



## ***Bill Analysis***

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### **H.B. 1**

125th General Assembly  
(As Introduced)

**Rep. T. Patton**

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#### **BILL SUMMARY**

- Establishes the Research and Development Loan Fund Program and authorizes the Director of Development to operate the Program and make loans from the Research and Development Loan Fund (R&D Loan Fund) created by the bill to finance eligible research and development projects.
- Permits the Treasurer of State to issue obligations to pay allowable costs or make loans for eligible research and development projects under the Program.
- Establishes administrative procedures and criteria for financial assistance under the Program that are similar to those for the existing Facilities Establishment Fund Program and the Innovation Ohio Loan Fund Program.
- Permits the Director to lend moneys in the R&D Loan Fund to persons for paying the allowable costs of an eligible research and development project.
- Specifies that the amount of money loaned from the R&D Loan Fund cannot exceed 75% of the total costs of the eligible research and development project, and repayment must be secured by a mortgage or other interest.
- Permits the Director, with money from the Fund, to acquire property and convey it to any person or governmental agency without competitive bidding, and upon whatever terms and conditions and in whatever manner the Director considers necessary.

- Permits the Director to take an interest in property, by mortgage, security interest, or other methods, to ensure that property associated with an eligible research and development project is used in Ohio, and products produced, and services associated with the property are delivered by, persons employed within Ohio.
- Establishes notification procedures the Director must follow if an eligible project is being relocated within the state.
- Creates a nonrefundable credit against the corporation franchise and income taxes for qualified payments not to exceed \$150,000 for a tax year, made on loans issued by the Director, and permits the assignment of these credits to certain other taxpayers who pay the same tax as the party originally earning the credit.
- Adds the R&D Loan Fund to the list of economic development funds used to pay expenses incurred by the Director in administering economic development programs.
- Increases the maximum aggregate principal amount of obligations, excluding project financing obligations, that may be issued to fund the R&D Loan Fund and other economic development funds, from \$300 million to \$500 million.
- Increases the maximum amount of liquor profits that may be used to back obligations issued to fund the R&D Loan Fund and other economic development funds, from \$25 million to \$45 million per fiscal year.
- Increases the maximum aggregate unpaid principal of loans and loan guarantees made from the Facilities Establishment Fund, the Loan Guarantee Fund, the Innovation Ohio Loan Guarantee Fund, and the Innovation Ohio Loan Fund from \$700 million to \$800 million, and adds the unpaid principal of loans made from the R&D Loan Fund.
- Creates the Ohio Research Commercialization Grant Program to provide grants from the Department of Development to small technology companies that are receiving funding under federal research and technology programs.
- Establishes administrative procedures and criteria for assistance under the Ohio Research and Commercialization Grant Program.

- Grants the three-person Industrial Technology and Enterprise Advisory Council Committee rather than the full Council, the authority to issue technology investment tax credits.
- Increases the total amount of technology investments that may be approved by the Council Committee in any one Ohio business, from \$1 million to \$1.5 million.
- Increases the total amount of technology investment tax credits that may be issued, from \$10 million to \$20 million.
- Increases the amount of the investment for which a technology investment tax credit can be claimed and the maximum amount of investments that an investor can make in one business, from \$150,000 to \$250,000.
- Requires that the Director of Development develop the form of, and the Director and the Chairperson of the Council Committee sign, technology investment tax credit certificates.
- Requires that the Director report to the Tax Commissioner any information requested by the Commissioner about technology investment tax credit certificates.
- Increases Edison Center application fees from \$150 to \$250.
- Makes various corrections to the laws governing the Innovation Ohio Loan Program.

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## CONTENT AND OPERATION

### **Research and Development Loan Fund Program**

#### **Program overview**

The bill establishes the Research and Development Loan Fund Program, to be administered by the Director of Development. The Program is operated in a manner that is similar to the existing Facilities Establishment Fund Program and Innovation Ohio Loan Fund Program. Assistance is available under the Program for any research and development project involving the discovery of information that is technological in nature and used to develop new or improved products or processes.

The Program is funded through the Research and Development Loan Fund created by the bill. The Fund receives moneys from the proceeds of bond or note sales that are repaid with liquor profits and loan payments made by Program borrowers.<sup>1</sup>

The Program offers "research and development financial assistance," which includes various inducements that the bill makes available to the Director to

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<sup>1</sup> Section 13, Article VIII of the Ohio Constitution authorizes the state to issue bonds or other obligations, and to make or guarantee loans for economic development, if the purposes are consistent with that section.

stimulate research and development, including loans from the Fund and tax credits for qualified payments made on these loans.

The bill permits the Director to enter into agreements to induce persons engaged in industry, commerce, distribution, or research to acquire or develop eligible research and development projects. The bill authorizes the Director to provide persons with research and development financial assistance to pay the allowable costs of these projects, including, for example, the costs of acquiring and preparing project facilities (e.g., buildings, structures, and equipment). Allowable costs also include the costs of site clearance, surveys, and studies.

To attract persons that do not wish to own research and development projects, the bill authorizes governmental agencies to acquire, construct, or develop eligible research and development projects for lease to those persons. A more detailed discussion of the Program's elements follows.

#### **Legislative declaration of intent**

(R.C. 166.17(A))

The bill has a legislative declaration of intent, which states that in order to enhance the economic opportunities and welfare of all of the people of the state, and to maintain the competitiveness of the Ohio economy, it is necessary to provide incentives to ensure the retention and attraction of businesses that will develop new technologies or that will apply existing technologies in new ways. The bill's legislative declaration also states that the attraction of such businesses, and the jobs that will be created by them, will materially contribute to the economic welfare of the people of the state. Accordingly, the bill provides that it is the public policy of the state to assist in and facilitate the establishment or development of eligible research and development projects, or assist and cooperate with any governmental agency in achieving this purpose.

#### **Eligible research and development project**

(R.C. 166.01(E) and 166.17(C))

The bill defines an "eligible research and development project" as an "eligible project," as defined in existing law, including "project facilities" (see **COMMENT**) comprising, within, or related to a facility or portion of a facility at which research is undertaken for the purpose of discovering technological information that will be useful in the development of a new or improved product, process, technique, formula, or invention, a new product or process based on new technology, or the creative application of existing technology.

Under the bill, the Director's determination that facilities or property constitute eligible research and development projects and that the costs of such facilities are allowable costs are conclusive for purposes of the validity and enforceability of the rights of any parties, with respect to actions taken or agreements entered into under the Research and Development Loan Fund Program laws.

**Establishment of the Research and Development Loan Fund**

(R.C. 166.02(D), 166.20, and 166.21(G)(1) and (2))

The bill creates the Research and Development Loan Fund (R&D Loan Fund) as a special revenue fund and trust fund that is in the custody of the Treasurer of State, but is not a part of the state treasury. The Treasurer of State serves as the agent of the Director in making withdrawals and deposits and maintaining records related to the R&D Loan Fund. The Fund consists of any grants, gifts, and contributions of money or rights to money designated for and transferred to it. It also consists of moneys received from the sale of bonds or notes (see "Issuance of obligations," below). The R&D Loan Fund is not comprised, in any part, of moneys raised by taxation. The bill specifies that all moneys used in the R&D Loan Fund must be used in a manner consistent with the laws governing the Research and Development Loan Fund Program.

In addition, the bill requires that the following be credited to the R&D Loan Fund:

- (1) Moneys received from the repayment of loans made from the Fund;
- (2) Moneys resulting from the sale, lease, or other disposition of property acquired or constructed from Fund moneys derived from the sale of obligations.

The bond proceedings may provide that the money referred to in (1) and (2) above be deposited to separate accounts within the R&D Loan Fund or in the bond service fund and be pledged to the security of obligations or applied to the payment of bond service charges, without need for appropriation.<sup>2</sup> Further, the Director may establish accounts in the R&D Loan Fund for particular projects. Income from the investment of moneys in the Fund must be credited to it or particular accounts within it.

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<sup>2</sup> "Bond proceedings" means the resolution, order, trust agreement, indenture, lease, or other agreement providing for the terms and conditions of obligations (R.C. 166.08(A)(1)).

Continuing law specifies that moneys in certain economic development funds, such as the Facilities Establishment Fund, are to be used to pay expenses and obligations incurred by the Director in administering economic development programs. The bill adds the R&D Loan Fund to this list of funds from which the Director's expenses are paid.

**Issuance of obligations**

(R.C. 166.08 and 166.11)

The bill authorizes the issuance of obligations by the state for the R&D Loan Fund, upon the certification by the Director to the Treasurer of State of the amount of moneys needed in the Fund to pay, or make loans for, allowable costs from the Fund. Under the bill, profits from the sale of liquor may be used to pay bond service charges (e.g., principal and interest) on the obligations.

The obligations are issued according to procedures utilized in continuing law for the Facilities Establishment Fund, the Loan Guarantee Fund, the Innovation Ohio Loan Guarantee Fund, and the Innovation Ohio Loan Fund. The bill authorizes the use of moneys in the R&D Loan Fund to pay the costs of services associated with the issuance of obligations.

**Increase in the aggregate limits on obligations, use of liquor profits, and loans**

(R.C. 166.11)

Current law establishes a \$300 million limit for the aggregate principal amount of obligations that may be issued to fund economic development programs, excluding project financing obligations that do not have bond service charges paid from liquor profits. The bill increases the limit to \$500 million.

Similarly, current law establishes a \$25 million limit for the aggregate amount of liquor sale profits used in any fiscal year to back obligations issued for the Facilities Establishment Fund, Loan Guarantee Fund, Innovation Ohio Loan Guarantee Fund, and Innovation Ohio Loan Fund. The bill, which adds the R&D Loan Fund to this list of funds, increases the \$25 million limit to \$45 million. Thus, under the bill, an additional \$20 million in liquor profits may be used to back obligations issued for economic development.

Finally, current law establishes a \$700 million limit on the aggregate amount of loan guarantees under the Loan Guarantee Fund and the Innovation Ohio Loan Guarantee Fund and the unpaid principal of loans made from the Facilities Establishment Fund and the Innovation Ohio Loan Fund. The bill,

which adds the R&D Loan Fund to this list of funds, increases the \$700 million limit to \$800 million.

**Inducements available under the Research and Development Loan Fund Program**

(R.C. 166.17(B))

To implement the Research and Development Loan Fund Program, the bill permits the Director to exercise the following powers:

(1) After consultation with appropriate governmental agencies, to enter into agreements with persons engaged in industry, commerce, distribution, or research and with governmental agencies, to induce such persons to acquire, construct, reconstruct, rehabilitate, renovate, enlarge, improve, equip, or furnish eligible research and development projects;

(2) After consultation with appropriate governmental agencies, to enter into agreements with governmental agencies to enable them to undertake the same actions in (1) regarding eligible research and development projects and lease them to persons engaged in industry, commerce, distribution, or research;

(3) Provide for loans from the R&D Loan Fund to finance such projects;

(4) Subject to the release of moneys by the Controlling Board from the R&D Loan Fund, to contract for labor and materials needed for eligible research and development projects and for the operation of such projects, and to contract to acquire or convey property without competitive bidding and upon such terms and conditions as the Director considers appropriate;

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

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

(7) Enter into appropriate arrangements and agreements with any governmental agency for the taking or provision by that governmental agency of any governmental action with respect to eligible research and development projects;



(8) Do all other acts and enter into contracts, execute all instruments, and make all certifications necessary or appropriate to carry out the Research and Development Loan Fund Program Law;

(9) Adopt rules to implement any provisions of the Program Law applicable to the Director.

**Director may ensure that property associated with research and development financial assistance benefits Ohio**

(R.C. 166.17(B)(9))

Under the bill, the Director is permitted to take an interest in property associated with research and development financial assistance by mortgage, security interest, leasehold interest, assignment, or exclusive or non-exclusive license, to ensure that the property is used in Ohio, and the products associated with the property are produced, and services associated with the property are delivered, by persons employed in Ohio.

**General criteria to determine eligibility for financial assistance**

(R.C. 166.01(N) and 166.19(A))

The bill requires that the Director consider the following criteria 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:

(1) The number of jobs to be created or preserved, directly or indirectly, by the project;

(2) Payrolls, and the taxes generated at both the state and local levels, by the project and by the employment created or preserved by it;

(3) The project's size, nature, and cost;

(4) The likelihood that the project will create long-term jobs in enterprises consistent with the changing economics of the state and nation;

(5) The needs of any private sector enterprise to be assisted, taking into account the amount and kind of assistance, if any, to be provided to the enterprise by other governmental agencies through tax exemption, tax abatement, or financing assistance through industrial development bonds;

(6) The likelihood that the project will be successfully implemented.

The Director may consider the benefits to the local area that would result from particular loan arrangements or from the lease or sale of eligible research and development project facilities (e.g., buildings, equipment, and tools). In considering the benefits to a local area, the Director may examine taxes, jobs, reduced unemployment, and reduced welfare costs.

Furthermore, in making determinations about research and development financial assistance, the Director may consider the effect of an eligible research and development project upon any entity that is engaged to acquire, lease, or license research and development property.

**Development Financing Advisory Council to make recommendations**

(R.C. 166.19(B) and (C))

Under continuing law, the seven-member Development Financing Advisory Council (DFAC) assists the Director in carrying out economic development programs and makes recommendations to the Director regarding financial assistance. The bill requires that the Director submit to the DFAC data pertinent to the general eligibility criteria set forth above, the terms of the proposed research and development financial assistance, and other relevant information that DFAC may request. On the basis of that data, DFAC must make recommendations as to the appropriateness of the proposed financial assistance. DFAC may revise its recommendations to reflect any changes in the proposed assistance submitted by the Director. DFAC must submit its recommendations as to the appropriateness of the proposed financial assistance to the Controlling Board.

**Private sector records not open to public inspection**

(R.C. 121.22(E) (not in the bill) and 166.19(D))

The bill provides that information contained in financial statements and other data submitted to the Director, DFAC, or the Controlling Board by any private sector person in connection with research and development financial assistance is not open to public inspection. The bill permits DFAC, in considering confidential information, to close its meeting upon the unanimous vote of all of the members present.

**Specific criteria for loans**

(R.C. 166.21)

The bill permits the Director, with the approval of the Controlling Board, to lend moneys in the R&D Loan Fund to persons for the purpose of paying

allowable costs of an eligible research and development project, if the Director determines that all of the following criteria are satisfied:

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

(2) The amount to be lent from the R&D Loan Fund will not exceed 75% of the total costs of the eligible project;

(3) The repayment of the loan will be secured by a mortgage, lien, assignment, pledge, or other interest in property or other assets of the borrower at a level of priority and value that the Director considers appropriate.

In establishing an appropriate security interest under (3) above, the Director must take into account the value of any rights granted by the borrower to the Director to control the use of the borrower's assets under the circumstances described in the loan documents. The Director's determinations with respect to these three criteria are conclusive for purposes of the validity of a loan commitment memorialized in a loan agreement signed by the Director.

The bill authorizes the Director to fix service charges, fees, rates of interest, times of payment of interest and principal, and other terms and conditions of, and security for, loans. Moneys used in making loans must be disbursed from the R&D Loan Fund upon order of the Director. Unless otherwise specified in any indenture or other instrument securing a bond or note, payments of principal and interest from loans made from the Fund must be paid to the Fund and used to make loans.

The Director may take actions necessary or appropriate to collect or otherwise deal with a loan.

**Director's determination that financial assistance conforms to the law**

(R.C. 166.17(C), 166.18(A), and 166.19(B) and (C))

The bill provides that, prior to entering into each agreement to provide research and development financial assistance, the Director must set forth a determination, and the facts upon which it is based, that the assistance conforms to the laws governing the Research and Development Loan Fund Program. This determination must be in an agreement to provide financial assistance and also must be submitted to DFAC when it considers a request for research and development financial assistance, and to the Controlling Board when it considers releasing moneys in the R&D Loan Fund. The Director's determination that research and development financial assistance conforms to the requirements of the

law governing the Program is conclusive for purposes of the validity and enforceability of the loan and financial assistance agreement.

**Relocation of an eligible research and development project**

(R.C. 166.18(B) and (C))

The bill permits an applicant for assistance under the Research and Development Loan Fund Program to request that the assistance provide for the relocation of an eligible research and development project that is currently being operated by the applicant in another county, municipal corporation, or township in Ohio. Relocation of the project triggers a notice requirement. Under the bill, the Director is required to provide written notification to the appropriate local governmental bodies and state officials.<sup>3</sup>

The notification must contain all of the following information:

- (1) The name of the person applying for research and development financial assistance;
- (2) The county, and the municipal corporation or township, in which the project for which financial assistance is requested is located;
- (3) The county, and the municipal corporation or township, in which the eligible research and development project to be replaced is located.<sup>4</sup>

The Director must provide the written notification to the appropriate local governmental bodies and state officials so that notification is received at least five

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<sup>3</sup> *"Appropriate local governmental bodies" means the board of county commissioners or legislative authorities of special districts (e.g., a port authority) in the county in which the project is located and of the county in which the eligible research and development project to be replaced is located; the legislative authority of the municipal corporation or board of township trustees of the township in which the project for which financial assistance is requested is located; and the legislative authority of the municipal corporation or board of township trustees of the township in which the project to be replaced is located (R.C. 166.18(C)(1)). "State officials" means the state representative and state senator in whose district the eligible research and development project for which financial assistance is requested is located and the state representative and state senator in whose district the eligible research and development project to be replaced is located (R.C. 166.18(C)(2)).*

<sup>4</sup> *The bill is not clear, in that it discusses relocation of a project and replacement of the project interchangeably, when the two terms are not comparable.*

days before the meeting at which DFAC considers the request for research and development financial assistance.

**Tax credits for qualified research and development loan payments**

(R.C. 166.21(D), 5733.352, 5733.98, 5747.331, and 5747.98; Section 3)

The bill creates a nonrefundable research and development tax credit against the corporation franchise or income tax for a taxpayer's qualified research and development loan payments made during the tax year (payments of principal due on a loan from the R&D Loan Fund). The amount of the credit for a tax year cannot exceed \$150,000. The credit must be claimed in the order required by law. If the credit amount exceeds the taxpayer's tax liability for the tax year, the excess may be carried forward until fully used. The bill makes the tax credit available for tax years beginning on and after January 1, 2003.

The bill requires that, each year, the Director issue a certificate to each borrower from the R&D Loan Fund indicating the amount of the qualified research and development loan payments made during the tax year. The certificate must state that the borrower's qualified research and development project alone, or in connection with other projects, creates new jobs and that, as of December 31 of the tax year for which the certificate is issued, the borrower has not defaulted on the loan commitment. To claim the credit, the borrower must submit this certificate with the borrower's franchise tax report or income tax return.

A taxpayer/borrower entitled to the tax credit may assign the credit or a portion of the credit to any of the following:

- (1) A related member of the taxpayer;<sup>5</sup>

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<sup>5</sup> *Generally speaking, a "related member" is a business entity (corporate or noncorporate) that substantially owns, or is substantially owned by, a corporation, either through direct ownership or through a chain of other business entities. Specifically, a related member is any of the following: (1) an individual owning at least 50% of the corporation's stock (alone or together with family members), (2) an individual's corporation, partnership, trust, or estate that, considered as a group, own at least 50% of the corporation's stock, (3) a second corporation owning at least 50% of the corporation's stock, including any third entity related to the second corporation in such a way that federal law would attribute ownership of the second corporation to that entity, or vice-versa, if federal law were modified to require a 20% rather than 5% share ownership threshold, or (4) a second corporation related to the corporation through the common ownership or control of each corporation's stock through one or more other corporations (with 80% stock ownership generally constituting ownership or control).*

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

An assignee may only apply the credit against a tax to which the assignor was subject. For example, if the borrower (the assignor) is subject to the corporation franchise tax and assigns the credit to an assignee that is subject to the personal income tax, the assignee would be unable to claim the credit. Both the assignor and assignee must be subject to the same tax. If both are subject to the same tax, and the assignment is valid in all other respects, the assignee may claim the credit to the same extent as if the assignee were the taxpayer originally earning the credit.

The bill requires that a taxpayer making an assignment notify the Director and Tax Commissioner, in such form as the Tax Commissioner prescribes, that an assignment has been made. The credit is disallowed if the assignee fails to file with the franchise tax report or income tax return a copy of the tax credit certificate that was issued to the assignor.

#### **Ohio Research Commercialization Grant Program**

(R.C. 184.04)

The bill creates the Ohio Research Commercialization Grant Program to improve the commercial viability of research projects by making small technology companies better able to assess commercial potential, and by promoting their competitiveness through augmentation of federal research and development funding. The bill provides for the awarding of grants to small businesses that are already receiving funding under federal programs.

The bill requires the Department of Development to award grants under the Grant Program on a competitive basis, for the following purposes:

- (1) Commercialization of a core competency technology, which includes advanced materials, instruments, controls, electronics, biosciences, power and propulsion, and information technology;
- (2) Other business activities related to the commercialization of core competency technology.

To be eligible for a grant under the Grant Program, a business must demonstrate to the Director of Development that it is located in Ohio and has received an award of funds under the federal Small Business Innovation Research Program, federal Small Business Technology Transfer Program, or other similar

federal program designated by the Director as making an applicant eligible for a grant.

Alternatively, an applicant that is located in Ohio, but has not yet received a federal award of funds, is eligible to receive an award under the Grant Program, if the applicant demonstrates eligibility for an award under the federal Advanced Technology Program or other similar federal program designated by the Director as making an applicant eligible for a grant. But an applicant that demonstrates eligibility in this manner cannot receive a grant under the Grant Program until the applicant notifies the Director, in such form as the Director prescribes, that it has received an actual award of federal funds. The bill provides that an eligible applicant that receives a grant under the Grant Program is not precluded from participating in other financial assistance programs offered by the Department of Development.

The bill requires that the Director adopt rules establishing all of the following:

(1) Forms and procedures by which eligible applicants may apply for grants under the Grant Program;

(2) Criteria for reviewing, evaluating, ranking, and approving applications from applicants that best serve the goals of the Program;

(3) Reporting requirements and monitoring procedures;

(4) The types of federal awards and programs that make an applicant eligible for a grant;

(5) Any other rules necessary to implement and administer the Grant Program.

### **Changes to the laws governing technology investment tax credits**

#### **Maximum amount of technology investments eligible for a tax credit increased**

(R.C. 122.151(A) to (E) and 122.152(A))

Under continuing law, an investor who wants to make an investment in a qualified technology-based business can apply to an Edison Center for a tax credit



that is equal to 25% of the amount of the investment.<sup>6</sup> After reviewing the application, the Edison Center makes an initial determination to the Industrial Technology and Enterprise Advisory Council (ITEAC) as to whether the investor should be approved for the credit. A three-person committee within ITEAC (the "council committee") reviews the proposed investment and makes a final determination as to whether or not the investor may receive the credit. Currently, the amount invested for which a technology investment tax credit may be claimed cannot exceed \$150,000. The bill increases this amount to \$250,000.

Current law provides that the council committee may not approve more than \$1 million of investments in any one Ohio business. The bill increases this amount to \$1.5 million. Similarly, current law prohibits issuing more than \$10 million in technology investment tax credits. The bill increases this amount to \$20 million.

Currently, if an investor invests less than \$150,000 in an Ohio business, the investor may apply for approval of another investment in the same business, as long as the total amount invested in the business does not exceed \$150,000. The bill increases these two amounts to \$250,000.

**Issuance of applications for, form of, and signatures required on, tax credit certificates**

(R.C. 122.152(A), (D), and (G))

Under current law, after the three-person council committee approves an investment, the investor may apply to the full ITEAC for a tax credit certificate. The ITEAC issues the certificate if it is satisfied that the investor has made the investment in the proper form. Under the bill, the three-person council committee, not the ITEAC, issues the certificate if it is satisfied the investor has made the investment in the proper form.

The bill adds the requirement that the Director of Development and the chairperson of the council committee sign the tax credit certificate.

Current law requires that the ITEAC develop the form of the technology investment tax credit certificate. The bill transfers this responsibility to the Director. The bill provides, specifically, that the Director must develop the certificate's form and the council committee will use that form when issuing the certificates.

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<sup>6</sup> *An Edison Center is an entity that receives funding through the Thomas Alva Edison Grant Program, which provides grants to nonprofit organizations, colleges, and universities to fund technology-based research and development.*



Current law also makes the ITEAC responsible for reporting to the Tax Commissioner any information requested by the Commissioner concerning the tax credit certificates. Here again, the bill transfers this responsibility to the Director.

**Edison Center application fee increased**

(R.C. 122.154(A))

Current law requires that a business applying to an Edison Center for a determination as to whether the business is an Ohio entity eligible to receive investments file an application and pay a fee of \$150. The bill increases the application fee to \$250.

**Corrections to the laws governing the Innovation Ohio Loan Fund Program**

(R.C. 166.13, 166.14, and 166.16)

Current law governing the Innovation Ohio Loan Fund Program mistakenly refers to the Development Financing Advisory Council as the "Development Finance Advisory Council." The bill changes these incorrect references and other grammatical errors in these laws.

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**COMMENT**

Generally, an "eligible project" means project facilities (building, structures, equipment, and other property) to be acquired, established, expanded, remodeled, rehabilitated, or modernized for industry, commerce, distribution, or research, the operation of which will create new jobs or preserve existing jobs and employment opportunities and improve the economic welfare of the people of the state. "Eligible project" does not include undertaking any of these actions if the project facilities consist solely of point-of-final-purchase retail facilities. Normally, warehouse facilities are not eligible projects, but catalog distribution facilities are.

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	01-23-03	p. 72

h0001-i-125.doc/kl

