development bond service fund is a trust fund and is hereby 1591
pledged to the payment of bond service charges to the extent 1592
provided in the applicable bond proceedings, and payment thereof 1593
from such fund shall be made or provided for by the treasurer of 1594
state in accordance with such bond proceedings without necessity 1595
for any act of appropriation. 1596

(T) The obligations, the transfer thereof, and the income 1597
therefrom, including any profit made on the sale thereof, shall at 1598
all times be free from taxation within the state. 1599

Sec. 166.11. (A) The aggregate principal amount of project 1600
financing obligations that may be issued under section 166.08 of 1601
the Revised Code is three hundred million dollars, plus the 1602
principal amount of such project financing obligations retired by 1603
payments. The aggregate principal amount of obligations, exclusive 1604
of project financing obligations, that may be issued under section 1605
166.08 of the Revised Code is ~~three~~ five hundred million dollars, 1606
plus the principal amount of any such obligations retired by 1607
payment, the amounts held or obligations pledged for the payment 1608
of the principal amount of any such obligations outstanding, 1609
amounts in special funds held as reserves to meet bond service 1610
charges, and amounts of obligations issued to provide moneys 1611
required to meet payments from the loan guarantee fund created in 1612
section 166.06 of the Revised Code and the innovation Ohio loan 1613
guarantee fund created in section 166.15 of the Revised Code, ~~and~~ 1614
~~minus the amount if any by which four per cent of the unpaid~~ 1615
~~principal amount of loan repayments guaranteed under section~~ 1616
~~166.06 of the Revised Code exceeds the amount in the loan~~ 1617

~~guarantee fund~~. The terms of the obligations issued under section 1618
166.08 of the Revised Code, other than obligations issued to meet 1619
guarantees that cannot be satisfied from amounts then held in the 1620
loan guarantee fund or the innovation Ohio loan guarantee fund, 1621
shall be such that the aggregate amount of moneys used from profit 1622
from the sale of spirituous liquor, and not from other sources, in 1623
any fiscal year shall not exceed ~~twenty-five~~ forty-five million 1624
dollars. For purposes of the preceding sentence, "other sources" 1625
include the annual investment income on special funds to the 1626
extent it will be available for payment of any bond service 1627
charges in lieu of use of profit from the sale of spirituous 1628
liquor, and shall be estimated on the basis of the expected 1629
funding of those special funds and assumed investment earnings 1630
thereon at a rate equal to the weighted average yield on 1631
investments of those special funds determined as of any date 1632
within sixty days immediately preceding the date of issuance of 1633
the bonds in respect of which the determination is being made. The 1634
determinations required by this division shall be made by the 1635
treasurer of state at the time of issuance of an issue of 1636
obligations and shall be conclusive for purposes of such issue of 1637
obligations from and after their issuance and delivery. 1638

(B) The aggregate amount of the guaranteed portion of the 1639
unpaid principal of loans guaranteed under sections 166.06 and 1640
166.15 of the Revised Code and the unpaid principal of loans made 1641
under sections 166.07 ~~and~~, 166.16, and 166.21 of the Revised Code 1642
may not at any time exceed ~~seven~~ eight hundred million dollars. Of 1643
that ~~seven~~ eight hundred million dollars, the aggregate amount of 1644
the guaranteed portion of the unpaid principal of loans guaranteed 1645
under sections 166.06 and 166.15 of the Revised Code shall not at 1646
any time exceed two hundred million dollars. However, the 1647
limitations established under this division do not apply to loans 1648
made with proceeds from the issuance and sale of project financing 1649

obligations. 1650

Sec. 166.13. (A) Prior to entering into each agreement to 1651
provide innovation financial assistance under sections 166.12, 1652
166.15, and 166.16 of the Revised Code, the director of 1653
development shall determine whether the assistance will conform to 1654
the requirements of sections 166.12 to 166.16 of the Revised Code. 1655
Such determination, and the facts upon which it is based, shall be 1656
set forth by the director in submissions made to the controlling 1657
board for purposes of section 166.16 of the Revised Code and to 1658
the development ~~finance~~ financing advisory council under section 1659
166.14 of the Revised Code. An agreement to provide assistance 1660
under sections 166.12, 166.15, and 166.16 of the Revised Code 1661
shall set forth the determination, which shall be conclusive for 1662
purposes of the validity and enforceability of the agreement and 1663
any innovation loan guarantees, innovation loans, or other 1664
agreements entered into pursuant to the agreement to provide 1665
innovation financial assistance. 1666

(B) Whenever a person applies for innovation financial 1667
assistance under sections 166.12, 166.15, and 166.16 of the 1668
Revised Code and the eligible innovation project for which 1669
innovation financial assistance is requested is to relocate an 1670
eligible innovation project that is currently being operated by 1671
the person and that is located in another county, municipal 1672
corporation, or township, the director shall provide written 1673
notification to the appropriate local governmental bodies and 1674
state officials. The notification shall contain the following 1675
information: 1676

(1) The name of the person applying for innovation financial 1677
assistance; 1678

(2) The county, and the municipal corporation or township, in 1679
which the eligible innovation project for which innovation 1680

financial assistance is requested is located; and 1681

(3) The county, and the municipal corporation or township, in 1682
which the eligible innovation project to be replaced is located. 1683

The director shall provide the written notification to the 1684
appropriate local governmental bodies and state officials so that 1685
they receive the notification at least five days before the 1686
development ~~finance~~ financing advisory council meeting at which 1687
the council considers the request for innovation financial 1688
assistance pursuant to sections 166.12, 166.15, and 166.16 of the 1689
Revised Code. 1690

(C) As used in division (B) of this section: 1691

(1) "Appropriate local governmental bodies" means: 1692

(a) The boards of county commissioners or legislative 1693
authorities of the county in which the project for which 1694
innovation financial assistance is requested is located and of the 1695
county in which the eligible innovation project to be replaced is 1696
located; 1697

(b) The legislative authority of the municipal corporation or 1698
the board of township trustees of the township in which the 1699
eligible innovation project for which innovation financial 1700
assistance is requested is located; and 1701

(c) The legislative authority of the municipal corporation or 1702
the board of township trustees of the township in which the 1703
eligible innovation project to be replaced is located. 1704

(2) "State officials" means: 1705

(a) The state representative and state senator in whose 1706
districts the project for which innovation financial assistance is 1707
requested is located; 1708

(b) The state representative and state senator in whose 1709
districts the innovation project to be replaced is located. 1710

Sec. 166.14. (A) In determining the eligible innovation	1711
projects to be assisted and the nature, amount, and terms of	1712
innovation financial assistance to be provided for an eligible	1713
innovation project under sections 166.12 to 166.16 of the Revised	1714
Code:	1715
(1) The director of development shall take into consideration	1716
all of the following:	1717
(a) The number of jobs to be created or preserved by the	1718
eligible innovation project, directly or indirectly;	1719
(b) Payrolls, and the taxes generated, at both state and	1720
local levels, by or in connection with the eligible innovation	1721
project and by the employment created or preserved by or in	1722
connection with the eligible innovation project;	1723
(c) The size, nature, and cost of the eligible innovation	1724
project, including the prospect of the eligible innovation project	1725
for providing long-term jobs in enterprises consistent with the	1726
changing economics of the state and the nation;	1727
(d) The needs of any private sector enterprise to be	1728
assisted;	1729
(e) The amount and kind of assistance, if any, to be provided	1730
to the private sector enterprise by other governmental agencies	1731
through tax exemption or abatement, financing assistance with	1732
industrial development bonds, and otherwise, with respect to the	1733
eligible innovation project or with respect to any providers of	1734
innovation property to be included as part of the eligible	1735
innovation project;	1736
(f) The likelihood of the successful implementation of the	1737
proposed eligible innovation project;	1738
(g) Whether the eligible innovation project involves the use	1739
of technology in a targeted innovation industry sector.	1740

(2) The benefits to the local area, including taxes, jobs, 1741
and reduced unemployment and reduced welfare costs, among others, 1742
may be accorded value in the leasing or sales of innovation 1743
project facilities and in loan and guarantee arrangements. 1744

(3) In making determinations under division (A)(1) of this 1745
section, the director may consider the effect of an eligible 1746
innovation project upon any entity engaged to provide innovation 1747
property to be acquired, leased, or licensed in connection with 1748
such assistance. 1749

(B) The director shall submit to the development ~~finance~~ 1750
financing advisory council data pertinent to the considerations 1751
set forth in division (A) of this section, the terms of the 1752
proposed innovation financial assistance, and such other relevant 1753
information as the council may request. 1754

(C) The development ~~finance~~ financing advisory council, on 1755
the basis of such data, shall make recommendations as to the 1756
appropriateness of the innovation financial assistance to be 1757
provided. The recommendations may be revised to reflect any 1758
changes in the proposed innovation financial assistance as the 1759
director may submit to the council. The recommendations, as 1760
amended, of the council as to the appropriateness of the proposed 1761
innovation financial assistance shall be submitted to the 1762
controlling board. 1763

(D) Financial statements and other data submitted to the 1764
director of development, the development ~~finance~~ financing 1765
advisory council, or the controlling board by any private sector 1766
person in connection with innovation financial assistance under 1767
sections 166.12, 166.15, and 166.16 of the Revised Code, or any 1768
information taken from such statements or data for any purpose, 1769
shall not be open to public inspection. The development ~~finance~~ 1770
financing advisory council in considering confidential information 1771

in connection with innovation financial assistance under this 1772
chapter may, only for consideration of the confidential 1773
information referred to, and in the manner provided in division 1774
(E) of section 121.22 of the Revised Code, close the meeting 1775
during such consideration. 1776

Sec. 166.16. (A) The director of development, with the 1777
approval of the controlling board and subject to the other 1778
applicable provisions of this chapter, may lend moneys in the 1779
innovation Ohio loan fund to persons for the purpose of paying 1780
allowable innovation costs of an eligible innovation project if 1781
the director determines that: 1782

(1) The project is an eligible innovation project and is 1783
economically sound. 1784

(2) The borrower is unable to finance the necessary allowable 1785
costs through ordinary financial channels upon comparable terms. 1786

(3) The amount to be lent from the innovation Ohio loan fund 1787
will not exceed ninety per cent of the total costs of the eligible 1788
innovation project. 1789

(4) The repayment of the loan from the innovation Ohio loan 1790
fund will be secured by a mortgage, lien, assignment, or pledge, 1791
or other interest in property or innovation property at such level 1792
of priority and value as the director may determine necessary, 1793
provided that, in making such a determination, the director may 1794
take into account the value of any rights granted by the borrower 1795
to the director to control the use of any property or innovation 1796
property of the borrower under the circumstances described in the 1797
loan documents. 1798

(B) The determinations of the director under division (A) of 1799
this section shall be conclusive for purposes of the validity of a 1800
loan commitment evidenced by a loan agreement signed by the 1801

director. 1802

(C) Fees, charges, rates of interest, times of payment of 1803
interest and principal, and other terms, conditions, and 1804
provisions of and security for loans made from the innovation Ohio 1805
loan fund shall be such as the director determines to be 1806
appropriate and in furtherance of the purpose for which the loans 1807
are made. The moneys used in making the loans shall be disbursed 1808
from the innovation Ohio loan fund upon order of the director. 1809
Unless otherwise specified in any indenture or other instrument 1810
securing obligations under division (D) of section 166.08 of the 1811
Revised Code, any payments of principal and interest from loans 1812
made from the innovation Ohio loan fund shall be paid to the 1813
innovation Ohio loan fund and used for the purpose of making 1814
loans. 1815

(D) ~~The~~ There is hereby created in the state treasury the 1816
innovation Ohio loan fund ~~is hereby created as a special revenue~~ 1817
~~fund and a trust fund which shall be in the custody of the~~ 1818
~~treasurer of state but shall be separate and apart from and not a~~ 1819
~~part of the state treasury.~~ The fund shall consist of all grants, 1820
gifts, and contributions of moneys or rights to moneys lawfully 1821
designated for or deposited in such fund, all moneys and rights to 1822
moneys lawfully appropriated and transferred to such fund, 1823
including moneys received from the issuance of obligations for 1824
purposes of allowable innovation costs under section 166.08 of the 1825
Revised Code, and moneys deposited to such fund pursuant to 1826
divisions (C) and (G) of this section. All investment earnings on 1827
the cash balance in the fund shall be credited to the fund. The 1828
~~innovation Ohio loan~~ fund shall not be comprised, in any part, of 1829
moneys raised by taxation. 1830

(E) The director may take actions necessary or appropriate to 1831
collect or otherwise deal with any loan made under this section. 1832

(F) The director may fix service charges for the making of a 1833

loan. The charges shall be payable at such times and place and in 1834
such amounts and manner as may be prescribed by the director. 1835

~~(G) The treasurer of state shall serve as an agent for the 1836
director in the making of deposits and withdrawals and maintenance 1837
of records pertaining to the innovation Ohio loan fund. 1838~~

~~(H)~~(1) There shall be credited to the innovation Ohio loan 1839
fund the moneys received by this state from the repayment of 1840
innovation Ohio loans and recovery on loan guarantees, including 1841
interest thereon, made from the innovation Ohio loan fund or from 1842
the innovation Ohio loan guarantee fund and from the sale, lease, 1843
or other disposition of property acquired or constructed ~~from~~ with 1844
moneys in the innovation Ohio loan fund with moneys derived from 1845
the proceeds of the sale of obligations under section 166.08 of 1846
the Revised Code. Such moneys shall be applied as provided in this 1847
chapter pursuant to appropriations made by the general assembly. 1848

(2) Notwithstanding division ~~(H)~~(G)(1) of this section, any 1849
amounts recovered on innovation Ohio loan guarantees shall be 1850
deposited to the credit of the innovation Ohio loan guarantee fund 1851
to the extent necessary to restore that fund to the innovation 1852
Ohio loan guarantee reserve requirement or any level in excess 1853
thereof required by any guarantee contract. Money in the 1854
innovation Ohio loan guarantee fund in excess of the innovation 1855
Ohio loan guarantee reserve requirement, but subject to the 1856
provisions and requirements of any guarantee contracts, may be 1857
transferred to the innovation Ohio loan fund by the treasurer of 1858
state upon the order of the director of development. 1859

(3) In addition to the requirements of division ~~(H)~~(G)(1) of 1860
this section, moneys referred to in that division may be deposited 1861
to the credit of separate accounts within the innovation Ohio loan 1862
fund or in the bond service fund and pledged to the security of 1863
obligations, applied to the payment of bond service charges 1864
without need for appropriation, released from any such pledge and 1865

transferred to the innovation Ohio loan fund, all as and to the 1866
extent provided in the bond proceedings pursuant to written 1867
directions by the director of development. Accounts may be 1868
established by the director in the innovation Ohio loan fund for 1869
particular projects or otherwise. ~~Income from the investment of~~ 1870
~~moneys in the innovation Ohio loan fund shall be credited to that~~ 1871
~~fund and, as may be provided in bond proceedings, to particular~~ 1872
~~accounts in that fund.~~ The ~~treasurer of state~~ director may 1873
withdraw from the innovation Ohio loan fund or, subject to 1874
provisions of the applicable bond proceedings, from any special 1875
funds established pursuant to the bond proceedings, or from any 1876
accounts in such funds, any amounts of investment income required 1877
to be rebated and paid to the federal government in order to 1878
maintain the exemption from federal income taxation of interest on 1879
obligations issued under this chapter, which withdrawal and 1880
payment may be made without necessity for appropriation. 1881

Sec. 166.17. (A) The general assembly finds that in order to 1882
enhance the economic opportunities available to and improve the 1883
economic welfare of all the people of the state, and to maintain 1884
and enhance the competitiveness of the Ohio economy, it is 1885
necessary to ensure that the people of the state will continue to 1886
have access to high-value jobs in technology, and that, to 1887
facilitate such continued access, it is necessary to provide 1888
incentives to retain and attract businesses that will develop new 1889
or improved technologies, processes, and products, or apply 1890
existing technologies in new ways. Further, the general assembly 1891
finds that the attraction of such jobs and their presence in this 1892
state will materially contribute to the economic welfare of all 1893
the people of the state. Accordingly, it is declared to be the 1894
public policy of this state, through operations under sections 1895
166.17 to 166.21, 5733.352, and 5747.331 of the Revised Code and 1896
the provisions for financial assistance contained in those 1897

sections, other applicable laws adopted pursuant to Section 13 of 1898
Article VIII, Ohio Constitution, and other authority vested in the 1899
general assembly, to assist in and facilitate the establishment or 1900
development of eligible research and development projects or 1901
assist and cooperate with any governmental agency in achieving 1902
that purpose. 1903

(B) In furtherance of that public policy and to implement 1904
that purpose, the director of development may do any of the 1905
following: 1906

(1) After consultation with appropriate governmental 1907
agencies, enter into agreements with persons engaged in industry, 1908
commerce, distribution, or research and with governmental 1909
agencies, to induce such persons to acquire, construct, 1910
reconstruct, rehabilitate, renovate, enlarge, improve, equip, 1911
furnish, or develop eligible research and development projects, or 1912
to enable governmental agencies to acquire, construct, 1913
reconstruct, rehabilitate, renovate, enlarge, improve, equip, 1914
furnish, or develop eligible research and development projects for 1915
lease to persons engaged in industry, commerce, distribution, or 1916
research; 1917

(2) Provide for loans under section 166.21 of the Revised 1918
Code to finance eligible research and development projects; 1919

(3) Subject to the release of moneys in the research and 1920
development loan fund by the controlling board, contract for labor 1921
and materials needed for, or contract with others, including 1922
governmental agencies, to provide, eligible research and 1923
development projects, the allowable costs of which are to be paid 1924
for or reimbursed from such moneys, and contract for the operation 1925
of those projects; 1926

(4) From moneys in the research and development loan fund, 1927

subject to release thereof by the controlling board, acquire or 1928
contract to acquire property by gift, exchange, or purchase, 1929
including by obtaining and exercising purchase options, and convey 1930
or otherwise dispose of, or provide for the conveyance or 1931
disposition of, that property by sale, exchange, lease, lease 1932
purchase, conditional or installment sale, transfer, or other 1933
disposition, including the grant of an option to purchase, to any 1934
governmental agency or to any other person without necessity for 1935
competitive bidding and upon such terms and conditions and manner 1936
of consideration pursuant to, and as the director determines to be 1937
appropriate to satisfy the objectives of, Chapter 166. of the 1938
Revised Code; 1939

(5) Retain the services of or employ financial consultants, 1940
appraisers, consulting engineers, superintendents, managers, 1941
construction and accounting experts, attorneys, employees, agents, 1942
and independent contractors as are necessary in the director's 1943
judgment, and fix the compensation for their services; 1944

(6) Receive and accept from any person, grants, gifts, and 1945
contributions of money, property, labor, and other things of 1946
value, to be held, used, and applied only for the purpose for 1947
which such grants, gifts, and contributions are made; 1948

(7) Enter into arrangements and agreements with any 1949
governmental agency for the agency to take or provide any 1950
governmental action with respect to eligible research and 1951
development projects; 1952

(8) Do all other acts, enter into contracts, execute all 1953
instruments, and make all certifications necessary or appropriate 1954
to carry out sections 166.01, 166.17 to 166.21, 5733.352, and 1955
5747.331 of the Revised Code; 1956

(9) With respect to property that is the subject of or 1957
related to research and development financial assistance, take 1958

such interests, including, but not limited to, mortgages, security interests, leasehold interests, assignments, and exclusive or nonexclusive licenses, as may be necessary or appropriate under the circumstances, to ensure that the property is used within this state and that products or services associated with that property are produced or, in the case of services, delivered, by persons employed within this state; 1959
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(10) Adopt rules necessary to implement any of the provisions of sections 166.17 to 166.21, 5733.352, and 5747.331 of the Revised Code that are applicable to the director. 1966
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(C) The determination by the director that facilities or property constitute an eligible research and development project and that the costs of such facilities or property are allowable costs related to the project, and all other determinations relevant thereto, or to an action taken or agreement entered into, shall be conclusive for purposes of the validity and enforceability of rights of parties arising from actions taken and agreements entered into under sections 166.17 to 166.21, 5733.352, and 5747.331 of the Revised Code. 1969
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Sec. 166.18. (A) Prior to entering into each agreement to provide research and development financial assistance, the director of development shall determine whether the assistance will conform to the requirements of sections 166.17 to 166.21, 5733.352, and 5747.331 of the Revised Code. Such determination, and the facts upon which it is based, shall be set forth by the director in submissions made to the controlling board for purposes of section 166.17 of the Revised Code and to the development financing advisory council under section 166.19 of the Revised Code. An agreement to provide research and development financial assistance under section 166.17 or 166.21 of the Revised Code shall set forth the determination, which shall be conclusive for 1978
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purposes of the validity and enforceability of the agreement, and 1990
any loans or other agreements entered into pursuant to the 1991
agreement, to provide research and development financial 1992
assistance. 1993

(B) Whenever a person applies for research and development 1994
financial assistance, and the eligible research and development 1995
project for which that assistance is requested is to relocate an 1996
eligible research and development project that is currently being 1997
operated by the person and that is located in another county, 1998
municipal corporation, or township within the state, the director 1999
shall provide written notification to the appropriate local 2000
governmental bodies and state officials. The notification shall 2001
state all of the following: 2002

(1) The name of the person applying for research and 2003
development financial assistance; 2004

(2) The county, and the municipal corporation or township, in 2005
which the project for which research and development financial 2006
assistance is requested will be located; 2007

(3) The county, and the municipal corporation or township, in 2008
which the eligible research and development project is located at 2009
the time such financial assistance is requested. 2010

The director shall provide the written notification to the 2011
appropriate local governmental bodies and state officials so that 2012
they receive the notification at least five days before the 2013
development financing advisory council meeting at which the 2014
council considers the request for research and development 2015
financial assistance. 2016

(C) As used in division (B) of this section: 2017

(1) "Appropriate local governmental bodies" means all of the 2018
following: 2019

(a) The board of county commissioners of or legislative authorities of special districts in the county in which the eligible research and development project for which research and development financial assistance is requested is located and of the county in which the project will be located; 2020
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(b) The legislative authority of the municipal corporation or the board of township trustees of the township in which the eligible research and development project for which research and development financial assistance is requested is located and of the municipal corporation or township in which the project will be located. 2025
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(2) "State officials" means both of the following: 2031

(a) The state representative and state senator in whose district the eligible research and development project for which research and development financial assistance is requested is located; 2032
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(b) The state representative and state senator in whose district the eligible research and development project will be located. 2036
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Sec. 166.19. (A)(1) In determining the eligible research and development projects to be assisted and the nature, amount, and terms of the research and development financial assistance to be provided, the director of development shall consider all of the following: 2039
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(a) The number of jobs to be created or preserved, directly or indirectly, by or in connection with the eligible research and development project; 2044
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(b) Payrolls, and the taxes generated at both state and local levels, by the eligible research and development project and by the employment created or preserved by or in connection with the 2047
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<u>project;</u>	2050
<u>(c) The size, nature, and cost of the eligible research and development project;</u>	2051
<u>(d) The likelihood that the eligible research and development project will create long-term jobs in enterprises consistent with the changing economy of the state and nation;</u>	2053
<u>(e) The needs of any private sector enterprise to be assisted, taking into consideration the amount and kind of assistance, if any, to be provided to the private sector enterprise by other governmental agencies through tax exemption or abatement, financing assistance with industrial development bonds, and otherwise, with respect to the eligible research and development project or with respect to any providers of research and development property to be included as part of the project;</u>	2054
<u>(f) The likelihood that the eligible research and development project will be successfully implemented.</u>	2055
<u>(2) The director may consider the benefits to the local area, including taxes, jobs, and reduced unemployment and reduced welfare costs, in the leasing or sale of eligible research and development project facilities and in loan arrangements.</u>	2056
<u>(3) The director may consider the effect of an eligible research and development project upon any entity engaged to provide research and development property to be acquired, leased, or licensed in connection with research and development financial assistance.</u>	2057
<u>(B) The director shall submit to the development financing advisory council data pertinent to the considerations set forth in division (A) of this section, the terms of the proposed research and development assistance, and such other relevant information as the council may request.</u>	2058
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(C) The development financing advisory council, on the basis 2080
of the data submitted under division (B) of this section, shall 2081
make recommendations as to the appropriateness of the research and 2082
development financial assistance to be provided. The 2083
recommendations may be revised to reflect any changes in the 2084
proposed research and development financial assistance that the 2085
director may submit to the council. The recommendations of the 2086
council as to the appropriateness of the proposed research and 2087
development financial assistance shall be submitted to the 2088
controlling board. 2089

(D) Financial statements and other data submitted to the 2090
director of development, the development financing advisory 2091
council, or the controlling board by any private sector person in 2092
connection with research and development financial assistance, or 2093
any information taken from such statements or data for any 2094
purpose, shall not be open to public inspection. The development 2095
financing advisory council, in considering confidential 2096
information in connection with research and development financial 2097
assistance may, only for consideration of the confidential 2098
information referred to and in the manner provided in division (E) 2099
of section 121.22 of the Revised Code, close the meeting during 2100
such consideration. 2101

Sec. 166.20. There is hereby created in the state treasury 2102
the research and development loan fund. The fund shall consist of 2103
moneys received from the issuance of obligations for research and 2104
development purposes under section 166.08 of the Revised Code; 2105
moneys deposited to the fund pursuant to divisions (C) and (G) of 2106
section 166.21 of the Revised Code; service charges imposed under 2107
section 166.21 of the Revised Code; and any grants, gifts, or 2108
contributions of money received by the director of development to 2109
be used for making loans under section 166.21 of the Revised Code. 2110

All investment earnings on the cash balance in the fund shall be 2111
credited to the fund. The fund shall not be comprised, in any 2112
part, of moneys raised by taxation. 2113

Sec. 166.21. (A) The director of development, with the 2114
approval of the controlling board and subject to other applicable 2115
provisions of this chapter, may lend moneys in the research and 2116
development loan fund to persons for the purpose of paying 2117
allowable costs of eligible research and development projects, if 2118
the director determines that all of the following conditions are 2119
met: 2120

(1) The project is an eligible research and development 2121
project and is economically sound; 2122

(2) The amount to be lent from the research and development 2123
loan fund will not exceed seventy-five per cent of the total costs 2124
of the eligible research and development project; 2125

(3) The repayment of the loan from the research and 2126
development loan fund will be secured by a mortgage, lien, 2127
assignment, pledge, or other interest in property or other assets 2128
of the borrower at such level of priority and value as the 2129
director considers necessary, provided that, in making such a 2130
determination, the director shall take into account the value of 2131
any rights granted by the borrower to the director to control the 2132
use of any assets of the borrower under the circumstances 2133
described in the loan documents. 2134

(B) The determinations of the director under division (A) of 2135
this section shall be conclusive for purposes of the validity of a 2136
loan commitment evidenced by a loan agreement signed by the 2137
director. 2138

(C) Fees, charges, rates of interest, times of payment of 2139
interest and principal, and other terms and conditions of, and 2140

security for, loans made from the research and development loan 2141
fund shall be such as the director determines to be appropriate 2142
and in furtherance of the purpose for which the loans are made. 2143
The moneys used in making loans shall be disbursed from the fund 2144
upon order of the director. Unless otherwise specified in any 2145
indenture or other instrument securing obligations under division 2146
(D) of section 166.08 of the Revised Code, any payments of 2147
principal and interest from loans made from the fund shall be paid 2148
to the fund and used for the purpose of making loans under this 2149
section. 2150

(D)(1) As used in this division, "qualified research and 2151
development loan payments" means payments of principal and 2152
interest on a loan made from the research and development loan 2153
fund. 2154

(2) Each year, the director may, upon request, issue a 2155
certificate to a borrower of moneys from the research and 2156
development loan fund indicating the amount of the qualified 2157
research and development loan payments made by or on behalf of the 2158
borrower during the calendar year immediately preceding the tax 2159
year, as defined in section 5733.04 of the Revised Code, or 2160
taxable year, as defined in section 5747.01 of the Revised Code, 2161
for which the certificate is issued. In addition to indicating the 2162
amount of qualified research and development loan payments, the 2163
certificate shall include a determination of the director that as 2164
of the thirty-first day of December of the calendar year for which 2165
the certificate is issued, the borrower is not in default under 2166
the loan agreement, lease, or other instrument governing repayment 2167
of the loan, including compliance with the job creation and 2168
retention commitments that are part of the qualified research and 2169
development project. The director shall not issue a certificate in 2170
an amount that exceeds one hundred fifty thousand dollars. 2171

(E) The director may take actions necessary or appropriate to 2172

collect or otherwise deal with any loan made under this section. 2173

(F) The director may fix service charges for the making of a 2174
loan. The charges shall be payable at such times and place and in 2175
such amounts and manner as may be prescribed by the director. 2176

(G)(1) There shall be credited to the research and 2177
development loan fund moneys received by this state from the 2178
repayment of loans, including interest thereon, made from the 2179
fund, and moneys received from the sale, lease, or other 2180
disposition of property acquired or constructed with moneys in the 2181
fund derived from the proceeds of the sale of obligations under 2182
section 166.08 of the Revised Code. Moneys in the fund shall be 2183
applied as provided in this chapter pursuant to appropriations 2184
made by the general assembly. 2185

(2) In addition to the requirements in division (G)(1) of 2186
this section, moneys referred to in that division may be deposited 2187
to the credit of separate accounts established by the director of 2188
development within the research and development loan fund or in 2189
the bond service fund and pledged to the security of obligations, 2190
applied to the payment of bond service charges without need for 2191
appropriation, released from any such pledge and transferred to 2192
the research and development loan fund, all as and to the extent 2193
provided in the bond proceedings pursuant to written directions of 2194
the director of development. Accounts may be established by the 2195
director in the research and development loan fund for particular 2196
projects or otherwise. The director may withdraw from the fund or, 2197
subject to provisions of the applicable bond proceedings, from any 2198
special funds established pursuant to the bond proceedings, or 2199
from any accounts in such funds, any amounts of investment income 2200
required to be rebated and paid to the federal government in order 2201
to maintain the exemption from federal income taxation of interest 2202
on obligations issued under this chapter, which withdrawal and 2203
payment may be made without the necessity for appropriation. 2204

Sec. 184.04. (A) The Ohio research commercialization grant 2205
program is hereby created to improve the commercial viability of 2206
research projects by improving the ability of small technology 2207
companies to assess their commercial potential and the commercial 2208
potential of research projects, and by promoting the 2209
competitiveness of these companies through the augmentation of 2210
federal research and development funding. The third frontier 2211
commission shall award grants to eligible applicants on a 2212
competitive basis for the following purposes: 2213

(1) Commercialization of a core competency technology, 2214
including, but not limited to, advanced materials; instruments, 2215
controls, and electronics; biosciences; power and propulsion; and 2216
information technology; 2217

(2) Other business activities related to the 2218
commercialization of a core competency technology. 2219

(B) In order to be eligible for an Ohio research 2220
commercialization grant, the applicant shall demonstrate both of 2221
the following to the third frontier commission: 2222

(1) It is located in Ohio; 2223

(2) It either: 2224

(a) Has received a phase I award of funds under the small 2225
business innovation research program or the small business 2226
technology transfer program established in 15 U.S.C. 638, or a 2227
similar award of federal funds under a program designated by the 2228
third frontier commission as qualifying an applicant for a grant 2229
under this section; or 2230

(b) Demonstrates eligibility for an award of funds under the 2231
federal advanced technology program established in 15 U.S.C. 278n 2232
or a similar federal program designated by the third frontier 2233
commission as qualifying an applicant for a grant under this 2234

<u>section.</u>	2235
<u>(C) The third frontier commission shall review proposals from applicants that meet the requirements stated in division (B) of this section, and may issue commitments to applicants for conditional grants of funds under this section, conditioned on the applicant receiving a phase II award of funds under the federal small business innovation research program or the small business technology transfer program, an award of funds under the federal advanced technology program, or an award of federal funds under a similar federal program designated by the director.</u>	2236 2237 2238 2239 2240 2241 2242 2243 2244
<u>(D) No funds shall be disbursed under the Ohio research commercialization grant program until the third frontier commission has received notice from the applicant, in such form as the commission prescribes, that the applicant has received an award of federal funds under a program described in division (B)(2)(b) or (C) of this section.</u>	2245 2246 2247 2248 2249 2250
<u>(E) An eligible applicant that receives a grant under the Ohio research commercialization grant program is not precluded from being considered for or participating in other financial assistance programs offered by the department of development.</u>	2251 2252 2253 2254
<u>(F) The third frontier commission shall adopt rules under Chapter 119. of the Revised Code establishing all of the following:</u>	2255 2256 2257
<u>(1) Forms and procedures by which eligible applicants may apply for grants under this section;</u>	2258 2259
<u>(2) Criteria for reviewing, evaluating, and ranking applications, and for approving applications from eligible applicants that best serve the goals of the Ohio research commercialization grant program;</u>	2260 2261 2262 2263
<u>(3) Reporting requirements and monitoring procedures;</u>	2264

<u>(4) The federal awards and programs that make an applicant</u>	2265
<u>eligible for a grant under divisions (B) and (C) of this section;</u>	2266
<u>(5) Any other rules necessary to implement and administer the</u>	2267
<u>Ohio research commercialization grant program.</u>	2268
<u>Sec. 5733.352. (A) As used in this section:</u>	2269
<u>(1) "Borrower" means any person that receives a loan from the</u>	2270
<u>director of development under section 166.21 of the Revised Code,</u>	2271
<u>regardless of whether the borrower is subject to the taxes imposed</u>	2272
<u>by sections 5733.06, 5733.065, and 5733.066 of the Revised Code.</u>	2273
<u>(2) "Related member" has the same meaning as in section</u>	2274
<u>5733.042 of the Revised Code.</u>	2275
<u>(3) "Qualified research and development loan payments" has</u>	2276
<u>the same meaning as in division (D) of section 166.21 of the</u>	2277
<u>Revised Code.</u>	2278
<u>(B) Beginning in tax year 2004, a nonrefundable credit is</u>	2279
<u>allowed against the taxes imposed by sections 5733.06, 5733.065,</u>	2280
<u>and 5733.066 of the Revised Code equal to a borrower's qualified</u>	2281
<u>research and development loan payments made during the calendar</u>	2282
<u>year immediately preceding the tax year for which the credit is</u>	2283
<u>claimed. The amount of the credit for a tax year shall not exceed</u>	2284
<u>one hundred fifty thousand dollars. No taxpayer is entitled to</u>	2285
<u>claim a credit under this section unless it has obtained a</u>	2286
<u>certificate issued by the director of development under division</u>	2287
<u>(D) of section 166.21 of the Revised Code. The credit shall be</u>	2288
<u>claimed in the order required under section 5733.98 of the Revised</u>	2289
<u>Code. The credit, to the extent it exceeds the taxpayer's tax</u>	2290
<u>liability for the tax year after allowance for any other credits</u>	2291
<u>that precede the credit under this section in that order, shall be</u>	2292
<u>carried forward to the next succeeding tax year or years until</u>	2293
<u>fully used.</u>	2294

(C) A borrower entitled to a credit under this section may 2295
assign the credit, or a portion thereof, to any of the following: 2296

(1) A related member of that borrower; 2297

(2) The owner or lessee of the eligible research and 2298
development project; 2299

(3) A related member of the owner or lessee of the eligible 2300
research and development project. 2301

A borrower making an assignment under this division shall 2302
provide written notice of the assignment to the tax commissioner 2303
and the director of development, in such form as the tax 2304
commissioner prescribes, before the credit that was assigned is 2305
used. The assignor may not claim the credit to the extent it was 2306
assigned to an assignee. The assignee may claim the credit only to 2307
the extent the assignor has not claimed it. 2308

(D) If any taxpayer is a partner in a partnership or a member 2309
in a limited liability company treated as a partnership for 2310
federal income tax purposes, the taxpayer shall be allowed the 2311
taxpayer's distributive or proportionate share of the credit 2312
available through the partnership or limited liability company. 2313

(E) The aggregate credit against the taxes imposed by 2314
sections 5733.06, 5733.065, 5733.066, and 5747.02 of the Revised 2315
Code that may be claimed under this section and section 5747.331 2316
of the Revised Code by a borrower as a result of qualified 2317
research and development loan payments attributable during a 2318
calendar year to any one loan shall not exceed one hundred fifty 2319
thousand dollars. 2320

Sec. 5733.98. (A) To provide a uniform procedure for 2321
calculating the amount of tax imposed by section 5733.06 of the 2322
Revised Code that is due under this chapter, a taxpayer shall 2323
claim any credits to which it is entitled in the following order, 2324

except as otherwise provided in section 5733.058 of the Revised Code:	2325 2326
(1) The credit for taxes paid by a qualifying pass-through entity allowed under section 5733.0611 of the Revised Code;	2327 2328
(2) The credit allowed for financial institutions under section 5733.45 of the Revised Code;	2329 2330
(3) The credit for qualifying affiliated groups under section 5733.068 of the Revised Code;	2331 2332
(4) The subsidiary corporation credit under section 5733.067 of the Revised Code;	2333 2334
(5) The savings and loan assessment credit under section 5733.063 of the Revised Code;	2335 2336
(6) The credit for recycling and litter prevention donations under section 5733.064 of the Revised Code;	2337 2338
(7) The credit for employers that enter into agreements with child day-care centers under section 5733.36 of the Revised Code;	2339 2340
(8) The credit for employers that reimburse employee child day-care expenses under section 5733.38 of the Revised Code;	2341 2342
(9) The credit for maintaining railroad active grade crossing warning devices under section 5733.43 of the Revised Code;	2343 2344
(10) The credit for purchases of lights and reflectors under section 5733.44 of the Revised Code;	2345 2346
(11) The job retention credit under division (B) of section 5733.0610 of the Revised Code;	2347 2348
(12) The credit for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of th <u>the</u> Revised Code if the taxpayer elected a nonrefundable credit under section 150.07 of the Revised Code;	2349 2350 2351 2352

(13) The credit for purchases of new manufacturing machinery and equipment under section 5733.31 or section 5733.311 of the Revised Code;	2353 2354 2355
(14) The second credit for purchases of new manufacturing machinery and equipment under section 5733.33 of the Revised Code;	2356 2357
(15) The job training credit under section 5733.42 of the Revised Code;	2358 2359
(16) The credit for qualified research expenses under section 5733.351 of the Revised Code;	2360 2361
(17) The enterprise zone credit under section 5709.66 of the Revised Code;	2362 2363
(18) The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;	2364 2365
(19) The credit for employers that establish on-site child day-care under section 5733.37 of the Revised Code;	2366 2367
(20) The ethanol plant investment credit under section 5733.46 of the Revised Code;	2368 2369
(21) The credit for purchases of qualifying grape production property under section 5733.32 of the Revised Code;	2370 2371
(22) The export sales credit under section 5733.069 of the Revised Code;	2372 2373
(23) The credit for research and development and technology transfer investors under section 5733.35 of the Revised Code;	2374 2375
(24) The enterprise zone credits under section 5709.65 of the Revised Code;	2376 2377
(25) The credit for using Ohio coal under section 5733.39 of the Revised Code;	2378 2379
(26) <u>The research and development credit under section 5733.352 of the Revised Code;</u>	2380 2381

(27) The refundable jobs creation credit under division (A) of section 5733.0610 of the Revised Code;	2382 2383
(27) (28) The refundable credit for tax withheld under division (B)(2) of section 5747.062 of the Revised Code;	2384 2385
(28) (29) The credit for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a refundable credit under section 150.07 of the Revised Code.	2386 2387 2388 2389
(B) For any credit except the credits enumerated in divisions (A) (26) , (27), and (28) , <u>and (29)</u> of this section, 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.	2390 2391 2392 2393 2394 2395 2396
<u>Sec. 5747.331. (A) As used in this section:</u>	2397
<u>(1) "Borrower" means any person that receives a loan from the director of development under section 166.21 of the Revised Code, regardless of whether the borrower is subject to the tax imposed by section 5747.02 of the Revised Code.</u>	2398 2399 2400 2401
<u>(2) "Related member" has the same meaning as in section 5733.042 of the Revised Code.</u>	2402 2403
<u>(3) "Qualified research and development loan payments" has the same meaning as in division (D) of section 166.21 of the Revised Code.</u>	2404 2405 2406
<u>(B) Beginning in taxable year 2003, a nonrefundable credit is allowed against the tax imposed by section 5747.02 of the Revised Code equal to a borrower's qualified research and development loan payments made during the calendar year that includes the last day of the taxable year for which the credit is claimed. The amount of</u>	2407 2408 2409 2410 2411

the credit for a taxable year shall not exceed one hundred fifty thousand dollars. No taxpayer is entitled to claim a credit under this section unless it has obtained a certificate issued by the director of development under division (D) of section 166.21 of the Revised Code. The credit shall be claimed in the order required under section 5747.98 of the Revised Code. The credit, to the extent it exceeds the taxpayer's tax liability for the taxable year after allowance for any other credits that precede the credit under this section in that order, shall be carried forward to the next succeeding taxable year or years until fully used.

(C) A borrower entitled to a credit under this section may assign the credit, or a portion thereof, to any of the following:

(1) A related member of that borrower;

(2) The owner or lessee of the eligible research and development project;

(3) A related member of the owner or lessee of the eligible research and development project.

A borrower making an assignment under this division shall provide written notice of the assignment to the tax commissioner and the director of development, in such form as the tax commissioner prescribes, before the credit that was assigned is used. The assignor may not claim the credit to the extent it was assigned to an assignee. The assignee may claim the credit only to the extent the assignor has not claimed it.

(D) If any taxpayer is a shareholder in an S corporation, a partner in a partnership, or a member in a limited liability company treated as a partnership for federal income tax purposes, the taxpayer shall be allowed the taxpayer's distributive or proportionate share of the credit available through the S corporation, partnership, or limited liability company.

(E) The aggregate credit against the taxes imposed by 2442
sections 5733.06, 5733.065, 5733.066, and 5747.02 of the Revised 2443
Code that may be claimed under this section and section 5733.352 2444
of the Revised Code by a borrower as a result of qualified 2445
research and development loan payments attributable during a 2446
calendar year to any one loan shall not exceed one hundred fifty 2447
thousand dollars. 2448

Sec. 5747.98. (A) To provide a uniform procedure for 2449
calculating the amount of tax due under section 5747.02 of the 2450
Revised Code, a taxpayer shall claim any credits to which the 2451
taxpayer is entitled in the following order: 2452

(1) The retirement income credit under division (B) of 2453
section 5747.055 of the Revised Code; 2454

(2) The senior citizen credit under division (C) of section 2455
5747.05 of the Revised Code; 2456

(3) The lump sum distribution credit under division (D) of 2457
section 5747.05 of the Revised Code; 2458

(4) The dependent care credit under section 5747.054 of the 2459
Revised Code; 2460

(5) The lump sum retirement income credit under division (C) 2461
of section 5747.055 of the Revised Code; 2462

(6) The lump sum retirement income credit under division (D) 2463
of section 5747.055 of the Revised Code; 2464

(7) The lump sum retirement income credit under division (E) 2465
of section 5747.055 of the Revised Code; 2466

(8) The credit for displaced workers who pay for job training 2467
under section 5747.27 of the Revised Code; 2468

(9) The campaign contribution credit under section 5747.29 of 2469
the Revised Code; 2470

(10) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	2471 2472
(11) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	2473 2474
(12) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	2475 2476
(13) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	2477 2478
(14) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	2479 2480
(15) The credit for employers that reimburse employee child day-care expenses under section 5747.36 of the Revised Code;	2481 2482
(16) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	2483 2484
(17) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	2485 2486
(18) The job retention credit under division (B) of section 5747.058 of the Revised Code;	2487 2488
(19) The credit for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a nonrefundable credit under section 150.07 of the Revised Code;	2489 2490 2491 2492
(20) The credit for purchases of new manufacturing machinery and equipment under section 5747.26 or section 5747.261 of the Revised Code;	2493 2494 2495
(21) The second credit for purchases of new manufacturing machinery and equipment and the credit for using Ohio coal under section 5747.31 of the Revised Code;	2496 2497 2498
(22) The job training credit under section 5747.39 of the	2499

Revised Code;	2500
(23) The enterprise zone credit under section 5709.66 of the Revised Code;	2501 2502
(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	2503 2504
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	2505 2506
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	2507 2508
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	2509 2510
(28) The export sales credit under section 5747.057 of the Revised Code;	2511 2512
(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	2513 2514
(30) The enterprise zone credits under section 5709.65 of the Revised Code;	2515 2516
(31) <u>The research and development credit under section 5747.331 of the Revised Code;</u>	2517 2518
<u>(32)</u> The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;	2519 2520
(32) <u>(33)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	2521 2522
(33) <u>(34)</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;	2523 2524 2525
(34) <u>(35)</u> The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	2526 2527
(35) <u>(36)</u> The credit for losses on loans made to the Ohio	2528

venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a refundable credit under section 150.07 of the Revised Code.

(B) For any credit, except the credits enumerated in divisions (A)~~(31)~~(32) to ~~(35)~~(36) of this section and the credit granted under division (I) of section 5747.08 of the Revised Code, 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. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.

Section 2. That existing sections 122.15, 122.151, 122.152, 122.154, 122.171, 166.01, 166.02, 166.08, 166.11, 166.13, 166.14, 166.16, 5733.98, and 5747.98 of the Revised Code are hereby repealed.

Section 3. All items in this section are hereby appropriated as designated out of any moneys in the state treasury to the credit of the Research and Development Fund (Fund 010). For all appropriations made in this act, those in the first column are for fiscal year 2004 and those in the second column are for fiscal year 2005. The appropriations made in this act are in addition to any other appropriations made for the 2003-2005 biennium.

DEV DEPARTMENT OF DEVELOPMENT

Appropriations

Research and Development Loan Fund				2554
010195-665	Research and	\$ 50,000,000	\$ 55,000,000	2555
	Development			
TOTAL 010	Research and	\$ 50,000,000	\$ 55,000,000	2556

Development Loan Fund

TOTAL ALL BUDGET FUND \$ 50,000,000 \$ 55,000,000 2557

GROUPS

REASERCH AND DEVELOPMENT 2558

The foregoing appropriation item 195-665, Research and 2559
Development, shall be used to provide for research and development 2560
purposes including loans pursuant to Chapter 166. and particularly 2561
sections 166.17 to 166.21 of the Revised Code. Of the foregoing 2562
appropriation item 195-665, Research and Development, the 2563
unencumbered balance of the appropriation at the end of fiscal 2564
year 2004 is transferred by the Director of Budget and Management 2565
to fiscal year 2005. 2566

Within the limits set forth in this act, the Director of 2567
Budget and Management shall establish accounts indicating source 2568
and amount of funds for each appropriation made in this act, and 2569
shall determine the form and manner in which appropriation 2570
accounts shall be maintained. Expenditures from appropriations 2571
contained in this act shall be accounted for as though made in Am. 2572
Sub. H.B. 95 of the 125th General Assembly. 2573

The appropriations made in this act are subject to all 2574
provisions of Am. Sub. H.B. 95 of the 125th General Assembly that 2575
are generally applicable to such appropriations. 2576

Section 4. That Section 41 of Am. Sub. H.B. 94 of the 124th 2577
General Assembly, as most recently amended by Am. Sub. H.B. 405 of 2578
the 124th General Assembly, be amended to read as follows: 2579

Sec. 41. DEV DEPARTMENT OF DEVELOPMENT 2580

General Revenue Fund 2581

GRF195-100Personal \$ 2,651,334 \$ 2,920,941 2582

Services

GRF195-200Maintenance \$ 589,524 \$ 601,314 2583

GRF195-300	Equipment	\$ 108,161	\$ 110,324	2584
GRF195-401	Thomas Edison Program	\$ 20,000,000	\$ 20,000,000	2585
GRF195-404	Small Business Development	\$ 2,452,342	\$ 2,529,843	2586
GRF195-405	Minority Business Development Division	\$ 2,278,888	\$ 2,297,314	2587
GRF195-406	Transitional and Permanent Housing	\$ 2,770,145	\$ 2,770,155	2588
GRF195-407	Travel and Tourism	\$ 6,345,500	\$ 6,448,399	2589
GRF195-408	Coal Research Development	\$ 562,551	\$ 585,290	2590
GRF195-412	Business Development Grants	\$ 8,033,935	\$ 9,092,851	2591
GRF195-414	First Frontier Match	\$ 490,000	\$ 490,000	2592
GRF195-415	Regional Offices and Economic Development	\$ 6,420,675	\$ 6,735,253	2593
GRF195-416	Governor's Office of Appalachia	\$ 5,466,954	\$ 5,475,126	2594
GRF195-417	Urban/Rural Initiative	\$ 980,000	\$ 980,000	2595
GRF195-422	Technology Action	\$ 14,000,000	\$ 14,000,000	2596
GRF195-426	Clean Ohio Implementation	\$ 448,000	\$ 641,000	2597

GRF195-43	Community Development Corporation Grants	\$ 2,530,860	\$ 2,530,860	2598
GRF195-43	International Trade	\$ 5,390,000	\$ 5,551,700	2599
GRF195-43	Investment in Training Grants	\$ 12,500,000	\$ 12,500,000	2600
GRF195-43	Labor/Management Cooperation	\$ 1,146,805	\$ 1,152,752	2601
GRF195-44	Emergency Shelter Housing Grants	\$ 2,768,313	\$ 2,841,441	2602
GRF195-44	Low and Moderate Income Housing	\$ 19,000,000	\$ 19,000,000	2603
GRF195-49	TDBG Operating Match	\$ 1,208,576	\$ 1,215,295	2604
GRF195-49	State Energy Match	\$ 153,558	\$ 158,548	2605
GRF195-50	Appalachian Local Development Districts	\$ 453,962	\$ 453,962	2606
GRF195-50	Appalachian Regional Commission Dues	\$ 219,912	\$ 219,912	2607
GRF195-50	Utility Bill Credits	\$ 7,350,000	\$ 7,350,000	2608
GRF195-50	Travel and Tourism Grants	\$ 1,250,000	\$ 1,250,000	2609
GRF195-90	Coal Research and Development General	\$ 8,971,700	\$ 9,420,300	2610

Obligation Debt			
Service			
TOTAL GRF	General Revenue	\$ 36,541,695	\$ 39,322,580 2611
Fund			
General Services Fund Group			2612
135195-605	Supportive Services	\$ 9,038,988	\$ 9,531,707 2613
136195-621	International Trade	\$ 100,000	\$ 24,915 2614
685195-636	General Reimbursements	\$ 1,275,234	\$ 1,323,021 2615
TOTAL GSF	General Services		2616
Fund			
Group			\$ 10,414,222 \$ 10,879,643 2617
Federal Special Revenue Fund Group			2618
3K8195-613	Community Development Block Grant	\$ 65,149,441	\$ 65,088,961 2619
3K9195-611	Home Energy Assistance Block Grant	\$ 62,000,000	\$ 62,000,000 2620
3K9195-614	HEAP Weatherization	\$ 10,412,041	\$ 10,412,041 2621
3L0195-612	Community Services Block Grant	\$ 22,135,000	\$ 22,135,000 2622
3V1195-601	HOME Program	\$ 40,000,000	\$ 40,000,000 2623
3X3195-619	TANF Housing Program	\$ 5,200,000	\$ 0 2624
308195-602	Appalachian Regional Commission	\$ 350,000	\$ 350,200 2625

308195-603	Housing and Urban Development	\$ 5,000,000	\$ 5,000,000	2626
308195-605	Federal Projects	\$ 7,855,501	\$ 7,855,501	2627
308195-609	Small Business Administration	\$ 3,799,626	\$ 3,799,626	2628
308195-618	Energy Federal Grants	\$ 2,803,560	\$ 2,803,560	2629
335195-610	Oil Overcharge	\$ 8,500,000	\$ 8,500,000	2630
380195-622	Housing Development Operating	\$ 4,507,212	\$ 4,696,198	2631
TOTAL FED Federal Special Revenue				2632
Fund Group		\$27,712,381	\$22,641,087	2633
State Special Revenue Fund Group				2634
4F2195-639	State Special Projects	\$ 1,052,762	\$ 1,079,082	2635
4H4195-641	First Frontier	\$ 600,000	\$ 650,000	2636
4S0195-630	Enterprise Zone Operating	\$ 211,900	\$ 211,900	2637
4S1195-634	Job Creation Tax Credit Operating	\$ 372,700	\$ 375,800	2638
4W1195-646	Minority Business Enterprise Loan	\$ 2,572,960	\$ 2,580,597	2639
444195-607	Water and Sewer Commission Loans	\$ 511,000	\$ 523,775	2640
445195-617	Housing Finance Operating	\$ 3,782,808	\$ 3,968,184	2641
450195-624	Minority Business Bonding Program	\$ 13,232	\$ 13,563	2642

Administration			
451195-625	Economic	\$ 2,062,451	\$ 2,143,918 2643
Development			
Financing			
Operating			
5M4195-659	Universal	\$60,000,000	\$60,000,000 2644
Service			
5M5195-660	Energy	\$12,000,000	\$12,000,000 2645
Efficiency			
Revolving Loan			
611195-631	Water and Sewer	\$ 15,330	\$ 15,713 2646
Administration			
617195-654	Volume Cap	\$ 200,000	\$ 200,000 2647
Administration			
646195-638	Low and Moderate	\$21,539,552	\$22,103,807 2648
Income Housing			
Trust Fund			
TOTAL SSR State Special			2649
Revenue			
Fund Group		\$204,934,695	\$205,866,339 2650
Facilities Establishment Fund			2651
037195-615	Facilities	\$56,701,684	\$58,119,226 2652
Establishment			
4Z6195-647	Rural Industrial	\$ 5,000,000	\$ 5,000,000 2653
Park Loan			
5D1195-649	Port Authority	\$ 2,500,000	\$ 2,500,000 2654
Bond Reserves			
5D2195-650	Urban	\$10,000,000	\$10,475,000 2655
Redevelopment			
Loans			
5H1195-652	Family Farm Loan	\$ 2,246,375	\$ 2,246,375 2656
Guarantee			
5S8195-627	Rural	\$ 5,000,000	\$ 5,000,000 2657

Development				
Initiative				
5S9195-628	Capital Access	\$ 3,000,000	\$ 3,000,000	2658
	Loan Program			
TOTAL 037	Facilities			2659
Establishment	Fund	\$ 84,448,059	\$ 86,340,601	2660
	<u>Innovation Ohio Loan Fund</u>			2661
009195-664	<u>Innovation Ohio</u>	\$ 0	\$ 50,000,000	2662
TOTAL 009	<u>Innovation Ohio</u>	\$ 0	\$ 50,000,000	2663
	<u>Loan Fund</u>			
Coal Research/Development	Fund			2664
046195-632	Coal Research	\$ 12,847,178	\$ 13,168,357	2665
	and Development			
	Fund			
TOTAL 046	Coal Research/			2666
Development	Fund	\$ 12,847,178	\$ 13,168,357	2667
TOTAL ALL BUDGET	FUND	\$ 86,898,230	\$ 88,218,607	2668
GROUPS			<u>738,218,607</u>	

Section 5. That existing Section 41 of Am. Sub. H.B. 94 of the 124th General Assembly, as most recently amended by Am. Sub. H.B. 405 of the 124th General Assembly, is hereby repealed.

Section 6. That Section 41.15 of Am. Sub. H.B. 94 of the 124th General Assembly, as amended by Am. Sub. H.B. 405 of the 124th General Assembly, be amended to read as follows:

Sec. 41.15. FACILITIES ESTABLISHMENT FUND

The foregoing appropriation item 195-615, Facilities Establishment (Fund 037), shall be used for the purposes of the Facilities Establishment Fund under Chapter 166. of the Revised Code.

Notwithstanding Chapter 166. of the Revised Code, up to 2681
\$1,600,000 may be transferred each fiscal year from the Facilities 2682
Establishment Fund (Fund 037) to the Economic Development 2683
Financing Operating Fund (Fund 451). The transfer is subject to 2684
Controlling Board approval pursuant to division (B) of section 2685
166.03 of the Revised Code. 2686

Notwithstanding Chapter 166. of the Revised Code, up to 2687
\$3,800,000 may be transferred in each fiscal year of the biennium 2688
from the Facilities Establishment Fund (Fund 037) to the Minority 2689
Business Enterprise Loan Fund (Fund 4W1). The transfer is subject 2690
to Controlling Board approval pursuant to division (B) of section 2691
166.03 of the Revised Code. 2692

Notwithstanding Chapter 166. of the Revised Code, up to 2693
\$5,000,000 cash may be transferred during the biennium from the 2694
Facilities Establishment Fund (Fund 037) to the Port Authority 2695
Bond Reserves Fund (Fund 5D1) for use by any port authority in 2696
establishing or supplementing bond reserve funds for any bond 2697
issuance permitted under Chapter 4582. of the Revised Code. The 2698
Director of Development shall develop program guidelines for the 2699
transfer and release of funds, including, but not limited to, a 2700
provision that a port authority shall receive not more than 2701
\$2,000,000 total from the fund. The transfer and release of funds 2702
are subject to Controlling Board approval. 2703

Notwithstanding Chapter 166. of the Revised Code, up to 2704
\$20,475,000 cash may be transferred during the biennium from the 2705
Facilities Establishment Fund (Fund 037) to the Urban 2706
Redevelopment Loans Fund (Fund 5D2) for the purpose of removing 2707
barriers to urban core redevelopment. The Director of Development 2708
shall develop program guidelines for the transfer and release of 2709
funds, including, but not limited to, the completion of all 2710
appropriate environmental assessments before state assistance is 2711
committed to a project. 2712

Notwithstanding Chapter 166. of the Revised Code, up to 2713
\$5,000,000 per fiscal year in cash may be transferred from the 2714
Facilities Establishment Fund (Fund 037) to the Rural Industrial 2715
Park Loan Fund (Fund 4Z6). The transfer is subject to Controlling 2716
Board approval pursuant to section 166.03 of the Revised Code. 2717

FAMILY FARM LOAN PROGRAM 2718

Notwithstanding Chapter 166. of the Revised Code, up to 2719
\$2,246,375 in each fiscal year shall be transferred from moneys in 2720
the Facilities Establishment Fund (Fund 037) to the Family Farm 2721
Loan Fund (Fund 5H1) in the Department of Development. These 2722
moneys shall be used for loan guarantees. The transfer is subject 2723
to Controlling Board approval. 2724

Financial assistance from the Family Farm Loan Fund (Fund 2725
5H1) shall be repaid to Fund 5H1. This fund is established in 2726
accordance with sections 166.031, 901.80, 901.81, 901.82, and 2727
901.83 of the Revised Code. 2728

When the Family Farm Loan Fund (Fund 5H1) ceases to exist, 2729
all outstanding balances, all loan repayments, and any other 2730
outstanding obligations shall revert to the Facilities 2731
Establishment Fund (Fund 037). 2732

RURAL DEVELOPMENT INITIATIVE FUND 2733

(A)(1) There is hereby created in the state treasury the 2734
Rural Development Initiative Fund (Fund 5S8). The fund shall 2735
receive moneys from the Facilities Establishment Fund. The 2736
Director of Development may make grants from the fund as specified 2737
in division (A)(2) of this section to eligible applicants in 2738
Appalachian counties and in rural counties in the state that are 2739
designated as distressed pursuant to section 122.25 of the Revised 2740
Code. Preference shall be given to eligible applicants located in 2741
Appalachian counties designated as distressed by the federal 2742
Appalachian Regional Commission. The fund shall cease to exist 2743

after June 30, 2007. All moneys remaining in the fund after that 2744
date shall revert to the Facilities Establishment Fund. 2745

(2) The Director of Development shall make grants from the 2746
Rural Development Initiative Fund only to eligible applicants who 2747
also qualify for and receive funding under the Rural Industrial 2748
Park Loan Program as specified in sections 122.23 to 122.27 of the 2749
Revised Code. Eligible applicants shall use the grants for the 2750
purposes specified in section 122.24 of the Revised Code. All 2751
projects supported by grants from the fund are subject to Chapter 2752
4115. of the Revised Code as specified in division (E) of section 2753
166.02 of the Revised Code. The Director shall develop program 2754
guidelines for the transfer and release of funds. The release of 2755
grant moneys to an eligible applicant is subject to Controlling 2756
Board approval. 2757

(B) Notwithstanding Chapter 166. of the Revised Code, the 2758
Director of Budget and Management may transfer up to \$5,000,000 2759
per fiscal year in cash on an as needed basis at the request of 2760
the Director of Development from the Facilities Establishment Fund 2761
(Fund 037) to the Rural Development Initiative Fund (Fund 5S8). 2762
The transfer is subject to Controlling Board approval pursuant to 2763
section 166.03 of the Revised Code. 2764

CAPITAL ACCESS LOAN PROGRAM 2765

The foregoing appropriation item 195-628, Capital Access Loan 2766
Program, shall be used for operating, program, and administrative 2767
expenses of the program. Funds for the Capital Access Loan Program 2768
shall be used to assist participating financial institutions in 2769
making program loans to eligible businesses that face barriers in 2770
accessing working capital and obtaining fixed asset financing. 2771

Notwithstanding Chapter 166. of the Revised Code, the 2772
Director of Budget and Management may transfer up to \$3,000,000 2773
per fiscal year in cash on an as needed basis at the request of 2774

the Director of Development from the Facilities Establishment Fund 2775
(Fund 037) to the Capital Access Loan Program Fund (Fund 5S9). The 2776
transfer is subject to Controlling Board approval pursuant to 2777
section 166.03 of the Revised Code. 2778

INNOVATION OHIO LOAN PROGRAM 2779

The foregoing appropriation item 195-664, Innovation Ohio, 2780
shall be used to provide for Innovation Ohio loans and loan 2781
guarantees pursuant the Chapter 166. and particularly sections 2782
166.12 to 166.16 of the Revised Code. 2783

Section 7. That existing Section 41.15 of Am. Sub. H.B. 94 of 2784
the 124th General Assembly, as amended by Am. Sub. H.B. 405 of the 2785
124th General Assembly, is hereby repealed. 2786

Section 8. The codified and uncodified sections of law 2787
contained in this act are not subject to the referendum. 2788
Therefore, under Section 1d of Article II, Ohio Constitution and 2789
section 1.471 of the Revised Code, the codified and uncodified 2790
sections of law contained in this act go into immediate effect 2791
when this act becomes law. 2792

Section 9. Section 122.171 of the Revised Code is presented 2793
in this act as a composite of the section as amended by both H.B. 2794
675 and Am. Sub. S.B. 180 of the 124th General Assembly. The 2795
General Assembly, applying the principle stated in division (B) of 2796
section 1.52 of the Revised Code that amendments are to be 2797
harmonized if reasonably capable of simultaneous operation, finds 2798
that the composite is the resulting version of the section in 2799
effect prior to the effective date of the section as presented in 2800
this act. 2801