

AN ACT

To amend sections 9.41, 9.901, 101.543, 107.40, 109.57, 109.572, 113.09, 113.11, 113.12, 117.45, 117.46, 117.47, 117.48, 120.36, 120.52, 120.521, 120.53, 121.37, 122.17, 122.171, 122.72, 122.73, 122.74, 122.90, 124.09, 124.11, 124.134, 124.135, 124.137, 124.138, 124.139, 124.14, 124.151, 124.152, 124.18, 124.181, 124.182, 124.321, 124.324, 124.327, 124.382, 124.384, 124.386, 124.387, 124.389, 124.391, 124.82, 124.821, 124.823, 124.84, 124.87, 125.21, 126.07, 126.21, 126.22, 131.01, 131.02, 131.33, 133.01, 133.04, 133.06, 133.12, 133.18, 141.08, 141.10, 145.70, 173.14, 173.39, 173.391, 173.41, 184.20, 319.301, 340.021, 742.57, 901.23, 927.39, 927.40, 927.41, 927.42, 955.011, 955.16, 955.43, 1309.102, 1309.520, 1309.521, 1317.07, 1321.02, 1333.11, 1333.82, 1523.02, 1901.31, 1901.311, 1901.32, 1901.33, 2151.357, 2152.44, 2305.2341, 2503.20, 2913.01, 2913.02, 2921.321, 2923.46, 2925.44, 2933.43, 3109.14, 3301.0714, 3302.021, 3307.32, 3309.68, 3310.03, 3310.06, 3310.08, 3310.16, 3311.057, 3313.29, 3313.372, 3313.61, 3313.64, 3313.6410, 3313.813, 3314.02, 3314.03, 3314.08, 3314.26, 3314.35, 3314.36, 3315.01, 3317.01, 3317.015, 3317.02, 3317.021, 3317.022, 3317.024, 3317.029, 3317.0216, 3317.03, 3317.051, 3317.053, 3317.06, 3317.07, 3317.082, 3317.11, 3317.19, 3318.052, 3318.37, 3319.17, 3323.091, 3323.13, 3323.20, 3353.02, 3354.10, 3357.10, 3358.06, 3362.01, 3365.02, 3375.121, 3381.15, 3381.17, 3517.152, 3701.041, 3701.341, 3701.65, 3705.242, 3718.02, 3734.57, 3735.67,

3745.114, 3769.087, 3901.383, 3901.3814, 3905.43, 3917.04, 4109.01, 4109.02, 4109.06, 4117.01, 4123.444, 4301.01, 4303.17, 4303.181, 4303.182, 4303.29, 4731.22, 4731.281, 4781.04, 4905.79, 5101.93, 5111.011, 5111.0112, 5111.061, 5111.081, 5111.11, 5111.151, 5111.161, 5111.162, 5111.20, 5111.222, 5111.231, 5111.244, 5111.27, 5111.31, 5111.88, 5111.882, 5111.889, 5111.8811, 5111.8812, 5112.08, 5112.18, 5112.31, 5115.04, 5119.16, 5123.0413, 5123.196, 5123.36, 5139.50, 5505.27, 5531.10, 5577.99, 5703.21, 5703.57, 5705.03, 5705.091, 5705.19, 5705.195, 5705.34, 5709.08, 5709.081, 5709.40, 5709.42, 5709.43, 5709.73, 5709.74, 5709.75, 5709.78, 5709.79, 5709.80, 5711.01, 5725.221, 5727.06, 5727.85, 5729.05, 5733.01, 5733.352, 5733.56, 5733.98, 5735.27, 5739.011, 5739.026, 5739.211, 5741.031, 5743.025, 5743.03, 5743.04, 5743.05, 5743.08, 5743.081, 5743.12, 5743.13, 5743.15, 5743.18, 5743.33, 5743.34, 5743.35, 5745.01, 5747.01, 5747.012, 5747.05, 5747.056, 5747.11, 5747.331, 5748.01, 5748.02, 5751.01, 5751.011, 5751.032, 5751.04, 5751.05, 5751.051, 5751.10, 5751.20, 5751.21, 5751.22, 5751.53, 5923.05, and 6121.02; to amend, for the purpose of adopting new section numbers as indicated in parentheses, sections 117.45 (126.35), 117.46 (126.36), 117.47 (126.37), 117.48 (126.38), 173.41 (173.394), 5101.93 (5111.178), 5111.081 (5111.942), 5111.082 (5111.081), 5111.083 (5111.082), 5111.084 (5111.083), and 5111.085 (5111.084); to enact new sections 3325.12, 3365.11, and 5111.18 and sections 124.392, 131.022, 173.27, 307.761, 333.01, 333.02, 333.03, 333.04, 333.05, 333.06, 333.07, 3310.11, 3310.12, 3314.18, 3323.143, 3701.046, 3701.79, 4303.207, 4503.105, 5111.0116,

5111.0117, 5111.0118, 5111.101, 5111.163, 5111.8813, 5111.8814, 5111.8815, 5111.8816, 5111.8817, 5111.941, 5111.943, 5112.311, 5123.37, 5123.371, 5123.372, 5123.373, 5123.374, 5123.375, 5502.261, 5531.101, 5701.11, 5705.211, 5725.222, 5725.98, 5729.101, 5729.102, 5729.98, 5743.021, 5743.321, 5748.011, and 5919.19; and to repeal sections 124.822, 124.92, 3325.12, 3325.17, 3365.11, 4732.04, and 5111.18 of the Revised Code; to amend Section 3 of Sub. H.B. 11 of the 126th General Assembly; to amend Sections 203.09, 203.12, 203.12.12, 203.45, 203.51, 203.54, 203.66, 203.69, 203.84, 203.87, 203.99.01, 203.99.30, 203.99.48, 206.03, 206.09, 206.09.12, 206.09.15, 206.09.21, 206.09.27, 206.09.36, 206.09.39, 206.09.42, 206.09.61, 206.09.63, 206.09.66, 206.09.84, 206.16, 206.42, 206.42.09, 206.48, 206.66, 206.66.22, 206.66.23, 206.66.36, 206.66.64, 206.66.66, 206.66.84, 206.66.85, 206.66.91, 206.67.15, 206.67.21, 206.99, 209.04, 209.06.06, 209.06.09, 209.09.06, 209.09.18, 209.15, 209.18, 209.18.09, 209.24, 209.30, 209.33, 209.36, 209.45, 209.63, 209.63.42, 209.64.60, 209.72, 209.75, 209.78.03, 209.81, 209.90.06, 212.03, 212.24, 212.27, 212.30, 212.33, 557.12, and 612.36.03 of Am. Sub. H.B. 66 of the 126th General Assembly; to amend Sections 23 and 23.01 of Am. Sub. S.B. 189 of the 125th General Assembly; to amend Sections 19.01, 20.01, 22.04, 23.12, and 23.45 of Am. Sub. H.B. 16 of the 126th General Assembly, as subsequently amended; to amend Sections 203.06.06 and 203.06.24 of Am. Sub. H.B. 68 of the 126th General Assembly, as subsequently amended; to amend Section 22 of Am. Sub. S.B. 189 of the 125th General Assembly, as subsequently amended; to repeal Section 5 of Am.

Sub. S.B. 234 of the 125th General Assembly; and to repeal Sections 315.03 and 557.09.09 of Am. Sub. H.B. 66 of the 126th General Assembly to make capital reappropriations for the biennium ending June 30, 2008, to make certain supplemental and capital appropriations and to provide authorization and conditions for the operation of state programs.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 101.01. That sections 9.41, 9.901, 101.543, 107.40, 109.57, 109.572, 113.09, 113.11, 113.12, 117.45, 117.46, 117.47, 117.48, 120.36, 120.52, 120.521, 120.53, 121.37, 122.17, 122.171, 122.72, 122.73, 122.74, 122.90, 124.09, 124.11, 124.134, 124.135, 124.137, 124.138, 124.139, 124.14, 124.151, 124.152, 124.18, 124.181, 124.182, 124.321, 124.324, 124.327, 124.382, 124.384, 124.386, 124.387, 124.389, 124.391, 124.82, 124.821, 124.823, 124.84, 124.87, 125.21, 126.07, 126.21, 126.22, 131.01, 131.02, 131.33, 133.01, 133.04, 133.06, 133.12, 133.18, 141.08, 141.10, 145.70, 173.14, 173.39, 173.391, 173.41, 184.20, 319.301, 340.021, 742.57, 901.23, 927.39, 927.40, 927.41, 927.42, 955.011, 955.16, 955.43, 1309.102, 1309.520, 1309.521, 1317.07, 1321.02, 1333.11, 1333.82, 1523.02, 1901.31, 1901.311, 1901.32, 1901.33, 2151.357, 2152.44, 2305.2341, 2503.20, 2913.01, 2913.02, 2921.321, 2923.46, 2925.44, 2933.43, 3109.14, 3301.0714, 3302.021, 3307.32, 3309.68, 3310.03, 3310.06, 3310.08, 3310.16, 3311.057, 3313.29, 3313.372, 3313.61, 3313.64, 3313.6410, 3313.813, 3314.02, 3314.03, 3314.08, 3314.26, 3314.35, 3314.36, 3315.01, 3317.01, 3317.015, 3317.02, 3317.021, 3317.022, 3317.024, 3317.029, 3317.0216, 3317.03, 3317.051, 3317.053, 3317.06, 3317.07, 3317.082, 3317.11, 3317.19, 3318.052, 3318.37, 3319.17, 3323.091, 3323.13, 3323.20, 3353.02, 3354.10, 3357.10, 3358.06, 3362.01, 3365.02, 3375.121, 3381.15, 3381.17, 3517.152, 3701.041, 3701.341, 3701.65, 3705.242, 3718.02, 3734.57, 3735.67, 3745.114, 3769.087, 3901.383, 3901.3814, 3905.43, 3917.04, 4109.01, 4109.02, 4109.06, 4117.01, 4123.444, 4301.01, 4303.17, 4303.181, 4303.182, 4303.29, 4731.22, 4731.281, 4781.04, 4905.79, 5101.93, 5111.011, 5111.0112, 5111.061, 5111.081, 5111.11, 5111.151, 5111.161, 5111.162, 5111.20, 5111.222, 5111.231, 5111.244, 5111.27, 5111.31, 5111.88, 5111.882, 5111.889, 5111.8811, 5111.8812, 5112.08, 5112.18, 5112.31, 5115.04, 5119.16, 5123.0413, 5123.196, 5123.36,

5139.50, 5505.27, 5531.10, 5577.99, 5703.21, 5703.57, 5705.03, 5705.091, 5705.19, 5705.195, 5705.34, 5709.08, 5709.081, 5709.40, 5709.42, 5709.43, 5709.73, 5709.74, 5709.75, 5709.78, 5709.79, 5709.80, 5711.01, 5725.221, 5727.06, 5727.85, 5729.05, 5733.01, 5733.352, 5733.56, 5733.98, 5735.27, 5739.011, 5739.026, 5739.211, 5741.031, 5743.025, 5743.03, 5743.04, 5743.05, 5743.08, 5743.081, 5743.12, 5743.13, 5743.15, 5743.18, 5743.33, 5743.34, 5743.35, 5745.01, 5747.01, 5747.012, 5747.05, 5747.056, 5747.11, 5747.331, 5748.01, 5748.02, 5751.01, 5751.011, 5751.032, 5751.04, 5751.05, 5751.051, 5751.10, 5751.20, 5751.21, 5751.22, 5751.53, 5923.05, and 6121.02 be amended; that sections 117.45 (126.35), 117.46 (126.36), 117.47 (126.37), 117.48 (126.38), 173.41 (173.394), 5101.93 (5111.178), 5111.081 (5111.942), 5111.082 (5111.081), 5111.083 (5111.082), 5111.084 (5111.083), and 5111.085 (5111.084) be amended for the purpose of adopting new sections numbers as indicated in parentheses; that new sections 3325.12, 3365.11, and 5111.18 and sections 124.392, 131.022, 173.27, 307.761, 333.01, 333.02, 333.03, 333.04, 333.05, 333.06, 333.07, 3310.11, 3310.12, 3314.18, 3323.143, 3701.046, 3701.79, 4303.207, 4503.105, 5111.0116, 5111.0117, 5111.0118, 5111.101, 5111.163, 5111.8813, 5111.8814, 5111.8815, 5111.8816, 5111.8817, 5111.941, 5111.943, 5112.311, 5123.37, 5123.371, 5123.372, 5123.373, 5123.374, 5123.375, 5502.261, 5531.101, 5701.11, 5705.211, 5725.222, 5725.98, 5729.101, 5729.102, 5729.98, 5743.021, 5743.321, 5748.011, and 5919.19 of the Revised Code be enacted to read as follows:

Sec. 9.41. The ~~auditor of state~~, director of budget and management, or any fiscal officer of any county, city, city health district, general health district, or city school district thereof, or civil service township, shall not draw, sign, issue, or authorize the drawing, signing, or issuing of any warrant on the treasurer of state or other disbursing officer of the state, or the treasurer or other disbursing officer of any county, city, or city school district thereof, or civil service township, to pay any salary or other compensation to any officer, clerk, employee, or other person in the classified service unless an estimate, payroll, or account for such salary or compensation containing the name of each person to be paid, bears the certificate of the director of administrative services, or in the case of the service of the city or civil service township, the certificate of the civil service commission of the city or civil service township, or in the case of the service of the county, the certificate of the appointing authority, that the persons named in the estimate, payroll, or account have been appointed, promoted, reduced, suspended, or laid off, or are being employed in

pursuance of Chapter 124. of the Revised Code and the rules adopted thereunder.

Where estimates, payrolls, or accounts are prepared by electronic data processing equipment, the director of administrative services or the municipal or civil service township civil service commission may develop methods for controlling the input or verifying the output of such equipment to ensure compliance with Chapter 124. of the Revised Code and the rules adopted thereunder. Any estimates, payrolls, or accounts prepared by these methods shall be subject to special audit at any time.

Any sum paid contrary to this section may be recovered from any officer making such payment in contravention of law and of the rules made in pursuance of law, or from any officer signing, countersigning, or authorizing the signing or countersigning of any warrant for the payment of the same, or from the sureties on ~~his~~ the officer's official bond, in an action in the courts of the state, maintained by a citizen resident therein. All moneys recovered in any action brought under this section shall, when collected, be paid into the state treasury or the treasury of the appropriate civil division of the state, except that the plaintiff in any action shall be entitled to recover ~~his~~ the plaintiff's own taxable costs of such action.

Sec. 9.901. (A)(1) All health care benefits provided to persons employed by the public schools of this state shall be provided by medical plans designed pursuant to this section by the school employees health care board. The board, in consultation with the superintendent of insurance, shall negotiate with and, in accordance with the competitive selection procedures of Chapter 125. of the Revised Code, contract with one or more insurance companies authorized to do business in this state for the issuance of the plans. Any or all of the medical plans designed by the board may be self-insured. All self-insured plans adopted shall be administered by the board in accordance with this section. As used in this section, a "public school" means a school in a city, local, exempted village, or joint vocational school district, and includes the educational service centers associated with those schools.

(2) Prior to soliciting proposals from insurance companies for the issuance of medical plans, the board shall determine what geographic regions exist in the state based on the availability of providers, networks, costs, and other factors relating to providing health care benefits. The board shall then determine what medical plans are offered by school districts and existing consortiums in the state. The board shall determine what medical plan offered by a school district or existing consortium in the region offers the lowest premium cost plan.

(3) The board shall develop a request for proposals and solicit bids for medical plans for the school districts in a region similar to the existing plans. The board shall also determine the benefits offered by existing medical plans, the employees' costs, and the cost-sharing arrangements used by public schools participating in a consortium. The board shall determine what strategies are used by the existing medical plans to manage health care costs and shall study the potential benefits of state or regional consortiums of public schools offering multiple health care plans.

(4) As used in this section, a "medical plan" includes group policies, contracts, and agreements that provide hospital, surgical, or medical expense coverage, including self-insured plans. A "medical plan" does not include an individual plan offered to the employees of a public school, or a plan that provides coverage only for specific disease or accidents, or a hospital indemnity, medicare supplement, or other plan that provides only supplemental benefits, paid for by the employees of a public school.

(B) The school employees health care board is hereby created. The school employees health care board shall consist of the following nine members and shall include individuals with experience with public school benefit programs, health care industry providers, and medical plan beneficiaries:

- (1) Three members appointed by the governor;
- (2) Three members appointed by the president of the senate;
- (3) Three members appointed by the speaker of the house of representatives.

A member of the school employees health care board shall not be employed by, represent, or in any way be affiliated with a private entity that is providing services to the board, an individual school district, employers, or employees in the state of Ohio.

(C)(1) Members of the school employees health care board shall serve four-year terms; however, one of each of the initial members appointed under divisions (B)(1) to (3) of this section shall be appointed to a term of one year. The initial appointments under this section shall be made within forty-five days after ~~the effective date of this section~~ September 29, 2005.

Members' terms shall end on the ~~same day of the same month as the effective date of this section~~ twenty-ninth day of September, but a member shall continue to serve subsequent to the expiration of the member's term until a successor is appointed. Any vacancy occurring during a member's term shall be filled in the same manner as the original appointment, except that the person appointed to fill the vacancy shall be appointed to the remainder of the unexpired term.

(2) Members shall serve without compensation but shall be reimbursed from the school employees health care fund for actual and necessary expenses incurred in the performance of their official duties as members of the board.

(3) Members may be removed by their appointing authority for misfeasance, malfeasance, incompetence, dereliction of duty, or other just cause.

(D)(1) The governor shall call the first meeting of the school employees health care board. At that meeting, and annually thereafter, the board shall elect a chairperson and may elect members to other positions on the board as the board considers necessary or appropriate. The board shall meet at least four times each calendar year and shall also meet at the call of the chairperson or three or more board members. The chairperson shall provide reasonable advance notice of the time and place of board meetings to all members.

(2) A majority of the board constitutes a quorum for the transaction of business at a board meeting. A majority vote of the members present is necessary for official action.

(E) The school employees health care board shall conduct its business at open meetings; however, the records of the board are not public records for purposes of section 149.43 of the Revised Code.

(F) The school employees health care fund is hereby created in the state treasury. The public schools shall pay all school employees health care board plan premiums in the manner prescribed by the school employees health care board to the board for deposit into the school employees health care fund. All funds in the school employees health care fund shall be used solely for the provision of health care benefits to public schools employees pursuant to this section and related administrative costs. Premiums received by the board or insurance companies contracted pursuant to division (A) of this section are not subject to any state insurance premium tax.

(G) The school employees health care board shall do all of the following:

(1) Design multiple medical plans, including regional plans, to provide, in the board's judgment, the optimal combination of coverage, cost, choice, and stability of health cost benefits. The board may establish more than one tier of premium rates for any medical plan. The board shall establish regions as necessary for the implementation of the board's medical plans. Plans and premium rates may vary across the regions established by the board.

(2) Set an aggregate goal for employee and employer portions of premiums for the board's medical plans so as to manage plan participation

and encourage the use of value-based plan participation by employees;

(3) Set employer and employee plan copayments, deductibles, exclusions, limitations, formularies, premium shares, and other responsibilities;

(4) Include disease management and consumer education programs, to the extent that the board determines is appropriate, in all medical plans designed by the board, which programs shall include, but are not limited to, wellness programs and other measures designed to encourage the wise use of medical plan coverage. These programs are not services or treatments for purposes of section 3901.71 of the Revised Code.

(5) Create and distribute to the governor, the speaker of the house of representatives, and the president of the senate, an annual report covering the plan background; plan coverage options; plan administration, including procedures for monitoring and managing objectives, scope, and methodology; plan operations; employee and employer contribution rates and the relationship between the rates and the school employees health care fund balance; a means to develop and maintain identity and evaluate alternative employee and employer cost-sharing strategies; an evaluation of the effectiveness of cost-saving services and programs; an evaluation of efforts to control and manage member eligibility and to insure that proper employee and employer contributions are remitted to the trust fund; efforts to prevent and detect fraud; and efforts to manage and monitor board contracts;

(6) Utilize cost containment measures aligned with patient, plan, and provider management strategies in developing and managing medical plans.

(H) The sections in Chapter 3923. of the Revised Code regulating public employee benefit plans are not applicable to the medical plans designed pursuant to this section.

(I)(1) Public schools are not subject to this section prior to the release of medical plans designed pursuant to this section.

(2) Prior to the school employees health care board's release of the board's initial medical plans, the board shall contract with an independent consultant to analyze costs related to employee health care benefits provided by existing school district plans in this state. The consultant shall determine the benefits offered by existing medical plans, the employees' costs, and the cost-sharing arrangements used by public schools either participating in a consortium or by other means. The consultant shall determine what strategies are used by the existing medical plans to manage health care costs and shall study the potential benefits of state or regional consortiums of public schools offering multiple health care plans. Based on the findings of

the analysis, the consultant shall submit written recommendations to the board for the development and implementation of a successful program for pooling school districts' purchasing power for the acquisition of employee medical plans. The consultant's recommendations shall address, at a minimum, all of the following issues:

(a) The establishment of regions for the provision of medical plans, based on the availability of providers and plans in the state at the time that the school employees health care board is established;

(b) The use of regional preferred provider and closed panel plans, health savings accounts, and alternative medical plans, to stabilize both costs and the premiums charged school districts and district employees;

(c) The development of a system to obtain eligibility data and data compiled pursuant to the "Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)," 100 Stat. 227, 29 U.S.C. 1161, as amended;

(d) The use of the competitive bidding process for regional medical plans;

(e) The development of a timeline planning for the design and use of board medical plans by not later than December 31, 2007;

(f) The use of information on claims and costs and of information reported by districts pursuant to COBRA in analyzing administrative and premium costs;

(g) The experience of states that have mandated statewide medical plans for public school employees, including the implementation strategies used by those states;

(h) Recommended strategies for the use of first-year roll-in premiums in the transition from district medical plans to school employees health care board plans;

(i) The option of allowing school districts to join an existing regional consortium as an alternative to school employees health care board plans;

(j) Mandatory and optional coverages to be offered by the board's medical plans;

(k) Potential risks to the state from the use of medical plans developed pursuant to this section;

(l) Any legislation needed to ensure the long-term financial solvency and stability of a health care purchasing system;

(m) The potential impacts of any changes to the existing purchasing structure on all of the following:

(i) Existing health care pooling and consortiums;

(ii) School district employees;

(iii) Individual school districts.

(n) Issues that could arise when school districts transition from the existing purchasing structure to a new purchasing structure;

(o) Strategies available to the board in the creation of fund reserves and the need for stop-loss insurance coverage for catastrophic losses;

(p) Any legislation needed to establish and maintain medical plans designed pursuant to this section. The consultant shall submit all legislative recommendations not later than December 31, ~~2005~~ 2006, in writing, to the school employees health care board and to the governor, the speaker of the house of representatives, and the president of the senate.

(3) The public schools health care advisory committee is hereby created under the school employees health care board. The committee shall make recommendations to the school employees health care board related to the board's accomplishment of the duties assigned to the board under this section. The committee shall consist of eighteen members. The governor, the speaker of the house of representatives, and the president of the senate shall each appoint a representative from the Ohio education association, the Ohio school boards association, the Ohio association of school business officials, the Ohio association of health underwriters, an existing health care consortium serving public schools, and a health insuring corporation licensed to do business in Ohio and recommended by the Ohio association of health plans. The initial appointees shall be appointed to a one-year term not later than July 31, ~~2005~~ 2007, the members' term to begin on that date. Subsequent one-year appointments, to commence on the thirty-first day of July of each year, shall be made in the same manner. A member shall continue to serve subsequent to the expiration of the member's term until the member's successor is appointed. Any vacancy occurring during a member's term shall be filled in the same manner as the original appointment, except that the person appointed to fill the vacancy shall be appointed to the remainder of the unexpired term. The governor shall call the first meeting of each newly appointed committee. At that meeting the board shall elect a chairperson who shall call the time and place of future committee meetings. Committee members are not subject to the conditions for eligibility set by division (B) of this section for members of the school employees health care board.

(4) The school employees health care board shall submit a written study to the governor and the general assembly not later than January ~~15, 2006~~ 31, 2007, of a plan to operate in compliance with this section, and on the governance of the school employees health care board. A copy of the board's plan of operation, including audit provisions, shall accompany the report on the board's governance and the report shall include the board's

recommendations on any legislation needed to enforce the recommendations of the board on implementing the provisions of this section.

(5) Not later than January 15, 2009, and not later than the same day of each subsequent year, the school employees health care board shall submit a written report to the governor and each member of the general assembly, which report evaluates the performance of school employees health care board medical plans during the previous year. Districts offering employee health care benefits through a plan offered by a consortium of two or more districts, or a consortium of one or more districts and one or more political subdivisions as defined in section 9.833 of the Revised Code, representing five thousand or more employees as of January 1, 2005, may request permission from the school employees health care board to continue offering consortium plans to the districts' employees at the discretion of the board. If the board grants permission, the permission is valid for only one year but may be renewed annually thereafter upon application to an approval of the board. The board shall grant initial or continued approval upon finding, based on an actuarial evaluation of the existing consortium plan offerings, that benefit design, premium costs, administrative cost, and other factors considered by the board are equivalent to or lower than comparable costs of the board's plan options offered to the local district. Age and gender adjustments, benefit comparison adjustments, and the total cost of the consortium plan, including administration, benefit cost, stop-loss insurance, and all other expenses or information requested by the board shall be presented to the board prior to the board's decision to allow a local district to continue to offer health care benefits under a consortium plan. A district shall not participate in the consortium plan once the district has chosen to offer plans designed by the board to the district's employees and begins premium payments for deposit into the school employees health care fund.

(6) Any districts providing medical plan coverage for the employees of public schools, or that have provided coverage within two years prior to ~~the effective date of this section~~ September 29, 2005, shall provide nonidentifiable aggregate claims data for the coverage to the school employees health care board or the department of administrative services, without charge, within thirty days after receiving a written request from the board or the department. The claims data shall include data relating to employee group benefit sets, demographics, and claims experience.

(J) The school employees health care board may contract with other state agencies as the board deems necessary for the implementation and operation of this section, based on demonstrated experience and expertise in administration, management, data handling, actuarial studies, quality

assurance, or other needed services. The school employees health care board shall contract with the department of administrative services for central services until the board is able to obtain such services from other sources. The board shall reimburse the department of administrative services for the reasonable cost of those services.

(K) The board's administrative functions shall include, but are not limited to, the following:

(1) Maintaining reserves in the school employees health care fund, reinsurance, and other measures that in the judgment of the board will result in the long-term stability and solvency of the medical plans designed by the board. The board shall bill school districts, in proportion to a district's premium payments to all premium payments paid into the school employees health care fund during the previous year, in order to maintain necessary reserves, reinsurance, and administrative and operating funds. Each school district contributing to a board medical plan shall share any losses due to the expense of claims paid by the plan. In the event of a loss, the board may bill each district an amount, in proportion to the district's premium payments to all premium payments paid into the school employees health care fund during the previous year, sufficient in total to cover the loss. The state is not liable for any obligations of the school employees health care board or the school employees health care fund, or for expenses of public schools or school districts related to the board's medical plans.

(2) Providing health care information, wellness programs, and other preventive health care measures to medical plan beneficiaries, to the extent that the board determines to be appropriate;

(3) Coordinating contracts for services related to the board's medical plans. Contracts shall be approved by the school employees health care board.

(L) Not less than ninety days before coverage begins for public school employees under medical plans designed by the school employees health care board, a school district's board of education shall provide detailed information about the medical plans to the employees.

(M) Nothing in this section shall be construed as prohibiting public schools or school districts from consulting with and compensating insurance agents and brokers for professional services.

(N) The department of administrative services shall report to the governor, the speaker of the house of representatives, and the president of the senate ~~within eighteen months after the effective date of this section~~ not later than April 30, 2007, on the feasibility of achieving all of the following:

(1) Designing multiple medical plans to cover persons employed by

public institutions of higher education that achieve an optimal combination of coverage, cost, choice, and stability, which plans include both state and regional preferred provider plans, set employee and employer premiums, and set employee plan copayments, deductibles, exclusions, limitations, formularies, and other responsibilities. For this purpose, "public institutions of higher education" include, without limitation, state universities and colleges, state community college districts, community college districts, university branch districts, technical college districts, and municipal universities.

(2) Maintaining reserves, reinsurance, and other measures to insure the long-term stability and solvency of the medical plans;

(3) Providing appropriate health care information, wellness programs, and other preventive health care measures to medical plan beneficiaries;

(4) Coordinating contracts for services related to the medical plans.

Sec. 101.543. ~~The~~ As used in this section, "published" means to produce an electronic record that is accessible to the public.

~~The daily journals of the senate and house of representatives journals shall be printed or published daily during each session of the general assembly in pamphlet form without covers. The senate journal shall precede the house of representatives journal in the pamphlet.~~ The composition used in printing or publishing the daily journals shall be retained for use in printing the final journals.

~~The final journals and appendixes of the senate and house of representatives journals and appendixes shall be printed after adjournment sine die and be bound in half law binding. The respective journal of each house and its proper appendix shall compose one volume unless the clerk of the senate or clerk of the house of representatives, as the case may be, directs that they be bound in separate volumes.~~

Sec. 107.40. (A) There is hereby created the governor's residence advisory commission. The commission shall provide for the preservation, restoration, acquisition, and conservation of all decorations, objects of art, chandeliers, china, silver, statues, paintings, furnishings, accouterments, and other aesthetic materials that have been acquired, donated, loaned, or otherwise obtained by the state for the governor's residence and that have been approved by the commission. In addition, the commission shall provide for the maintenance of plants that have been acquired, donated, loaned, or otherwise obtained by the state for the governor's residence and that have been approved by the commission.

(B) The commission shall be responsible for the care, provision, repair, and placement of furnishings and other objects and accessories of the

grounds and public areas of the first story of the governor's residence and for the care and placement of plants on the grounds. In exercising this responsibility, the commission shall preserve and seek to further establish ~~the~~ both of the following:

(1) The authentic ambiance and decor of the historic era during which the governor's residence was constructed. ~~These;~~

(2) The grounds as a representation of Ohio's natural ecosystems.

These duties shall not affect the obligation of the department of administrative services to provide for the general maintenance and operating expenses of the governor's residence.

(C) The commission shall consist of ~~nine~~ eleven members. One member shall be the director of administrative services or the director's designee, who shall serve during the director's term of office and shall serve as chairperson. One member shall be the director of the Ohio historical society or the director's designee, who shall serve during the director's term of office and shall serve as vice-chairperson. One member shall represent the Columbus landmarks foundation. One member shall represent the Bexley historical society. One member shall be the mayor of the city of Bexley, who shall serve during the mayor's term of office. One member shall be the chief executive officer of the Franklin park conservatory joint recreation district, who shall serve during the term of employment as chief executive officer. The remaining five members shall be appointed by the governor with the advice and consent of the senate. The five members appointed by the governor shall be persons with knowledge of Ohio history, architecture, decorative arts, or historic preservation, and one of those members shall have knowledge of landscape architecture, garden design, horticulture, and plants native to this state.

(D) Of the initial appointees, the representative of the Columbus landmarks foundation shall serve for a term expiring December 31, 1996, and the representative of the Bexley historical society shall serve for a term expiring December 31, 1997. Of the five members appointed by the governor, three shall serve for terms ending December 31, 1998, and two shall serve for terms ending December 31, 1999. Thereafter, each term shall be for four years, commencing on the first day of January and ending on the last day of December. ~~Each~~ The member having knowledge of landscape architecture, garden design, horticulture, and plants native to this state initially shall be appointed upon the first vacancy on the commission occurring on or after the effective date of this amendment.

Each member shall hold office from the date of the member's appointment until the end of the term for which the member was appointed.

Any member appointed to fill a vacancy occurring prior to the end of the term for which the member's predecessor was appointed shall hold office for the remainder of the term. Any member shall continue in office subsequent to the expiration of the term until the member's successor takes office.

(E) ~~Five~~ Six members of the commission constitute a quorum, and the affirmative vote of ~~five~~ six members is required for approval of any action by the commission.

(F) After each initial member of the commission has been appointed, the commission shall meet and select one member as secretary and another as treasurer. Organizational meetings of the commission shall be held at the time and place designated by call of the chairperson. Meetings of the commission may be held anywhere in the state and shall be in compliance with Chapters 121. and 149. of the Revised Code. The commission may adopt, pursuant to section 111.15 of the Revised Code, rules necessary to carry out the purposes of this section.

(G) Members of the commission shall serve without remuneration, but shall be compensated for actual and necessary expenses incurred in the performance of their official duties.

(H) All expenses incurred in carrying out this section are payable solely from money accrued under this section or appropriated for these purposes by the general assembly, and the commission shall incur no liability or obligation beyond such money.

(I) The commission may accept any donation, gift, bequest, or devise for the governor's residence or as an endowment for the maintenance and care of the garden on the grounds of the governor's residence in furtherance of its duties. Any revenue received by the commission shall be deposited into the governor's residence fund, which is hereby established in the state treasury, for use by the commission in accordance with the performance of its duties. All investment earnings of the fund shall be credited to the fund. Title to all property acquired by the commission shall be taken in the name of the state and shall be held for the use and benefit of the commission.

(J) Nothing in this section limits the ability of a person or other entity to purchase decorations, objects of art, chandeliers, china, silver, statues, paintings, furnishings, accouterments, plants, or other aesthetic materials for placement in the governor's residence or on the grounds of the governor's residence or donation to the commission. No such object or plant, however, shall be placed on the grounds or public areas of the first story of the governor's residence without the consent of the commission.

Sec. 109.57. (A)(1) The superintendent of the bureau of criminal identification and investigation shall procure from wherever procurable and

file for record photographs, pictures, descriptions, fingerprints, measurements, and other information that may be pertinent of all persons who have been convicted of committing within this state a felony, any crime constituting a misdemeanor on the first offense and a felony on subsequent offenses, or any misdemeanor described in division (A)(1)(a) of section 109.572 of the Revised Code, of all children under eighteen years of age who have been adjudicated delinquent children for committing within this state an act that would be a felony or an offense of violence if committed by an adult or who have been convicted of or pleaded guilty to committing within this state a felony or an offense of violence, and of all well-known and habitual criminals. The person in charge of any county, multicounty, municipal, municipal-county, or multicounty-municipal jail or workhouse, community-based correctional facility, halfway house, alternative residential facility, or state correctional institution and the person in charge of any state institution having custody of a person suspected of having committed a felony, any crime constituting a misdemeanor on the first offense and a felony on subsequent offenses, or any misdemeanor described in division (A)(1)(a) of section 109.572 of the Revised Code or having custody of a child under eighteen years of age with respect to whom there is probable cause to believe that the child may have committed an act that would be a felony or an offense of violence if committed by an adult shall furnish such material to the superintendent of the bureau. Fingerprints, photographs, or other descriptive information of a child who is under eighteen years of age, has not been arrested or otherwise taken into custody for committing an act that would be a felony or an offense of violence if committed by an adult, has not been adjudicated a delinquent child for committing an act that would be a felony or an offense of violence if committed by an adult, has not been convicted of or pleaded guilty to committing a felony or an offense of violence, and is not a child with respect to whom there is probable cause to believe that the child may have committed an act that would be a felony or an offense of violence if committed by an adult shall not be procured by the superintendent or furnished by any person in charge of any county, multicounty, municipal, municipal-county, or multicounty-municipal jail or workhouse, community-based correctional facility, halfway house, alternative residential facility, or state correctional institution, except as authorized in section 2151.313 of the Revised Code.

(2) Every clerk of a court of record in this state, other than the supreme court or a court of appeals, shall send to the superintendent of the bureau a weekly report containing a summary of each case involving a felony, involving any crime constituting a misdemeanor on the first offense and a

felony on subsequent offenses, involving a misdemeanor described in division (A)(1)(a) of section 109.572 of the Revised Code, or involving an adjudication in a case in which a child under eighteen years of age was alleged to be a delinquent child for committing an act that would be a felony or an offense of violence if committed by an adult. The clerk of the court of common pleas shall include in the report and summary the clerk sends under this division all information described in divisions (A)(2)(a) to (f) of this section regarding a case before the court of appeals that is served by that clerk. The summary shall be written on the standard forms furnished by the superintendent pursuant to division (B) of this section and shall include the following information:

(a) The incident tracking number contained on the standard forms furnished by the superintendent pursuant to division (B) of this section;

(b) The style and number of the case;

(c) The date of arrest;

(d) The date that the person was convicted of or pleaded guilty to the offense, adjudicated a delinquent child for committing the act that would be a felony or an offense of violence if committed by an adult, found not guilty of the offense, or found not to be a delinquent child for committing an act that would be a felony or an offense of violence if committed by an adult, the date of an entry dismissing the charge, an entry declaring a mistrial of the offense in which the person is discharged, an entry finding that the person or child is not competent to stand trial, or an entry of a nolle prosequi, or the date of any other determination that constitutes final resolution of the case;

(e) A statement of the original charge with the section of the Revised Code that was alleged to be violated;

(f) If the person or child was convicted, pleaded guilty, or was adjudicated a delinquent child, the sentence or terms of probation imposed or any other disposition of the offender or the delinquent child.

If the offense involved the disarming of a law enforcement officer or an attempt to disarm a law enforcement officer, the clerk shall clearly state that fact in the summary, and the superintendent shall ensure that a clear statement of that fact is placed in the bureau's records.

(3) The superintendent shall cooperate with and assist sheriffs, chiefs of police, and other law enforcement officers in the establishment of a complete system of criminal identification and in obtaining fingerprints and other means of identification of all persons arrested on a charge of a felony, any crime constituting a misdemeanor on the first offense and a felony on subsequent offenses, or a misdemeanor described in division (A)(1)(a) of

section 109.572 of the Revised Code and of all children under eighteen years of age arrested or otherwise taken into custody for committing an act that would be a felony or an offense of violence if committed by an adult. The superintendent also shall file for record the fingerprint impressions of all persons confined in a county, multicounty, municipal, municipal-county, or multicounty-municipal jail or workhouse, community-based correctional facility, halfway house, alternative residential facility, or state correctional institution for the violation of state laws and of all children under eighteen years of age who are confined in a county, multicounty, municipal, municipal-county, or multicounty-municipal jail or workhouse, community-based correctional facility, halfway house, alternative residential facility, or state correctional institution or in any facility for delinquent children for committing an act that would be a felony or an offense of violence if committed by an adult, and any other information that the superintendent may receive from law enforcement officials of the state and its political subdivisions.

(4) The superintendent shall carry out Chapter 2950. of the Revised Code with respect to the registration of persons who are convicted of or plead guilty to either a sexually oriented offense that is not a registration-exempt sexually oriented offense or a child-victim oriented offense and with respect to all other duties imposed on the bureau under that chapter.

(5) The bureau shall perform centralized recordkeeping functions for criminal history records and services in this state for purposes of the national crime prevention and privacy compact set forth in section 109.571 of the Revised Code and is the criminal history record repository as defined in that section for purposes of that compact. The superintendent or the superintendent's designee is the compact officer for purposes of that compact and shall carry out the responsibilities of the compact officer specified in that compact.

(B) The superintendent shall prepare and furnish to every county, multicounty, municipal, municipal-county, or multicounty-municipal jail or workhouse, community-based correctional facility, halfway house, alternative residential facility, or state correctional institution and to every clerk of a court in this state specified in division (A)(2) of this section standard forms for reporting the information required under division (A) of this section. The standard forms that the superintendent prepares pursuant to this division may be in a tangible format, in an electronic format, or in both tangible formats and electronic formats.

(C) The superintendent may operate a center for electronic, automated,

or other data processing for the storage and retrieval of information, data, and statistics pertaining to criminals and to children under eighteen years of age who are adjudicated delinquent children for committing an act that would be a felony or an offense of violence if committed by an adult, criminal activity, crime prevention, law enforcement, and criminal justice, and may establish and operate a statewide communications network to gather and disseminate information, data, and statistics for the use of law enforcement agencies. The superintendent may gather, store, retrieve, and disseminate information, data, and statistics that pertain to children who are under eighteen years of age and that are gathered pursuant to sections 109.57 to 109.61 of the Revised Code together with information, data, and statistics that pertain to adults and that are gathered pursuant to those sections. In addition to any other authorized use of information, data, and statistics of that nature, the superintendent or the superintendent's designee may provide and exchange the information, data, and statistics pursuant to the national crime prevention and privacy compact as described in division (A)(5) of this section.

(D) The information and materials furnished to the superintendent pursuant to division (A) of this section and information and materials furnished to any board or person under division (F) or (G) of this section are not public records under section 149.43 of the Revised Code.

(E) The attorney general shall adopt rules, in accordance with Chapter 119. of the Revised Code, setting forth the procedure by which a person may receive or release information gathered by the superintendent pursuant to division (A) of this section. A reasonable fee may be charged for this service. If a temporary employment service submits a request for a determination of whether a person the service plans to refer to an employment position has been convicted of or pleaded guilty to an offense listed in division (A)(1), (3), (4), (5), or (6) of section 109.572 of the Revised Code, the request shall be treated as a single request and only one fee shall be charged.

(F)(1) As used in division (F)(2) of this section, "head start agency" means an entity in this state that has been approved to be an agency for purposes of subchapter II of the "Community Economic Development Act," 95 Stat. 489 (1981), 42 U.S.C.A. 9831, as amended.

(2)(a) In addition to or in conjunction with any request that is required to be made under section 109.572, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 5104.012, 5104.013, 5123.081, 5126.28, 5126.281, or 5153.111 of the Revised Code, the board of education of any school district; the director of mental retardation and developmental disabilities; any county

board of mental retardation and developmental disabilities; any entity under contract with a county board of mental retardation and developmental disabilities; the chief administrator of any chartered nonpublic school; the chief administrator of any home health agency; the chief administrator of or person operating any child day-care center, type A family day-care home, or type B family day-care home licensed or certified under Chapter 5104. of the Revised Code; the administrator of any type C family day-care home certified pursuant to Section 1 of Sub. H.B. 62 of the 121st general assembly or Section 5 of Am. Sub. S.B. 160 of the 121st general assembly; the chief administrator of any head start agency; or the executive director of a public children services agency may request that the superintendent of the bureau investigate and determine, with respect to any individual who has applied for employment in any position after October 2, 1989, or any individual wishing to apply for employment with a board of education may request, with regard to the individual, whether the bureau has any information gathered under division (A) of this section that pertains to that individual. On receipt of the request, the superintendent shall determine whether that information exists and, upon request of the person, board, or entity requesting information, also shall request from the federal bureau of investigation any criminal records it has pertaining to that individual. The superintendent or the superintendent's designee also may request criminal history records from other states or the federal government pursuant to the national crime prevention and privacy compact set forth in section 109.571 of the Revised Code. Within thirty days of the date that the superintendent receives a request, the superintendent shall send to the board, entity, or person a report of any information that the superintendent determines exists, including information contained in records that have been sealed under section 2953.32 of the Revised Code, and, within thirty days of its receipt, shall send the board, entity, or person a report of any information received from the federal bureau of investigation, other than information the dissemination of which is prohibited by federal law.

(b) When a board of education is required to receive information under this section as a prerequisite to employment of an individual pursuant to section 3319.39 of the Revised Code, it may accept a certified copy of records that were issued by the bureau of criminal identification and investigation and that are presented by an individual applying for employment with the district in lieu of requesting that information itself. In such a case, the board shall accept the certified copy issued by the bureau in order to make a photocopy of it for that individual's employment application documents and shall return the certified copy to the individual. In a case of

that nature, a district only shall accept a certified copy of records of that nature within one year after the date of their issuance by the bureau.

(3) The state board of education may request, with respect to any individual who has applied for employment after October 2, 1989, in any position with the state board or the department of education, any information that a school district board of education is authorized to request under division (F)(2) of this section, and the superintendent of the bureau shall proceed as if the request has been received from a school district board of education under division (F)(2) of this section.

(4) When the superintendent of the bureau receives a request for information under section 3319.291 of the Revised Code, the superintendent shall proceed as if the request has been received from a school district board of education under division (F)(2) of this section.

(5) When a recipient of a classroom reading improvement grant paid under section 3301.86 of the Revised Code requests, with respect to any individual who applies to participate in providing any program or service funded in whole or in part by the grant, the information that a school district board of education is authorized to request under division (F)(2)(a) of this section, the superintendent of the bureau shall proceed as if the request has been received from a school district board of education under division (F)(2)(a) of this section.

(G) In addition to or in conjunction with any request that is required to be made under section ~~173.41~~, 3701.881, 3712.09, 3721.121, or 3722.151 of the Revised Code with respect to an individual who has applied for employment in a position that involves providing direct care to an older adult, the chief administrator of a ~~PASSPORT agency that provides services through the PASSPORT program created under section 173.40 of the Revised Code~~, home health agency, hospice care program, home licensed under Chapter 3721. of the Revised Code, adult day-care program operated pursuant to rules adopted under section 3721.04 of the Revised Code, or adult care facility may request that the superintendent of the bureau investigate and determine, with respect to any individual who has applied after January 27, 1997, for employment in a position that does not involve providing direct care to an older adult, whether the bureau has any information gathered under division (A) of this section that pertains to that individual. ~~On~~

In addition to or in conjunction with any request that is required to be made under section 173.27 of the Revised Code with respect to an individual who has applied for employment in a position that involves providing ombudsperson services to residents of long-term care facilities or

recipients of community-based long-term care services, the state long-term care ombudsperson, ombudsperson's designee, or director of health may request that the superintendent investigate and determine, with respect to any individual who has applied for employment in a position that does not involve providing such ombudsperson services, whether the bureau has any information gathered under division (A) of this section that pertains to that applicant.

In addition to or in conjunction with any request that is required to be made under section 173.394 of the Revised Code with respect to an individual who has applied for employment in a position that involves providing direct care to an individual, the chief administrator of a community-based long-term care agency may request that the superintendent investigate and determine, with respect to any individual who has applied for employment in a position that does not involve providing direct care, whether the bureau has any information gathered under division (A) of this section that pertains to that applicant.

On receipt of ~~the a~~ request under this division, the superintendent shall determine whether that information exists and, on request of the ~~administrator individual~~ requesting information, shall also request from the federal bureau of investigation any criminal records it has pertaining to ~~that individual~~ the applicant. The superintendent or the superintendent's designee also may request criminal history records from other states or the federal government pursuant to the national crime prevention and privacy compact set forth in section 109.571 of the Revised Code. Within thirty days of the date a request is received, the superintendent shall send to the ~~administrator~~ requester a report of any information determined to exist, including information contained in records that have been sealed under section 2953.32 of the Revised Code, and, within thirty days of its receipt, shall send the ~~administrator~~ requester a report of any information received from the federal bureau of investigation, other than information the dissemination of which is prohibited by federal law.

(H) Information obtained by a ~~board, administrator,~~ government entity or ~~other~~ person under this section is confidential and shall not be released or disseminated.

(I) The superintendent may charge a reasonable fee for providing information or criminal records under division (F)(2) or (G) of this section.

Sec. 109.572. (A)(1) Upon receipt of a request pursuant to section 121.08, 3301.32, 3301.541, 3319.39, 5104.012, 5104.013, or 5153.111 of the Revised Code, a completed form prescribed pursuant to division (C)(1) of this section, and a set of fingerprint impressions obtained in the manner

described in division (C)(2) of this section, the superintendent of the bureau of criminal identification and investigation shall conduct a criminal records check in the manner described in division (B) of this section to determine whether any information exists that indicates that the person who is the subject of the request previously has been convicted of or pleaded guilty to any of the following:

(a) A violation of section 2903.01, 2903.02, 2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 2905.01, 2905.02, 2905.05, 2907.02, 2907.03, 2907.04, 2907.05, 2907.06, 2907.07, 2907.08, 2907.09, 2907.21, 2907.22, 2907.23, 2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 2911.11, 2911.12, 2919.12, 2919.22, 2919.24, 2919.25, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, or 3716.11 of the Revised Code, felonious sexual penetration in violation of former section 2907.12 of the Revised Code, a violation of section 2905.04 of the Revised Code as it existed prior to July 1, 1996, a violation of section 2919.23 of the Revised Code that would have been a violation of section 2905.04 of the Revised Code as it existed prior to July 1, 1996, had the violation been committed prior to that date, or a violation of section 2925.11 of the Revised Code that is not a minor drug possession offense;

(b) A violation of an existing or former law of this state, any other state, or the United States that is substantially equivalent to any of the offenses listed in division (A)(1)(a) of this section.

(2) On receipt of a request pursuant to section 5123.081 of the Revised Code with respect to an applicant for employment in any position with the department of mental retardation and developmental disabilities, pursuant to section 5126.28 of the Revised Code with respect to an applicant for employment in any position with a county board of mental retardation and developmental disabilities, or pursuant to section 5126.281 of the Revised Code with respect to an applicant for employment in a direct services position with an entity contracting with a county board for employment, a completed form prescribed pursuant to division (C)(1) of this section, and a set of fingerprint impressions obtained in the manner described in division (C)(2) of this section, the superintendent of the bureau of criminal identification and investigation shall conduct a criminal records check. The superintendent shall conduct the criminal records check in the manner described in division (B) of this section to determine whether any information exists that indicates that the person who is the subject of the request has been convicted of or pleaded guilty to any of the following:

(a) A violation of section 2903.01, 2903.02, 2903.03, 2903.04, 2903.11,

2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 2903.341, 2905.01, 2905.02, 2905.04, 2905.05, 2907.02, 2907.03, 2907.04, 2907.05, 2907.06, 2907.07, 2907.08, 2907.09, 2907.12, 2907.21, 2907.22, 2907.23, 2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 2911.11, 2911.12, 2919.12, 2919.22, 2919.24, 2919.25, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, or 3716.11 of the Revised Code;

(b) An existing or former municipal ordinance or law of this state, any other state, or the United States that is substantially equivalent to any of the offenses listed in division (A)(2)(a) of this section.

(3) On receipt of a request pursuant to section ~~473.41~~ 173.27, 173.394, 3712.09, 3721.121, or 3722.151 of the Revised Code, a completed form prescribed pursuant to division (C)(1) of this section, and a set of fingerprint impressions obtained in the manner described in division (C)(2) of this section, the superintendent of the bureau of criminal identification and investigation shall conduct a criminal records check with respect to any person who has applied for employment in a position ~~that involves providing direct care to an older adult~~ for which a criminal records check is required by those sections. The superintendent shall conduct the criminal records check in the manner described in division (B) of this section to determine whether any information exists that indicates that the person who is the subject of the request previously has been convicted of or pleaded guilty to any of the following:

(a) A violation of section 2903.01, 2903.02, 2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 2905.01, 2905.02, 2905.11, 2905.12, 2907.02, 2907.03, 2907.05, 2907.06, 2907.07, 2907.08, 2907.09, 2907.12, 2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.11, 2913.21, 2913.31, 2913.40, 2913.43, 2913.47, 2913.51, 2919.25, 2921.36, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.11, 2925.13, 2925.22, 2925.23, or 3716.11 of the Revised Code;

(b) An existing or former law of this state, any other state, or the United States that is substantially equivalent to any of the offenses listed in division (A)(3)(a) of this section.

(4) On receipt of a request pursuant to section 3701.881 of the Revised Code with respect to an applicant for employment with a home health agency as a person responsible for the care, custody, or control of a child, a completed form prescribed pursuant to division (C)(1) of this section, and a set of fingerprint impressions obtained in the manner described in division (C)(2) of this section, the superintendent of the bureau of criminal identification and investigation shall conduct a criminal records check. The

superintendent shall conduct the criminal records check in the manner described in division (B) of this section to determine whether any information exists that indicates that the person who is the subject of the request previously has been convicted of or pleaded guilty to any of the following:

(a) A violation of section 2903.01, 2903.02, 2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 2905.01, 2905.02, 2905.04, 2905.05, 2907.02, 2907.03, 2907.04, 2907.05, 2907.06, 2907.07, 2907.08, 2907.09, 2907.12, 2907.21, 2907.22, 2907.23, 2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 2911.11, 2911.12, 2919.12, 2919.22, 2919.24, 2919.25, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, or 3716.11 of the Revised Code or a violation of section 2925.11 of the Revised Code that is not a minor drug possession offense;

(b) An existing or former law of this state, any other state, or the United States that is substantially equivalent to any of the offenses listed in division (A)(4)(a) of this section.

(5) On receipt of a request pursuant to section 5111.95 or 5111.96 of the Revised Code with respect to an applicant for employment with a waiver agency participating in a department of job and family services administered home and community-based waiver program or an independent provider participating in a department administered home and community-based waiver program in a position that involves providing home and community-based waiver services to consumers with disabilities, a completed form prescribed pursuant to division (C)(1) of this section, and a set of fingerprint impressions obtained in the manner described in division (C)(2) of this section, the superintendent of the bureau of criminal identification and investigation shall conduct a criminal records check. The superintendent shall conduct the criminal records check in the manner described in division (B) of this section to determine whether any information exists that indicates that the person who is the subject of the request previously has been convicted of or pleaded guilty to any of the following:

(a) A violation of section 2903.01, 2903.02, 2903.03, 2903.04, 2903.041, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 2905.01, 2905.02, 2905.05, 2905.11, 2905.12, 2907.02, 2907.03, 2907.04, 2907.05, 2907.06, 2907.07, 2907.08, 2907.09, 2907.21, 2907.22, 2907.23, 2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.11, 2913.21, 2913.31, 2913.40, 2913.43, 2913.47, 2913.51, 2919.12, 2919.24, 2919.25,

2921.36, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, 2925.11, 2925.13, 2925.22, 2925.23, or 3716.11 of the Revised Code, felonious sexual penetration in violation of former section 2907.12 of the Revised Code, a violation of section 2905.04 of the Revised Code as it existed prior to July 1, 1996, a violation of section 2919.23 of the Revised Code that would have been a violation of section 2905.04 of the Revised Code as it existed prior to July 1, 1996, had the violation been committed prior to that date;

(b) An existing or former law of this state, any other state, or the United States that is substantially equivalent to any of the offenses listed in division (A)(5)(a) of this section.

(6) On receipt of a request pursuant to section 3701.881 of the Revised Code with respect to an applicant for employment with a home health agency in a position that involves providing direct care to an older adult, a completed form prescribed pursuant to division (C)(1) of this section, and a set of fingerprint impressions obtained in the manner described in division (C)(2) of this section, the superintendent of the bureau of criminal identification and investigation shall conduct a criminal records check. The superintendent shall conduct the criminal records check in the manner described in division (B) of this section to determine whether any information exists that indicates that the person who is the subject of the request previously has been convicted of or pleaded guilty to any of the following:

(a) A violation of section 2903.01, 2903.02, 2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 2905.01, 2905.02, 2905.11, 2905.12, 2907.02, 2907.03, 2907.05, 2907.06, 2907.07, 2907.08, 2907.09, 2907.12, 2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.11, 2913.21, 2913.31, 2913.40, 2913.43, 2913.47, 2913.51, 2919.25, 2921.36, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.11, 2925.13, 2925.22, 2925.23, or 3716.11 of the Revised Code;

(b) An existing or former law of this state, any other state, or the United States that is substantially equivalent to any of the offenses listed in division (A)(6)(a) of this section.

(7) When conducting a criminal records check upon a request pursuant to section 3319.39 of the Revised Code for an applicant who is a teacher, in addition to the determination made under division (A)(1) of this section, the superintendent shall determine whether any information exists that indicates that the person who is the subject of the request previously has been convicted of or pleaded guilty to any offense specified in section 3319.31 of

the Revised Code.

(8) On a request pursuant to section 2151.86 of the Revised Code, a completed form prescribed pursuant to division (C)(1) of this section, and a set of fingerprint impressions obtained in the manner described in division (C)(2) of this section, the superintendent of the bureau of criminal identification and investigation shall conduct a criminal records check in the manner described in division (B) of this section to determine whether any information exists that indicates that the person who is the subject of the request previously has been convicted of or pleaded guilty to any of the following:

(a) A violation of section 2903.01, 2903.02, 2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 2905.01, 2905.02, 2905.05, 2907.02, 2907.03, 2907.04, 2907.05, 2907.06, 2907.07, 2907.08, 2907.09, 2907.21, 2907.22, 2907.23, 2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2909.02, 2909.03, 2911.01, 2911.02, 2911.11, 2911.12, 2919.12, 2919.22, 2919.24, 2919.25, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, or 3716.11 of the Revised Code, a violation of section 2905.04 of the Revised Code as it existed prior to July 1, 1996, a violation of section 2919.23 of the Revised Code that would have been a violation of section 2905.04 of the Revised Code as it existed prior to July 1, 1996, had the violation been committed prior to that date, a violation of section 2925.11 of the Revised Code that is not a minor drug possession offense, or felonious sexual penetration in violation of former section 2907.12 of the Revised Code;

(b) A violation of an existing or former law of this state, any other state, or the United States that is substantially equivalent to any of the offenses listed in division (A)(8)(a) of this section.

(9) When conducting a criminal records check on a request pursuant to section 5104.013 of the Revised Code for a person who is an owner, licensee, or administrator of a child day-care center or type A family day-care home or an authorized provider of a certified type B family day-care home, the superintendent, in addition to the determination made under division (A)(1) of this section, shall determine whether any information exists that indicates that the person has been convicted of or pleaded guilty to any of the following:

(a) A violation of section 2913.02, 2913.03, 2913.04, 2913.041, 2913.05, 2913.06, 2913.11, 2913.21, 2913.31, 2913.32, 2913.33, 2913.34, 2913.40, 2913.41, 2913.42, 2913.43, 2913.44, 2913.441, 2913.45, 2913.46, 2913.47, 2913.48, 2913.49, 2921.11, 2921.13, or 2923.01 of the Revised Code, a violation of section 2923.02 or 2923.03 of the Revised Code that

relates to a crime specified in this division or division (A)(1)(a) of this section, or a second violation of section 4511.19 of the Revised Code within five years of the date of application for licensure or certification.

(b) A violation of an existing or former law of this state, any other state, or the United States that is substantially equivalent to any of the offenses or violations described in division (A)(9)(a) of this section.

(10) On receipt of a request for a criminal records check from an individual pursuant to section 4749.03 or 4749.06 of the Revised Code, accompanied by a completed copy of the form prescribed in division (C)(1) of this section and a set of fingerprint impressions obtained in a manner described in division (C)(2) of this section, the superintendent of the bureau of criminal identification and investigation shall conduct a criminal records check in the manner described in division (B) of this section to determine whether any information exists indicating that the person who is the subject of the request has been convicted of or pleaded guilty to a felony in this state or in any other state. If the individual indicates that a firearm will be carried in the course of business, the superintendent shall require information from the federal bureau of investigation as described in division (B)(2) of this section. The superintendent shall report the findings of the criminal records check and any information the federal bureau of investigation provides to the director of public safety.

(11) Not later than thirty days after the date the superintendent receives the request, completed form, and fingerprint impressions, the superintendent shall send the person, board, or entity that made the request any information, other than information the dissemination of which is prohibited by federal law, the superintendent determines exists with respect to the person who is the subject of the request that indicates that the person previously has been convicted of or pleaded guilty to any offense listed or described in division (A)(1), (2), (3), (4), (5), (6), (7), (8), (9), or (10) of this section, as appropriate. The superintendent shall send the person, board, or entity that made the request a copy of the list of offenses specified in division (A)(1), (2), (3), (4), (5), (6), (7), (8), (9), or (10) of this section, as appropriate. If the request was made under section 3701.881 of the Revised Code with regard to an applicant who may be both responsible for the care, custody, or control of a child and involved in providing direct care to an older adult, the superintendent shall provide a list of the offenses specified in divisions (A)(4) and (6) of this section.

(B) The superintendent shall conduct any criminal records check requested under section 121.08, ~~173.41~~ 173.27, 173.394, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3722.151, 4749.03,

4749.06, 5104.012, 5104.013, 5111.95, 5111.96, 5123.081, 5126.28, 5126.281, or 5153.111 of the Revised Code as follows:

(1) The superintendent shall review or cause to be reviewed any relevant information gathered and compiled by the bureau under division (A) of section 109.57 of the Revised Code that relates to the person who is the subject of the request, including any relevant information contained in records that have been sealed under section 2953.32 of the Revised Code;

(2) If the request received by the superintendent asks for information from the federal bureau of investigation, the superintendent shall request from the federal bureau of investigation any information it has with respect to the person who is the subject of the request and shall review or cause to be reviewed any information the superintendent receives from that bureau.

(3) The superintendent or the superintendent's designee may request criminal history records from other states or the federal government pursuant to the national crime prevention and privacy compact set forth in section 109.571 of the Revised Code.

(C)(1) The superintendent shall prescribe a form to obtain the information necessary to conduct a criminal records check from any person for whom a criminal records check is required by section 121.08, ~~173.41~~ 173.27, 173.394, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3722.151, 4749.03, 4749.06, 5104.012, 5104.013, 5111.95, 5111.96, 5123.081, 5126.28, 5126.281, or 5153.111 of the Revised Code. The form that the superintendent prescribes pursuant to this division may be in a tangible format, in an electronic format, or in both tangible and electronic formats.

(2) The superintendent shall prescribe standard impression sheets to obtain the fingerprint impressions of any person for whom a criminal records check is required by section 121.08, ~~173.41~~ 173.27, 173.394, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3722.151, 4749.03, 4749.06, 5104.012, 5104.013, 5111.95, 5111.96, 5123.081, 5126.28, 5126.281, or 5153.111 of the Revised Code. Any person for whom a records check is required by any of those sections shall obtain the fingerprint impressions at a county sheriff's office, municipal police department, or any other entity with the ability to make fingerprint impressions on the standard impression sheets prescribed by the superintendent. The office, department, or entity may charge the person a reasonable fee for making the impressions. The standard impression sheets the superintendent prescribes pursuant to this division may be in a tangible format, in an electronic format, or in both tangible and electronic formats.

(3) Subject to division (D) of this section, the superintendent shall

prescribe and charge a reasonable fee for providing a criminal records check requested under section 121.08, ~~173.41~~ 173.27, 173.394, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3722.151, 4749.03, 4749.06, 5104.012, 5104.013, 5111.95, 5111.96, 5123.081, 5126.28, 5126.281, or 5153.111 of the Revised Code. The person making a criminal records request under section 121.08, ~~173.41~~ 173.27, 173.394, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3722.151, 4749.03, 4749.06, 5104.012, 5104.013, 5111.95, 5111.96, 5123.081, 5126.28, 5126.281, or 5153.111 of the Revised Code shall pay the fee prescribed pursuant to this division. A person making a request under section 3701.881 of the Revised Code for a criminal records check for an applicant who may be both responsible for the care, custody, or control of a child and involved in providing direct care to an older adult shall pay one fee for the request.

(4) The superintendent of the bureau of criminal identification and investigation may prescribe methods of forwarding fingerprint impressions and information necessary to conduct a criminal records check, which methods shall include, but not be limited to, an electronic method.

(D) A determination whether any information exists that indicates that a person previously has been convicted of or pleaded guilty to any offense listed or described in division (A)(1)(a) or (b), (A)(2)(a) or (b), (A)(3)(a) or (b), (A)(4)(a) or (b), (A)(5)(a) or (b), (A)(6), (A)(7)(a) or (b), (A)(8)(a) or (b), or (A)(9)(a) or (b) of this section that is made by the superintendent with respect to information considered in a criminal records check in accordance with this section is valid for the person who is the subject of the criminal records check for a period of one year from the date upon which the superintendent makes the determination. During the period in which the determination in regard to a person is valid, if another request under this section is made for a criminal records check for that person, the superintendent shall provide the information that is the basis for the superintendent's initial determination at a lower fee than the fee prescribed for the initial criminal records check.

(E) As used in this section:

(1) "Criminal records check" means any criminal records check conducted by the superintendent of the bureau of criminal identification and investigation in accordance with division (B) of this section.

(2) "Home and community-based waiver services" and "waiver agency" have the same meanings as in section 5111.95 of the Revised Code.

(3) "Independent provider" has the same meaning as in section 5111.96 of the Revised Code.

(4) "Minor drug possession offense" has the same meaning as in section 2925.01 of the Revised Code.

(5) "Older adult" means a person age sixty or older.

Sec. 113.09. Except as provided in section 113.10 of the Revised Code, all moneys deposited with the treasurer of state, the disposition of which is not otherwise provided for by law, shall be credited to the general revenue fund, which is hereby created in the state treasury. If a warrant for the payment of money from the state treasury has been illegally or improperly issued ~~by the auditor of state~~, or the amount of a warrant ~~issued by him~~ exceeds the sum ~~which~~ that should have been named therein, and payment of such warrant or excess has been made by the treasurer of state, the director of budget and management shall, unless the account of the appropriation from which it was paid has been closed, credit the amount collected to such appropriation; but, if such account has been closed, ~~he~~ the director shall credit the amount so collected to the fund on which the warrant was originally drawn.

All investment earnings on moneys deposited in the state treasury shall be credited to the general revenue fund unless:

(A) The disposition of the earnings is otherwise provided for by law;

(B) The director ~~of budget and management~~ has provided in the plan approved under section 131.36 of the Revised Code that a different fund is entitled to the earnings.

Sec. 113.11. No money shall be paid out of the state treasury or transferred elsewhere except on the warrant of the ~~auditor of state~~ director of budget and management. No money shall be paid out of a custodial fund of the treasurer of state except on proper order to the treasurer of state by the officer authorized by law to pay money out of the fund.

The treasurer of state shall adopt rules prescribing the form and manner in which money may be paid out of the state treasury or a custodial fund of the treasurer of state.

Sec. 113.12. The treasurer of state, on presentation, shall pay all warrants drawn on ~~him~~ the treasurer of state by the ~~auditor of state~~ director of budget and management. At least once each month the treasurer of state shall surrender to the ~~auditor of state~~ director all warrants the treasurer of state has paid and shall accept the receipt of the ~~auditor of state~~ director therefor. The receipt shall be held by the treasurer of state in place of such warrants and as evidence of their payment until an audit of the state treasury and the custodial funds of the treasurer of state has been completed.

Sec. 120.36. (A) ~~If~~ (1) Subject to division (A)(2), (3), (4), (5), or (6) of this section, if a person who is a defendant in a criminal case or a party in a

case in juvenile court requests or is provided a state public defender, a county or joint county public defender, or any other counsel appointed by the court, the court in which the criminal case is initially filed or the juvenile court, whichever is applicable, shall assess, unless the application fee is waived or reduced, a non-refundable application fee of twenty-five dollars.

The court shall direct the person to pay the application fee to the clerk of court. The person shall pay the application fee to the clerk of court at the time the person files an affidavit of indigency or a financial disclosure form with the court, a state public defender, a county or joint county public defender, or any other counsel appointed by the court or within seven days of that date. If the person does not pay the application fee within that seven-day period, the court shall assess the application fee at sentencing or at the final disposition of the case.

~~If a case involving a felony that was initially filed in a municipal court or a county court is bound over to the court of common pleas and the defendant in the case failed to pay the application fee in the municipal court or county court, the court of common pleas shall assess the application fee at the initial appearance of the defendant in the court of common pleas. If a case involving an alleged delinquent child is transferred to the court of common pleas for prosecution of the involved child as an adult and if the involved child failed to pay the fee in the juvenile court, the court of common pleas shall assess the application fee at the initial appearance of the child in the court of common pleas.~~

(2) For purposes of this section, a criminal case includes any case involving a violation of any provision of the Revised Code or of an ordinance of a municipal corporation for which the potential penalty includes loss of liberty and includes any contempt proceeding in which a court may impose a term of imprisonment.

(3) In a juvenile court proceeding, the court shall not assess the application fee against a child if the court appoints a guardian ad litem for the child or the court appoints an attorney to represent the child at the request of a guardian ad litem.

(4) The court shall not assess an application fee for a postconviction proceeding or when the defendant files an appeal.

(5)(a) Except when the court assesses an application fee pursuant to division (A)(5)(b) of this section, the court shall assess an application fee when a person is charged with a violation of a community control sanction or a violation of a post-release control sanction.

(b) If a charge of violating a community control sanction or post-release control sanction described in division (A)(5)(a) of this section results in a

person also being charged with violating any provision of the Revised Code or an ordinance of a municipal corporation, the court shall only assess an application fee for the case that results from the additional charge.

(6) If a case is transferred from one court to another court and the person failed to pay the application fee to the court that initially assessed the application fee, the court that initially assessed the fee shall remove the assessment, and the court to which the case was transferred shall assess the application fee.

(7) The court shall assess an application fee pursuant to this section one time per case. An appeal shall not be considered a separate case for the purpose of assessing the application fee. For purposes of assessing the application fee, a case means one complete proceeding or trial held in one court for a person on an indictment, information, complaint, petition, citation, writ, motion, or other document initiating a case that arises out of a single incident or a series of related incidents, or when one individual is charged with two or more offenses that the court handles simultaneously. The court may waive or reduce the fee for a specific person in a specific case upon a finding that the person lacks financial resources that are sufficient to pay the fee or that payment of the fee would result in an undue hardship.

(B) No court, state public defender, county or joint county public defender, or other counsel appointed by the court shall deny a person the assistance of counsel solely due to the person's failure to pay the application fee assessed pursuant to division (A) of this section. A person's present inability, failure, or refusal to pay the application fee shall not disqualify that person from legal representation.

(C) The application fee assessed pursuant to division (A) of this section is separate from and in addition to any other amount assessed against a person who is found to be able to contribute toward the cost of the person's legal representation pursuant to division (D) of section 2941.51 of the Revised Code.

(D) The clerk of the court that assessed the fees shall forward all application fees collected pursuant to this section to the county treasurer for deposit in the county treasury. The county shall retain eighty per cent of the application fees so collected to offset the costs of providing legal representation to indigent persons. ~~Each~~ Not later than the last day of each month, the county auditor shall remit twenty per cent of the application fees so collected in the previous month to the state public defender. The state public defender shall deposit the remitted fees into the state treasury to the credit of the client payment fund created pursuant to division (B)(5) of

section 120.04 of the Revised Code. The state public defender may use that money in accordance with that section.

(E) On or before the ~~first day of March of each year~~ twentieth day of each month beginning in ~~February of~~ the year 2007, each clerk of court shall provide to the state public defender ~~and the state auditor~~ a report including all of the following:

(1) The number of persons in the previous ~~calendar year~~ month who requested or were provided a state public defender, county or joint county public defender, or other counsel appointed by the court;

(2) The number of persons in the previous ~~calendar year~~ month for whom the court waived the application fee pursuant to division (A) of this section;

(3) The dollar value of the ~~assessed~~ application fees assessed pursuant to division (A) of this section in the previous ~~calendar year~~ month;

(4) The amount of assessed application fees collected in the previous ~~calendar year~~ month;

(5) The balance of unpaid assessed application fees at the open and close of the previous ~~calendar year~~ month.

(F) As used in this section:

(1) "Clerk of court" means the clerk of the court of common pleas of the county, the clerk of the juvenile court of the county, the clerk of the domestic relations division of the court of common pleas of the county, the clerk of the probate court of the county, the clerk of a municipal court in the county, the clerk of a county-operated municipal court, or the clerk of a county court in the county, whichever is applicable.

(2) "County-operated municipal court" has the same meaning as in section 1901.03 of the Revised Code.

Sec. 120.52. There is hereby established in the state treasury the legal aid fund, which shall be for the charitable public purpose of providing financial assistance to legal aid societies that provide civil legal services to indigents. The fund shall contain all funds credited to it by the treasurer of state pursuant to sections 1901.26, 1907.24, 2303.201, 3953.231, 4705.09, and 4705.10 of the Revised Code ~~and income from investment credited to it by the treasurer of state in accordance with this section.~~

The treasurer of state may invest moneys contained in the legal aid fund in any manner authorized by the Revised Code for the investment of state moneys. However, no such investment shall interfere with any apportionment, allocation, or payment of moneys ~~in January and July of each calendar year,~~ as required by section 120.53 of the Revised Code. ~~All income earned as a result of any such investment shall be credited to the~~

~~fund.~~

The state public defender, through the Ohio legal assistance foundation, shall administer the payment of moneys out of the fund. Four and one-half per cent of the moneys in the fund shall be reserved for the actual, reasonable costs of administering sections 120.51 to 120.55 and sections 1901.26, 1907.24, 2303.201, 3953.231, 4705.09, and 4705.10 of the Revised Code. Moneys that are reserved for administrative costs but that are not used for actual, reasonable administrative costs shall be set aside for use in the manner described in division (A) of section 120.521 of the Revised Code. The remainder of the moneys in the legal aid fund shall be distributed in accordance with section 120.53 of the Revised Code. The Ohio legal assistance foundation shall establish, in accordance with Chapter 119. of the Revised Code, rules governing the administration of the legal aid fund, including the programs established under sections 1901.26, 1907.24, 2303.201, 4705.09, and 4705.10 of the Revised Code regarding interest on interest-bearing trust accounts of an attorney, law firm, or legal professional association.

Sec. 120.521. (A) The state public defender shall establish a charitable, tax exempt foundation, named the Ohio legal assistance foundation, to actively solicit and accept gifts, bequests, donations, and contributions for use in providing financial assistance to legal aid societies, enhancing or improving the delivery of civil legal services to indigents, and operating the foundation. The Ohio legal assistance foundation shall deposit all gifts, bequests, donations, and contributions accepted by it into the legal assistance foundation fund established under this section. If the state public defender, pursuant to section 120.52 of the Revised Code as it existed prior to the effective date of this section, established a charitable, tax exempt foundation named the Ohio legal assistance foundation and if that foundation is in existence on the day before the effective date of this section, that foundation shall continue in existence and shall serve as the Ohio legal assistance foundation described in this section.

There is hereby established the legal assistance foundation fund, which shall be under the custody and control of the Ohio legal assistance foundation. The fund shall contain all moneys distributed to the Ohio legal assistance foundation pursuant to section 120.53 of the Revised Code and all gifts, bequests, donations, and contributions accepted by the Ohio legal assistance foundation under this section.

The Ohio legal assistance foundation shall distribute or use all moneys in the legal assistance foundation fund for the charitable public purpose of providing financial assistance to legal aid societies that provide civil legal

services to indigents, enhancing or improving the delivery of civil legal services to indigents, and operating the foundation. The Ohio legal assistance foundation shall establish rules governing the administration of the legal assistance foundation fund.

The Ohio legal assistance foundation shall include, in the annual report it is required to make to the governor, the general assembly, and the supreme court pursuant to division (G)(2) of section 120.53 of the Revised Code, an audited financial statement on the distribution and use of the legal assistance foundation fund. No information contained in the statement shall identify or enable the identification of any person served by a legal aid society or in any way breach confidentiality.

(B) A foundation is tax exempt for purposes of this section if the foundation is exempt from federal income taxation under subsection 501(a) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 501(a), as amended, and if the foundation has received from the internal revenue service a determination letter that is in effect stating that the foundation is exempt from federal income taxation under that subsection.

Sec. 120.53. (A) A legal aid society that operates within the state may apply to the Ohio legal assistance foundation for financial assistance from the legal aid fund established by section 120.52 of the Revised Code to be used for the funding of the society during the calendar year following the calendar year in which application is made.

(B) An application for financial assistance made under division (A) of this section shall be submitted by the first day of November of the calendar year preceding the calendar year for which financial assistance is desired and shall include all of the following:

(1) Evidence that the applicant is incorporated in this state as a nonprofit corporation;

(2) A list of the trustees of the applicant;

(3) The proposed budget of the applicant for these funds for the following calendar year;

(4) A summary of the services to be offered by the applicant in the following calendar year;

(5) A specific description of the territory or constituency served by the applicant;

(6) An estimate of the number of persons to be served by the applicant during the following calendar year;

(7) A general description of the additional sources of the applicant's funding;

(8) The amount of the applicant's total budget for the calendar year in

which the application is filed that it will expend in that calendar year for legal services in each of the counties it serves;

(9) A specific description of any services, programs, training, and legal technical assistance to be delivered by the applicant or by another person pursuant to a contract with the applicant, including, but not limited to, by private attorneys or through reduced fee plans, judicare panels, organized pro bono programs, and mediation programs.

(C) The Ohio legal assistance foundation shall determine whether each applicant that filed an application for financial assistance under division (A) of this section in a calendar year is eligible for financial assistance under this section. To be eligible for such financial assistance, an applicant shall satisfy the criteria for being a legal aid society and shall be in compliance with the provisions of sections 120.51 to 120.55 of the Revised Code and with the rules and requirements the foundation establishes pursuant to section 120.52 of the Revised Code. The Ohio legal assistance foundation then, on or before the fifteenth day of December of the calendar year in which the application is filed, shall notify each such applicant, in writing, whether it is eligible for financial assistance under this section, and if it is eligible, estimate the amount that will be available for that applicant for each six-month distribution period, as determined under division (D) of this section.

(D) The Ohio legal assistance foundation shall allocate moneys contained in the legal aid fund ~~twice each year~~ monthly for distribution to applicants that filed their applications in the previous calendar year and ~~were~~ are determined to be eligible applicants.

All moneys contained in the fund on the first day of ~~January of a calendar year~~ each month shall be allocated, after deduction of the costs of administering sections 120.51 to 120.55 and sections 1901.26, 1907.24, 2303.201, 3953.231, 4705.09, and 4705.10 of the Revised Code that are authorized by section 120.52 of the Revised Code, according to this section and shall be distributed accordingly ~~on the thirty first day of January of that calendar year, and all moneys contained in the fund on the first day of July of that calendar year shall be allocated, after deduction of the costs of administering those sections that are authorized by section 120.52 of the Revised Code, according to this section and shall be distributed accordingly on the thirty first day of July of that calendar year~~ not later than the last day of the month following the month the moneys were received. In making the allocations under this section, the moneys in the fund that were generated pursuant to sections 1901.26, 1907.24, 2303.201, 3953.231, 4705.09, and 4705.10 of the Revised Code ~~and all income generated from the investment~~

~~of such moneys~~ shall be apportioned as follows:

(1) After deduction of the amount authorized and used for actual, reasonable administrative costs under section 120.52 of the Revised Code:

(a) Five per cent of the moneys remaining in the fund shall be reserved for use in the manner described in division (A) of section 120.521 of the Revised Code or for distribution to legal aid societies that provide assistance to special population groups of their eligible clients, engage in special projects that have a substantial impact on their local service area or on significant segments of the state's poverty population, or provide legal training or support to other legal aid societies in the state;

(b) After deduction of the amount described in division (D)(1)(a) of this section, one and three-quarters per cent of the moneys remaining in the fund shall be apportioned among entities that received financial assistance from the legal aid fund prior to the effective date of this amendment but that, on and after the effective date of this amendment, no longer qualify as a legal aid society that is eligible for financial assistance under this section.

(c) After deduction of the amounts described in divisions (D)(1)(a) and (b) of this section, fifteen per cent of the moneys remaining in the fund shall be placed in the legal assistance foundation fund for use in the manner described in division (A) of section 120.521 of the Revised Code.

(2) After deduction of the actual, reasonable administrative costs under section 120.52 of the Revised Code and after deduction of the amounts identified in divisions (D)(1)(a), (b), and (c) of this section, the remaining moneys shall be apportioned among the counties that are served by eligible legal aid societies that have applied for financial assistance under this section so that each such county is apportioned a portion of those moneys, based upon the ratio of the number of indigents who reside in that county to the total number of indigents who reside in all counties of this state that are served by eligible legal aid societies that have applied for financial assistance under this section. Subject to division (E) of this section, the moneys apportioned to a county under this division then shall be allocated to the eligible legal aid society that serves the county and that has applied for financial assistance under this section. For purposes of this division, the source of data identifying the number of indigent persons who reside in a county shall be the most recent decennial census figures from the United States department of commerce, division of census.

(E) If the Ohio legal assistance foundation, in attempting to make an allocation of moneys under division (D)(2) of this section, determines that a county that has been apportioned money under that division is served by more than one eligible legal aid society that has applied for financial

assistance under this section, the Ohio legal assistance foundation shall allocate the moneys that have been apportioned to that county under division (D)(2) of this section among all eligible legal aid societies that serve that county and that have applied for financial assistance under this section on a pro rata basis, so that each such eligible society is allocated a portion based upon the amount of its total budget expended in the prior calendar year for legal services in that county as compared to the total amount expended in the prior calendar year for legal services in that county by all eligible legal aid societies that serve that county and that have applied for financial assistance under this section.

(F) Moneys allocated to eligible applicants under this section shall be paid ~~twice annually, on the thirty first day of January and on the thirty first day of July of~~ monthly beginning the calendar year following the calendar year in which the application is filed.

(G)(1) A legal aid society that receives financial assistance in any calendar year under this section shall file an annual report with the Ohio legal assistance foundation detailing the number and types of cases handled, and the amount and types of legal training, legal technical assistance, and other service provided, by means of that financial assistance. No information contained in the report shall identify or enable the identification of any person served by the legal aid society or in any way breach client confidentiality.

(2) The Ohio legal assistance foundation shall make an annual report to the governor, the general assembly, and the supreme court on the distribution and use of the legal aid fund. The foundation also shall include in the annual report an audited financial statement of all gifts, bequests, donations, contributions, and other moneys the foundation receives. No information contained in the report shall identify or enable the identification of any person served by a legal aid society, or in any way breach confidentiality.

(H) A legal aid society may enter into agreements for the provision of services, programs, training, or legal technical assistance for the legal aid society or to indigent persons.

Sec. 121.37. (A)(1) There is hereby created the Ohio family and children first cabinet council. The council shall be composed of the superintendent of public instruction and the directors of youth services, job and family services, mental health, health, alcohol and drug addiction services, mental retardation and developmental disabilities, and budget and management. The chairperson of the council shall be the governor or the governor's designee and shall establish procedures for the council's internal

control and management.

(2) The purpose of the cabinet council is to help families seeking government services. This section shall not be interpreted or applied to usurp the role of parents, but solely to streamline and coordinate existing government services for families seeking assistance for their children.

In seeking to fulfill its purpose, the council may do any of the following:

(a) Advise and make recommendations to the governor and general assembly regarding the provision of services to children;

(b) Advise and assess local governments on the coordination of service delivery to children;

(c) Hold meetings at such times and places as may be prescribed by the council's procedures and maintain records of the meetings, except that records identifying individual children are confidential and shall be disclosed only as provided by law;

(d) Develop programs and projects, including pilot projects, to encourage coordinated efforts at the state and local level to improve the state's social service delivery system;

(e) Enter into contracts with and administer grants to county family and children first councils, as well as other county or multicounty organizations to plan and coordinate service delivery between state agencies and local service providers for families and children;

(f) Enter into contracts with and apply for grants from federal agencies or private organizations;

(g) Enter into interagency agreements to encourage coordinated efforts at the state and local level to improve the state's social service delivery system. The agreements may include provisions regarding the receipt, transfer, and expenditure of funds;

(h) Identify public and private funding sources for services provided to alleged or adjudicated unruly children and children who are at risk of being alleged or adjudicated unruly children, including regulations governing access to and use of the services;

(i) Collect information provided by local communities regarding successful programs for prevention, intervention, and treatment of unruly behavior, including evaluations of the programs;

(j) Identify and disseminate publications regarding alleged or adjudicated unruly children and children who are at risk of being alleged or adjudicated unruly children and regarding programs serving those types of children;

(k) Maintain an inventory of strategic planning facilitators for use by

government or nonprofit entities that serve alleged or adjudicated unruly children or children who are at risk of being alleged or adjudicated unruly children.

(3) The cabinet council shall provide for the following:

(a) Reviews of service and treatment plans for children for which such reviews are requested;

(b) Assistance as the council determines to be necessary to meet the needs of children referred by county family and children first councils;

(c) Monitoring and supervision of a statewide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Individuals with Disabilities Education Act of 2004," 20 U.S.C.A. 1400, as amended.

(B)(1) Each board of county commissioners shall establish a county family and children first council. The board may invite any local public or private agency or group that funds, advocates, or provides services to children and families to have a representative become a permanent or temporary member of its county council. Each county council must include the following individuals:

(a) At least three individuals who are not employed by an agency represented on the council and whose families are or have received services from an agency represented on the council or another county's council. Where possible, the number of members representing families shall be equal to twenty per cent of the council's membership.

(b) The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards. If a board of alcohol, drug addiction, and mental health services covers more than one county, the director may designate a person to participate on the county's council.

(c) The health commissioner, or the commissioner's designee, of the board of health of each city and general health district in the county. If the county has two or more health districts, the health commissioner membership may be limited to the commissioners of the two districts with the largest populations.

(d) The director of the county department of job and family services;

(e) The executive director of the public children services agency;

(f) The superintendent of the county board of mental retardation and developmental disabilities;

(g) The county's juvenile court judge senior in service or another judge of the juvenile court designated by the administrative judge or, where there is no administrative judge, by the judge senior in service;

(h) The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each board of county commissioners of its determination at least biennially;

(i) A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;

(j) A representative of the municipal corporation with the largest population in the county;

(k) The president of the board of county commissioners or an individual designated by the board;

(l) A representative of the regional office of the department of youth services;

(m) A representative of the county's head start agencies, as defined in section 3301.32 of the Revised Code;

(n) A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986";

(o) A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

Notwithstanding any other provision of law, the public members of a county council are not prohibited from serving on the council and making decisions regarding the duties of the council, including those involving the funding of joint projects and those outlined in the county's service coordination mechanism implemented pursuant to division (C) of this section.

The cabinet council shall establish a state appeals process to resolve disputes among the members of a county council concerning whether reasonable responsibilities as members are being shared. The appeals process may be accessed only by a majority vote of the council members who are required to serve on the council. Upon appeal, the cabinet council may order that state funds for services to children and families be redirected to a county's board of county commissioners.

(2) The purpose of the county council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a county council shall provide for the following:

(a) Referrals to the cabinet council of those children for whom the county council cannot provide adequate services;

(b) Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;

(c) Participation in the development of a countywide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";

(d) Maintenance of an accountability system to monitor the county council's progress in achieving results for families and children;

(e) Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

(3)(a) Except as provided in division (B)(3)(b) of this section, a county council shall comply with the policies, procedures, and activities prescribed by the rules or interagency agreements of a state department participating on the cabinet council whenever the county council performs a function subject to those rules or agreements.

(b) On application of a county council, the cabinet council may grant an exemption from any rules or interagency agreements of a state department participating on the council if an exemption is necessary for the council to implement an alternative program or approach for service delivery to families and children. The application shall describe the proposed program or approach and specify the rules or interagency agreements from which an exemption is necessary. The cabinet council shall approve or disapprove the application in accordance with standards and procedures it shall adopt. If an application is approved, the exemption is effective only while the program or approach is being implemented, including a reasonable period during which the program or approach is being evaluated for effectiveness.

(4)(a) Each county council shall designate an administrative agent for the council from among the following public entities: the board of alcohol, drug addiction, and mental health services, including a board of alcohol and drug addiction or a community mental health board if the county is served by separate boards; the board of county commissioners; any board of health of the county's city and general health districts; the county department of job and family services; the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code; the

county board of mental retardation and developmental disabilities; any of the county's boards of education or governing boards of educational service centers; or the county's juvenile court. Any of the foregoing public entities, other than the board of county commissioners, may decline to serve as the council's administrative agent.

A county council's administrative agent shall serve as the council's appointing authority for any employees of the council. The council shall file an annual budget with its administrative agent, with copies filed with the county auditor and with the board of county commissioners, unless the board is serving as the council's administrative agent. The council's administrative agent shall ensure that all expenditures are handled in accordance with policies, procedures, and activities prescribed by state departments in rules or interagency agreements that are applicable to the council's functions.

The administrative agent for a county council may do any of the following on behalf of the council:

(i) Enter into agreements or administer contracts with public or private entities to fulfill specific council business. Such agreements and contracts are exempt from the competitive bidding requirements of section 307.86 of the Revised Code if they have been approved by the county council and they are for the purchase of family and child welfare or child protection services or other social or job and family services for families and children. The approval of the county council is not required to exempt agreements or contracts entered into under section 5139.34, 5139.41, or 5139.43 of the Revised Code from the competitive bidding requirements of section 307.86 of the Revised Code.

(ii) As determined by the council, provide financial stipends, reimbursements, or both, to family representatives for expenses related to council activity;

(iii) Receive by gift, grant, devise, or bequest any moneys, lands, or other property for the purposes for which the council is established. The agent shall hold, apply, and dispose of the moneys, lands, or other property according to the terms of the gift, grant, devise, or bequest. Any interest or earnings shall be treated in the same manner and are subject to the same terms as the gift, grant, devise, or bequest from which it accrues.

(b)(i) If the county council designates the board of county commissioners as its administrative agent, the board may, by resolution, delegate any of its powers and duties as administrative agent to an executive committee the board establishes from the membership of the county council. The board shall name to the executive committee at least the individuals

described in divisions (B)(1)(a) to (i) of this section and may appoint the president of the board or another individual as the chair of the executive committee. The executive committee must include at least one family county council representative who does not have a family member employed by an agency represented on the council.

(ii) The executive committee may, with the approval of the board, hire an executive director to assist the county council in administering its powers and duties. The executive director shall serve in the unclassified civil service at the pleasure of the executive committee. The executive director may, with the approval of the executive committee, hire other employees as necessary to properly conduct the county council's business.

(iii) The board may require the executive committee to submit an annual budget to the board for approval and may amend or repeal the resolution that delegated to the executive committee its authority as the county council's administrative agent.

(5) Two or more county councils may enter into an agreement to administer their county councils jointly by creating a regional family and children first council. A regional council possesses the same duties and authority possessed by a county council, except that the duties and authority apply regionally rather than to individual counties. Prior to entering into an agreement to create a regional council, the members of each county council to be part of the regional council shall meet to determine whether all or part of the members of each county council will serve as members of the regional council.

(6) A board of county commissioners may approve a resolution by a majority vote of the board's members that requires the county council to submit a statement to the board each time the council proposes to enter into an agreement, adopt a plan, or make a decision, other than a decision pursuant to section 121.38 of the Revised Code, that requires the expenditure of funds for two or more families. The statement shall describe the proposed agreement, plan, or decision.

Not later than fifteen days after the board receives the statement, it shall, by resolution approved by a majority of its members, approve or disapprove the agreement, plan, or decision. Failure of the board to pass a resolution during that time period shall be considered approval of the agreement, plan, or decision.

An agreement, plan, or decision for which a statement is required to be submitted to the board shall be implemented only if it is approved by the board.

(C) Each county shall develop a county service coordination

mechanism. The county service coordination mechanism shall serve as the guiding document for coordination of services in the county. For children who also receive services under the help me grow program, the service coordination mechanism shall be consistent with rules adopted by the department of health under section 3701.61 of the Revised Code. All family service coordination plans shall be developed in accordance with the county service coordination mechanism. The mechanism shall be developed and approved with the participation of the county entities representing child welfare; mental retardation and developmental disabilities; alcohol, drug addiction, and mental health services; health; juvenile judges; education; the county family and children first council; and the county early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986." The county shall establish an implementation schedule for the mechanism. The cabinet council may monitor the implementation and administration of each county's service coordination mechanism.

Each mechanism shall include all of the following:

(1) A procedure for an agency, including a juvenile court, or a family voluntarily seeking service coordination, to refer the child and family to the county council for service coordination in accordance with the ~~county service coordination~~ mechanism;

(2) A procedure ensuring that a family and all appropriate staff from involved agencies, including a representative from the appropriate school district, are notified of and invited to participate in all family service coordination plan meetings;

(3) A procedure that permits a family to initiate a meeting to develop or review the family's service coordination plan and allows the family to invite a family advocate, mentor, or support person of the family's choice to participate in any such meeting;

(4) A procedure for ensuring that a family service coordination plan meeting is conducted ~~before a non-emergency~~ for each child who receives service coordination under the mechanism and for whom an emergency out-of-home placement for all multi-need children, or has been made or for whom a nonemergency out-of-home placement is being considered. The meeting shall be conducted within ten days of a an emergency out-of-home placement for emergency placements of multi-need children. The meeting shall be conducted before a nonemergency out-of-home placement. The family service coordination plan shall outline how the county council members will jointly pay for services, where applicable, and provide services in the least restrictive environment.

(5) A procedure for monitoring the progress and tracking the outcomes of each service coordination plan requested in the county including monitoring and tracking children in out-of-home placements to assure continued progress, appropriateness of placement, and continuity of care after discharge from placement with appropriate arrangements for housing, treatment, and education.

(6) A procedure for protecting the confidentiality of all personal family information disclosed during service coordination meetings or contained in the comprehensive family service coordination plan.

(7) A procedure for assessing the needs and strengths of any child or family that has been referred to the council for service coordination, including a child whose parent or custodian is voluntarily seeking services, and for ensuring that parents and custodians are afforded the opportunity to participate;

(8) A procedure for development of a family service coordination plan described in division (D) of this section;

(9) A local dispute resolution process to serve as the process that must be used first to resolve disputes among the agencies represented on the county council concerning the provision of services to children, including children who are abused, neglected, dependent, unruly, alleged unruly, or delinquent children and under the jurisdiction of the juvenile court and children whose parents or custodians are voluntarily seeking services. The local dispute resolution process shall comply with section 121.38 of the Revised Code. The local dispute resolution process shall be used to resolve disputes between a child's parents or custodians and the county council regarding service coordination. The county council shall inform the parents or custodians of their right to use the dispute resolution process. Parents or custodians shall use existing local agency grievance procedures to address disputes not involving service coordination. The dispute resolution process is in addition to and does not replace other rights or procedures that parents or custodians may have under other sections of the Revised Code.

The cabinet council shall adopt rules in accordance with Chapter 119. of the Revised Code establishing an administrative review process to address problems that arise concerning the operation of a local dispute resolution process.

Nothing in division (C)(4) of this section shall be interpreted as overriding or affecting decisions of a juvenile court regarding an out-of-home placement, long-term placement, or emergency out-of-home placement.

(D) Each county shall develop a comprehensive family service

coordination plan that does all of the following:

(1) Designates service responsibilities among the various state and local agencies that provide services to children and their families, including children who are abused, neglected, dependent, unruly, or delinquent children and under the jurisdiction of the juvenile court and children whose parents or custodians are voluntarily seeking services;

(2) Designates an individual, approved by the family, to track the progress of the family service coordination plan, schedule reviews as necessary, and facilitate the family service coordination plan meeting process;

(3) Ensures that assistance and services to be provided are responsive to the strengths and needs of the family, as well as the family's culture, race, and ethnic group, by allowing the family to offer information and suggestions and participate in decisions. Identified assistance and services shall be provided in the least restrictive environment possible.

(4) Includes a process for dealing with a child who is alleged to be an unruly child. The process shall include methods to divert the child from the juvenile court system;

(5) Includes timelines for completion of goals specified in the plan with regular reviews scheduled to monitor progress toward those goals;

(6) Includes a plan for dealing with short-term crisis situations and safety concerns.

(E)(1) The process provided for under division (D)(4) of this section may include, but is not limited to, the following:

(a) Designation of the person or agency to conduct the assessment of the child and the child's family as described in division (C)(7) of this section and designation of the instrument or instruments to be used to conduct the assessment;

(b) An emphasis on the personal responsibilities of the child and the parental responsibilities of the parents, guardian, or custodian of the child;

(c) Involvement of local law enforcement agencies and officials.

(2) The method to divert a child from the juvenile court system that must be included in the service coordination process may include, but is not limited to, the following:

(a) The preparation of a complaint under section 2151.27 of the Revised Code alleging that the child is an unruly child and notifying the child and the parents, guardian, or custodian that the complaint has been prepared to encourage the child and the parents, guardian, or custodian to comply with other methods to divert the child from the juvenile court system;

(b) Conducting a meeting with the child, the parents, guardian, or

custodian, and other interested parties to determine the appropriate methods to divert the child from the juvenile court system;

(c) A method to provide to the child and the child's family a short-term respite from a short-term crisis situation involving a confrontation between the child and the parents, guardian, or custodian;

(d) A program to provide a mentor to the child or the parents, guardian, or custodian;

(e) A program to provide parenting education to the parents, guardian, or custodian;

(f) An alternative school program for children who are truant from school, repeatedly disruptive in school, or suspended or expelled from school;

(g) Other appropriate measures, including, but not limited to, any alternative methods to divert a child from the juvenile court system that are identified by the Ohio family and children first cabinet council.

(F) Each county may review and revise the service coordination process described in division (D) of this section based on the availability of funds under Title IV-A of the "Social Security Act," 110 Stat. 2113 (1996), 42 U.S.C.A. 601, as amended, or to the extent resources are available from any other federal, state, or local funds.

Sec. 122.17. (A) As used in this section:

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

(2) "New employee" means one of the following:

(a) A full-time employee first employed by a taxpayer in the project that is the subject of the agreement after the taxpayer enters into a tax credit agreement with the tax credit authority under this section;

(b) A full-time employee first employed by a taxpayer in the project that is the subject of the tax credit after the tax credit authority approves a project for a tax credit under this section in a public meeting, as long as the taxpayer enters into the tax credit agreement prepared by the department of development after such meeting within sixty days after receiving the agreement from the department. If the taxpayer fails to enter into the agreement within sixty days, "new employee" has the same meaning as under division (A)(2)(a) of this section.

Under division (A)(2)(a) or (b) of this section, if the tax credit authority determines it appropriate, "new employee" also may include an employee re-hired or called back from lay-off to work in a new facility or on a new

product or service established or produced by the taxpayer after entering into the agreement under this section or after the tax credit authority approves the tax credit in a public meeting. Except as otherwise provided in this paragraph, "new employee" does not include any employee of the taxpayer who was previously employed in this state by a related member of the taxpayer and whose employment was shifted to the taxpayer after the taxpayer entered into the tax credit agreement or after the tax credit authority approved the credit in a public meeting, or any employee of the taxpayer for which the taxpayer has been granted a certificate under division (B) of section 5709.66 of the Revised Code. However, if the taxpayer is engaged in the enrichment and commercialization of uranium or uranium products or is engaged in research and development activities related thereto and if the tax credit authority determines it appropriate, "new employee" may include an employee of the taxpayer who was previously employed in this state by a related member of the taxpayer and whose employment was shifted to the taxpayer after the taxpayer entered into the tax credit agreement or after the tax credit authority approved the credit in a public meeting. "New employee" does not include an employee of the taxpayer who is employed in an employment position that was relocated to a project from other operations of the taxpayer in this state or from operations of a related member of the taxpayer in this state. In addition, "new employee" does not include a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who is an employee of the taxpayer and who has a direct or indirect ownership interest of at least five per cent in the profits, capital, or value of the taxpayer. Such ownership interest shall be determined in accordance with section 1563 of the Internal Revenue Code and regulations prescribed thereunder.

(3) "New income tax revenue" means the total amount withheld under section 5747.06 of the Revised Code by the taxpayer during the taxable year, or during the calendar year that includes the tax period, from the compensation of new employees for the tax levied under Chapter 5747. of the Revised Code.

(4) "Related member" has the same meaning as under division (A)(6) of section 5733.042 of the Revised Code without regard to division (B) of that section.

(B) The tax credit authority may make grants under this section to foster job creation in this state. Such a grant shall take the form of a refundable credit allowed against the tax imposed by section 5725.18, 5729.03, 5733.06, or 5747.02 or levied under Chapter 5751. of the Revised Code. The credit shall be claimed for the taxable years or tax periods specified in the

taxpayer's agreement with the tax credit authority under division (D) of this section. With respect to taxes imposed under section 5733.06 or 5747.02 or Chapter 5751. of the Revised Code, the credit shall be claimed in the order required under section 5733.98, 5747.98, or 5751.98 of the Revised Code. The amount of the credit available for a taxable year or for a calendar year that includes a tax period equals the new income tax revenue for that year multiplied by the percentage specified in the agreement with the tax credit authority. Any credit granted under this section against the tax imposed by section 5733.06 or 5747.02 of the Revised Code, to the extent not fully utilized against such tax for taxable years ending prior to 2008, shall automatically be converted without any action taken by the tax credit authority to a credit against the tax levied under Chapter 5751. of the Revised Code for tax periods beginning on or after July 1, 2008, provided that the person to whom the credit was granted is subject to such tax. The converted credit shall apply to those calendar years in which the remaining taxable years specified in the agreement end.

(C) A taxpayer or potential taxpayer who proposes a project to create new jobs in this state may apply to the tax credit authority to enter into an agreement for a tax credit under this section. The director of development shall prescribe the form of the application. After receipt of an application, the authority may enter into an agreement with the taxpayer for a credit under this section if it determines all of the following:

- (1) The taxpayer's project will create new jobs in this state;
- (2) The taxpayer's project is economically sound and will benefit the people of this state by increasing opportunities for employment and strengthening the economy of this state;
- (3) Receiving the tax credit is a major factor in the taxpayer's decision to go forward with the project.

(D) 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;
- (2) The term of the tax credit, which shall not exceed fifteen years, and the first taxable year, or first calendar year that includes a tax period, for which the credit may be claimed;
- (3) A requirement that the taxpayer shall maintain operations at the project location for at least twice the number of years as the term of the tax credit;
- (4) The percentage, as determined by the tax credit authority, of new income tax revenue that will be allowed as the amount of the credit for each taxable year or for each calendar year that includes a tax period;

(5) A specific method for determining how many new employees are employed during a taxable year or during a calendar year that includes a tax period;

(6) A requirement that the taxpayer annually shall report to the director of development the number of new employees, the new income tax revenue withheld in connection with the new employees, and any other information the director needs to perform the director's duties under this section;

(7) A requirement that the director of development annually shall verify the amounts reported under division (D)(6) of this section, and after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified;

(8)(a) A provision requiring that the taxpayer, except as otherwise provided in division (D)(8)(b) of this section, shall not relocate employment positions from elsewhere in this state to the project site that is the subject of the agreement for the lesser of five years from the date the agreement is entered into or the number of years the taxpayer is entitled to claim the tax credit.

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

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

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

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

(E) If a taxpayer fails to meet or comply with any condition or requirement set forth in a tax credit agreement, the tax credit authority may amend the agreement to reduce the percentage or term of the tax credit. The reduction of the percentage or term shall take effect in the taxable year immediately following the taxable year in which the authority amends the agreement or in the first tax period beginning in the calendar year

immediately following the calendar year in which the authority amends the agreement. If the taxpayer relocates employment positions in violation of the provision required under division (D)(8)(a) of this section, the taxpayer shall not claim the tax credit under section 5733.0610 of the Revised Code for any tax years following the calendar year in which the relocation occurs, or shall not claim the tax credit under section 5725.32, 5729.032, or 5747.058 of the Revised Code for the taxable year in which the relocation occurs and any subsequent taxable years, and shall not claim the tax credit under division (A) of section 5751.50 of the Revised Code for any tax period in the calendar year in which the relocation occurs and any subsequent tax periods.

(F) Projects that consist solely of point-of-final-purchase retail facilities are not eligible for a tax credit under this section. If a project consists of both point-of-final-purchase retail facilities and nonretail facilities, only the portion of the project consisting of the nonretail facilities is eligible for a tax credit and only the new income tax revenue from new employees of the nonretail facilities shall be considered when computing the amount of the tax credit. If a warehouse facility is part of a point-of-final-purchase retail facility and supplies only that facility, the warehouse facility is not eligible for a tax credit. Catalog distribution centers are not considered point-of-final-purchase retail facilities for the purposes of this division, and are eligible for tax credits under this section.

(G) Financial statements and other information submitted to the department of development or the tax credit authority by an applicant or recipient of a tax credit under this section, and any information taken for any purpose from such statements or information, are not public records subject to section 149.43 of the Revised Code. However, the chairperson of the authority may make use of the statements and other information for purposes of issuing public reports or in connection with court proceedings concerning tax credit agreements under this section. Upon the request of the tax commissioner or, if the applicant or recipient is an insurance company, upon the request of the superintendent of insurance, the chairperson of the authority shall provide to the commissioner or superintendent any statement or information submitted by an applicant or recipient of a tax credit in connection with the credit. The commissioner or superintendent shall preserve the confidentiality of the statement or information.

(H) A taxpayer claiming a credit under this section shall submit to the tax commissioner or, if the taxpayer is an insurance company, to the superintendent of insurance, a copy of the director of development's certificate of verification under division (D)(7) of this section with the

taxpayer's tax report or return for the taxable year or for the calendar year that includes the tax period. ~~However, failure~~ Failure to submit a copy of the certificate with the report or return does not invalidate a claim for a credit if the taxpayer submits a copy of the certificate to the commissioner or superintendent within sixty days after the commissioner or superintendent requests it.

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

(J) For the purposes of this section, a taxpayer may include a partnership, a corporation that has made an election under subchapter S of chapter one of subtitle A of the Internal Revenue Code, or any other business entity through which income flows as a distributive share to its owners. A credit received under this section by a partnership, S-corporation, or other such business entity shall be apportioned among the persons to whom the income or profit of the partnership, S-corporation, or other entity is distributed, in the same proportions as those in which the income or profit is distributed.

(K) If the director of development determines that a taxpayer who has received a credit under this section is not complying with the requirement under division (D)(3) of this section, the director shall notify the tax credit authority of the noncompliance. After receiving such a notice, and after giving the taxpayer an opportunity to explain the noncompliance, the tax credit authority may require the taxpayer to refund to this state a portion of the credit in accordance with the following:

(1) If the taxpayer maintained operations at the project location for at least one and one-half times the number of years of the term of the tax credit, an amount not exceeding twenty-five per cent of the sum of any previously allowed credits under this section;

(2) If the taxpayer maintained operations at the project location for at least the number of years of the term of the tax credit, an amount not exceeding fifty per cent of the sum of any previously allowed credits under this section;

(3) If the taxpayer maintained operations at the project location for less than the number of years of the term of the tax credit, an amount not exceeding one hundred per cent of the sum of any previously allowed credits under this section.

In determining the portion of the tax credit to be refunded to this state, the tax credit authority shall consider the effect of market conditions on the taxpayer's project and whether the taxpayer continues to maintain other operations in this state. After making the determination, the authority shall certify the amount to be refunded to the tax commissioner or superintendent of insurance, as appropriate. If the amount is certified to the commissioner, the commissioner shall make an assessment for that amount against the taxpayer under Chapter 5733., 5747., or 5751. of the Revised Code. If the amount is certified to the superintendent, the superintendent shall make an assessment for that amount against the taxpayer under Chapter 5725. or 5729. of the Revised Code. The time limitations on assessments under those chapters do not apply to an assessment under this division, but the commissioner or superintendent, as appropriate, shall make the assessment within one year after the date the authority certifies to the commissioner or superintendent the amount to be refunded.

(L) On or before the thirty-first day of March each year, the director of development shall submit a report to the governor, the president of the senate, and the speaker of the house of representatives on the tax credit program under this section. The report shall include information on the number of agreements that were entered into under this section during the preceding calendar year, a description of the project that is the subject of each such agreement, and an update on the status of projects under agreements entered into before the preceding calendar year.

(M) There is hereby created the tax credit authority, which consists of the director of development and four other members appointed as follows: the governor, the president of the senate, and the speaker of the house of representatives each shall appoint one member who shall be a specialist in economic development; the governor also shall appoint a member who is a specialist in taxation. Of the initial appointees, the members appointed by the governor shall serve a term of two years; the members appointed by the president of the senate and the speaker of the house of representatives shall serve a term of four years. Thereafter, terms of office shall be for four years. Initial appointments to the authority shall be made within thirty days after January 13, 1993. Each member shall serve on the authority until the end of the term for which the member was appointed. Vacancies shall be filled in the same manner provided for original appointments. Any member

appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. Members may be reappointed to the authority. Members of the authority shall receive their necessary and actual expenses while engaged in the business of the authority. The director of development shall serve as chairperson of the authority, and the members annually shall elect a vice-chairperson from among themselves. Three members of the authority constitute a quorum to transact and vote on the business of the authority. The majority vote of the membership of the authority is necessary to approve any such business, including the election of the vice-chairperson.

The director of development may appoint a professional employee of the department of development to serve as the director's substitute at a meeting of the authority. The director shall make the appointment in writing. In the absence of the director from a meeting of the authority, the appointed substitute shall serve as chairperson. In the absence of both the director and the director's substitute from a meeting, the vice-chairperson shall serve as chairperson.

(N) For purposes of the credits granted by this section against the taxes imposed under sections 5725.18 and 5729.03 of the Revised Code, "taxable year" means the period covered by the taxpayer's annual statement to the superintendent of insurance.

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;

(c) Payments made to a related member as defined in section 5733.042 of the Revised Code or to an elected consolidated taxpayer or a combined taxpayer as defined in section 5751.01 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 or tax period with respect to which the credit is granted;

(ii) If the average wage of all full-time employment positions at the project site is greater than four hundred per cent of the federal minimum wage, at least one 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 or tax period with respect to which the credit is granted.

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

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

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

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

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

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

(a)(i) For the entire taxable year immediately preceding the tax year, the corporation develops software applications primarily to provide telecommunication billing and information services through outsourcing or licensing to domestic or international customers.

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

(b) For the entire taxable year immediately preceding the tax year, the corporation or one or more of its related members provides customer or employee care and technical support for clients through one or more contact centers within this state, and the corporation and its related members

together have a daily average, based on a three-hundred-sixty-five-day year, of at least five hundred thousand successful customer contacts through one or more of their contact centers, wherever located.

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

(7) "Related member" has the same meaning as in section 5733.042 of the Revised Code as that section existed on the effective date of its amendment by Am. Sub. H.B. 215 of the 122nd general assembly, September 29, 1997.

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

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

(10)(a) "Applicable difference" means the difference between the tax for the tax year under Chapter 5733. of the Revised Code applying the law in effect for that tax year, and the tax for that tax year if section 5733.042 of the Revised Code applied as that section existed on the effective date of its amendment by Am. Sub. H.B. 215 of the 122nd general assembly, September 29, 1997, subject to division (A)(10)(b) of this section.

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

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

(B) The tax credit authority created under section 122.17 of the Revised Code may grant tax credits under this section for the purpose of fostering job retention in this state. Upon application by an eligible business and upon consideration of the recommendation of the director of budget and management, tax commissioner, and director of development under division (C) of this section, the tax credit authority may grant to an eligible business a nonrefundable credit against the tax imposed by section 5733.06 or 5747.02 or levied under Chapter 5751. of the Revised Code for a period up to fifteen taxable years and against the tax levied by Chapter 5751. of the Revised Code for a period of up to fifteen calendar years. The credit shall be

in an amount not exceeding seventy-five per cent of the Ohio income tax withheld from the employees of the eligible business occupying full-time employment positions at the project site during the calendar year that includes the last day of such business' taxable year or tax period with respect to which the credit is granted. The amount of the credit shall not be based on the Ohio income tax withheld from full-time employees for a calendar year prior to the calendar year in which the minimum investment requirement referred to in division (A)(2)(b) of this section is completed. The credit shall be claimed only for the taxable years or tax periods specified in the eligible business' agreement with the tax credit authority under division (E) of this section, but in no event shall the credit be claimed for a taxable year or tax period terminating before the date specified in the agreement. Any credit granted under this section against the tax imposed by section 5733.06 or 5747.02 of the Revised Code, to the extent not fully utilized against such tax for taxable years ending prior to 2008, shall automatically be converted without any action taken by the tax credit authority to a credit against the tax levied under Chapter 5751. of the Revised Code for tax periods beginning on or after July 1, 2008, provided that the person to whom the credit was granted is subject to such tax. The converted credit shall apply to those calendar years in which the remaining taxable years specified in the agreement end.

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

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

(C) A taxpayer that proposes a capital investment project to retain jobs in this state may apply to the tax credit authority to enter into an agreement for a tax credit under this section. The director of development shall prescribe the form of the application. After receipt of an application, the authority shall forward copies of the application to the director of budget and management, the tax commissioner, and the director of development, each of whom shall review the application to determine the economic impact the proposed project would have on the state and the affected political subdivisions and shall submit a summary of their determinations and recommendations to the authority.

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

(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 during the entire term of any agreement, subject to division (E)(7) of this section.

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

(7) A requirement that the director of development annually review the annual reports of the taxpayer to verify the information reported under division (E)(6) of this section and compliance with the agreement. Upon verification, the director shall issue a certificate to the taxpayer stating that the information has been verified and identifying the amount of the credit for the taxable year. Unless otherwise specified by the tax credit authority in a resolution and included as part of the agreement, the director shall not

issue a certificate for any year in which the total number of filled full-time employment positions for each day of the calendar year divided by three hundred sixty-five is less than ninety per cent of the full-time employment positions specified in division (E)(5) of this section. In determining the number of full-time employment positions, no position shall be counted that is filled by an employee who is included in the calculation of a tax credit under section 122.17 of the Revised Code.

(8)(a) A provision requiring that the taxpayer, except as otherwise provided in division (E)(8)(b) of this section, shall not relocate employment positions from elsewhere in this state to the project site that is the subject of the agreement for the lesser of five years from the date the agreement is entered into or the number of years the taxpayer is entitled to claim the credit.

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

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

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

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

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

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

agreement. If the taxpayer relocates employment positions in violation of the provision required under division (D)(8)(a) of this section, the taxpayer shall not claim the tax credit under section 5733.0610 of the Revised Code for any tax years following the calendar year in which the relocation occurs, shall not claim the tax credit under section 5747.058 of the Revised Code for the taxable year in which the relocation occurs and any subsequent taxable years, and shall not claim the tax credit under division (A) of section 5751.50 of the Revised Code for the tax period in which the relocation occurs and any subsequent tax periods.

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

(H) A taxpayer claiming a tax credit under this section shall submit to the tax commissioner a copy of the director of development's certificate of verification under division (E)(7) of this section with the taxpayer's tax report or return for the taxable year or for the calendar year that includes the tax period. ~~However, failure~~ Failure to submit a copy of the certificate with the report or return does not invalidate a claim for a credit if the taxpayer submits a copy of the certificate to the commissioner within sixty days after the commissioner requests it.

(I) For the purposes of this section, a taxpayer may include a partnership, a corporation that has made an election under subchapter S of chapter one of subtitle A of the Internal Revenue Code, or any other business entity through which income flows as a distributive share to its owners. A tax credit received under this section by a partnership, S-corporation, or other such business entity shall be apportioned among the persons to whom the income or profit of the partnership, S-corporation, or other entity is distributed, in the same proportions as those in which the income or profit is distributed.

(J) If the director of development determines that a taxpayer that

received a tax credit under this section is not complying with the requirement under division (E)(4) of this section, the director shall notify the tax credit authority of the noncompliance. After receiving such a notice, and after giving the taxpayer an opportunity to explain the noncompliance, the authority may terminate the agreement and require the taxpayer to refund to the state all or a portion of the credit claimed in previous years, as follows:

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

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

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

In determining the portion of the credit to be refunded to this state, the authority shall consider the effect of market conditions on the taxpayer's project and whether the taxpayer continues to maintain other operations in this state. After making the determination, the authority shall certify the amount to be refunded to the tax commissioner. The commissioner shall make an assessment for that amount against the taxpayer under Chapter 5733., 5747., or 5751. of the Revised Code. The time limitations on assessments under those chapters do not apply to an assessment under this division, but the commissioner shall make the assessment within one year after the date the authority certifies to the commissioner the amount to be refunded.

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

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

(L) On or before the thirty-first day of March of each year, the director of development shall submit a report to the governor, the president of the senate, and the speaker of the house of representatives on the tax credit program under this section. The report shall include information on the number of agreements that were entered into under this section during the preceding calendar year, a description of the project that is the subject of each such agreement, and an update on the status of projects under agreements entered into before the preceding calendar year.

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

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

Sec. 122.72. (A) There is hereby created the minority development financing advisory board to assist in carrying out the programs created pursuant to sections 122.71 to ~~122.90~~ 122.89 of the Revised Code.

(B) The board shall consist of ten members. The director of development or the director's designee shall be a voting member on the board. Seven members shall be appointed by the governor with the advice and consent of the senate and selected because of their knowledge of and experience in industrial, business, and commercial financing, suretyship, construction, and their understanding of the problems of minority business

enterprises; one member also shall be a member of the senate and appointed by the president of the senate, and one member also shall be a member of the house of representatives and appointed by the speaker of the house of representatives. With respect to the board, all of the following apply:

(1) Not more than four of the members of the board appointed by the governor shall be of the same political party.

(2) Each member shall hold office from the date of the member's appointment until the end of the term for which the member was appointed.

(3) The terms of office for the seven members appointed by the governor shall be for seven years, commencing on the first day of October and ending on the thirtieth day of September of the seventh year, except that of the original seven members, three shall be appointed for three years and two shall be appointed for five years.

(4) Any member of the board is eligible for reappointment.

(5) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of the predecessor's term.

(6) Any member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first.

(7) Before entering upon official duties as a member of the board, each member shall take an oath as provided by Section 7 of Article XV, Ohio Constitution.

(8) The governor may, at any time, remove any member appointed by the governor pursuant to section 3.04 of the Revised Code.

(9) Notwithstanding section 101.26 of the Revised Code, members shall receive their necessary and actual expenses while engaged in the business of the board and shall be paid at the per diem rate of step 1 of pay range 31 of section 124.15 of the Revised Code.

(10) Six members of the board constitute a quorum and the affirmative vote of six members is necessary for any action taken by the board.

(11) In the event of the absence of a member appointed by the president of the senate or by the speaker of the house of representatives, either of the following persons may serve in the member's absence:

(a) The president of the senate or the speaker of the house of representatives, whoever appointed the absent member;

(b) A member of the senate or of the house of representatives of the same political party as the absent member, as designated by the president of the senate or the speaker of the house of representatives, whoever appointed the absent member.

(12) The board shall annually elect one of its members as chairperson and another as vice-chairperson.

Sec. 122.73. (A) The minority development financing advisory board and the director of development are invested with the powers and duties provided in sections 122.71 to ~~122.90~~ 122.89 of the Revised Code, in order to promote the welfare of the people of the state by encouraging the establishment and expansion of minority business enterprises; to stabilize the economy; to provide employment; to assist in the development within the state of industrial, commercial, distribution, and research activities required for the people of the state, and for their gainful employment; or otherwise to create or preserve jobs and employment opportunities, or improve the economic welfare of the people of the state. It is hereby determined that the accomplishment of those purposes is essential so that the people of the state may maintain their present high standards of living in comparison with the people of other states and so that opportunities for employment and for favorable markets for the products of the state's natural resources, agriculture, and manufacturing shall be improved. It further is determined that it is necessary for the state to establish the programs authorized under sections 122.71 to ~~122.90~~ 122.89 of the Revised Code to establish the minority development financing advisory board, and to invest it and the director of development with the powers and duties provided in sections 122.71 to ~~122.90~~ 122.89 of the Revised Code.

(B) The minority development financing advisory board shall do all of the following:

(1) Make recommendations to the director as to applications for assistance pursuant to sections 122.71 to ~~122.90~~ 122.89 of the Revised Code. The board may revise its recommendations to reflect any changes in the proposed assistance made by the director.

(2) Advise the director in the administration of sections 122.71 to ~~122.90~~ 122.89 of the Revised Code.

(3) Adopt bylaws to govern the conduct of the business of the board.

Sec. 122.74. (A)(1) The director of development shall do all of the following:

(a) Receive applications for assistance under sections 122.71 to 122.89 of the Revised Code and applications from surety companies for bond guarantees under section 122.90 of the Revised Code, and, after processing but subject to division (A)(2) of this section, forward them to the minority development financing advisory board together with necessary supporting information;

(b) Receive the recommendations of the board and make a final

determination whether to approve the application for assistance;

(c) Receive recommendations from a regional economic development entity for loans made under section 122.76 of the Revised Code and make a final determination, notwithstanding divisions (A)(1) and (2) of this section, whether to approve the proposed loan;

(d) Transmit the director's determinations to approve assistance to the controlling board unless such assistance falls under section 122.90 of the Revised Code and has been previously approved by the controlling board, together with any information the controlling board requires for its review and decision as to whether to approve the assistance.

(2) The director is not required to submit any determination, data, terms, or any other application materials or information to the minority development financing advisory board when provision of the assistance has been recommended to the director by a regional economic development entity or when an application for a surety company for bond guarantees under section 122.90 of the Revised Code has been previously approved by the controlling board.

(B) The director may do all of the following:

(1) Fix the rate of interest and charges to be made upon or with respect to moneys loaned or guaranteed by the director and the terms upon which mortgages and lease rentals may be guaranteed and the rates of charges to be made for them and make provisions for the operation of the funds established by the director in accordance with this section and sections 122.80, 122.88, and 122.90 of the Revised Code;

(2) Loan and guarantee moneys from the fund established in accordance with section 122.80 of the Revised Code pursuant to and in compliance with sections 122.71 to 122.90 of the Revised Code.

(3) Acquire in the name of the director any property of any kind or character in accordance with sections 122.71 to 122.90 of the Revised Code, by purchase, purchase at foreclosure, or exchange on such terms and in such manner as the director considers proper;

(4) Make and enter into all contracts and agreements necessary or incidental to the performance of the director's duties and the exercise of the director's powers under sections 122.71 to 122.90 of the Revised Code;

(5) Maintain, protect, repair, improve, and insure any property that the director has acquired and dispose of it by sale, exchange, or lease for the consideration and on the terms and in the manner as the director considers proper, but the director shall not operate any such property as a business except as the lessor of it;

(6)(a) When the cost of any contract for the maintenance, protection,

repair, or improvement of any property held by the director, other than compensation for personal services, involves an expenditure of more than fifty thousand dollars, the director shall make a written contract with the lowest responsive and responsible bidder in accordance with section 9.312 of the Revised Code after advertisement for not less than two consecutive weeks in a newspaper of general circulation in the county where such contract, or some substantial part of it, is to be performed, and in such other publications as the director determines, which notice shall state the general character of the work and the general character of the materials to be furnished, the place where plans and specifications therefor may be examined, and the time and place of receiving bids.

(b) Each bid for a contract for the construction, demolition, alteration, repair, or reconstruction of an improvement shall contain the full name of every person interested in it and meet the requirements of section 153.54 of the Revised Code.

(c) Each bid for a contract, except as provided in division (B)(6)(b) of this section, shall contain the full name of every person interested in it and shall be accompanied by bond or certified check on a solvent bank, in such amount as the director considers sufficient, that if the bid is accepted a contract will be entered into and the performance of the proposal secured.

(d) The director may reject any and all bids.

(e) A bond with good and sufficient surety, approved by the director, shall be required of every contractor awarded a contract except as provided in division (B)(6)(b) of this section, in an amount equal to at least fifty per cent of the contract price, conditioned upon faithful performance of the contract.

(7) Employ or contract with financial consultants, appraisers, consulting engineers, superintendents, managers, construction and accounting experts, attorneys, and other employees and agents as are necessary in the director's judgment and fix their compensation;

(8) 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 the grants, gifts, and contributions are made, from individuals, private and public corporations, from the United States or any agency thereof, from the state or any agency thereof, and from any political subdivision of the state, and may agree to repay any contribution of money or to return any property contributed or the value thereof at such times, in amounts, and on terms and conditions, excluding the payment of interest, as the director determines at the time the contribution is made, and may evidence the obligations by notes, bonds, or other written instruments;

(9) Establish with the treasurer of state the funds provided in sections 122.80 and 122.88 of the Revised Code in addition to such funds as the director determines are necessary or proper;

(10) Adopt rules under Chapter 119. of the Revised Code necessary to implement sections 122.71 to 122.90 of the Revised Code.

(11) Do all acts and things necessary or proper to carry out the powers expressly granted and the duties imposed in sections 122.71 to 122.90 of the Revised Code.

(C)(1) All expenses and obligations incurred by the director in carrying out the director's powers and in exercising the director's duties under sections 122.71 to 122.90 of the Revised Code shall be payable solely from revenues or other receipts or income of the director, from grants, gifts, and contributions, or funds established in accordance with such sections. Such sections do not authorize the director to incur indebtedness or to impose liability on the state or any political subdivision of the state.

(2) Financial statements and other data submitted to the director by any corporation, partnership, or person in connection with financial assistance provided under sections 122.71 to 122.90 of the Revised Code, or any information taken from such statements or data for any purpose, shall not be open to public inspection.

Sec. 122.90. (A) The director of development may guarantee bonds executed by sureties for minority businesses and EDGE business enterprises certified under section 123.152 of the Revised Code as principals on contracts with the state, any political subdivision or instrumentality, or any person as the obligee. The director, as guarantor, may exercise all the rights and powers of a company authorized by the department of insurance to guarantee bonds under Chapter 3929. of the Revised Code but otherwise is not subject to any laws related to a guaranty company under Title XXXIX of the Revised Code nor to any rules of the department of insurance.

(B) The director shall adopt rules under Chapter 119. of the Revised Code to establish procedures for the application for bond guarantees and the review and approval of applications for bond guarantees submitted by sureties that execute bonds eligible for guarantees under division (A) of this section.

(C) In accordance with rules adopted pursuant to this section, the director may guarantee up to ninety per cent of the loss incurred and paid by sureties on bonds guaranteed under division (A) of this section.

(D) The penal sum amounts of all outstanding guarantees made by the director under this section shall not exceed three times the difference between the amount of moneys in the minority business bonding fund and

available to the fund under division (B) of section 169.05 of the Revised Code and the amount of all outstanding bonds issued by the director in accordance with division (A) of section 122.89 of the Revised Code.

(E) The director of development, with controlling board approval, may approve one application per fiscal year from each surety bond company for bond guarantees in an amount requested to support one fiscal year of that company's activity under this section. A surety bond company that applies for a bond guarantee under this division, whether or not the guarantee is approved, is not restricted from also applying for individual bond guarantees under division (A) of this section.

Sec. 124.09. The director of administrative services shall do all of the following:

(A) Prescribe, amend, and enforce administrative rules for the purpose of carrying out the functions, powers, and duties vested in and imposed upon the director by this chapter. Except in the case of rules adopted pursuant to section 124.14 of the Revised Code, the prescription, amendment, and enforcement of rules under this division are subject to approval, disapproval, or modification by the state personnel board of review.

(B) Keep records of the director's proceedings and records of all applications for examinations and all examinations conducted by the director. All ~~such of those~~ records, except examinations, proficiency assessments, and recommendations of former employers, shall be open to public inspection under reasonable regulations; provided the governor, or any person designated by the governor, may, for the purpose of investigation, have free access to all ~~such of those~~ records, whenever the governor has reason to believe that this chapter, or the administrative rules of the director prescribed under ~~such sections~~ this chapter, are being violated.

(C) Prepare, continue, and keep in the office of the department of administrative services a complete roster of all persons in the classified service who are paid directly by warrant of the ~~auditor of state~~ director of budget and management. This roster shall be open to public inspection at all reasonable hours. It shall show in reference to each of those persons, the person's name, address, date of appointment to or employment in the classified service, and salary or compensation, the title of the place or office that the person holds, the nature of the duties of that place or office, and, in case of the person's removal or resignation, the date of the termination of that service.

(D) Approve the establishment of all new positions in the civil service

of the state and the reestablishment of abolished positions;

(E) Require the abolishment of any position in the civil service of the state that is not filled after a period of twelve months unless it is determined that the position is seasonal in nature or that the vacancy is otherwise justified;

(F) Make investigations concerning all matters touching the enforcement and effect of this chapter and the administrative rules of the director of administrative services prescribed under this chapter. In the course of ~~such~~ those investigations, the director or the director's deputy may administer oaths and affirmations and take testimony relative to any matter which the director has authority to investigate.

(G) Have the power to subpoena and require the attendance and testimony of witnesses and the production of books, papers, public records, and other documentary evidence pertinent to the investigations, inquiries, or hearings on any matter which the director has authority to investigate, inquire into, or hear, and to examine them in relation to any matter which the director has authority to investigate, inquire into, or hear. Fees shall be allowed to witnesses; and, on their certificate, duly audited, shall be paid by the treasurer of state; or, in the case of municipal or civil service township civil service commissions, by the county treasurer, for attendance and traveling, as is provided in section 2335.06 of the Revised Code for witnesses in courts of record. All officers in the civil service of the state or any of the political subdivisions ~~thereof of the state~~ and their deputies, clerks, and employees shall attend and testify when summoned to do so by the director or the state personnel board of review. Depositions of witnesses may be taken by the director or the board, or any member ~~thereof of the board~~, in the manner prescribed by law for like depositions in civil actions in the courts of common pleas. In case any person, in disobedience to any subpoena issued by the director or the board, or any member ~~thereof of the board~~, or the chief examiner, fails or refuses to attend and testify to any matter regarding which the person may be lawfully interrogated, or produce any documentary evidence pertinent to any investigation, inquiry, or hearing, the court of common pleas of any county, or any judge ~~thereof of the court of common pleas of any county~~, where ~~such~~ the disobedience, failure, or refusal occurs, upon application of the director or the board, or any member ~~thereof of the board~~, or a municipal or civil service township civil service commission, or any commissioner ~~thereof of such a commission~~, or their chief examiner, shall compel obedience by attachment proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from ~~such courts~~ the court or a refusal to testify ~~therein~~

in the court.

(H) Make a report to the governor, on or before the first day of January of each year, showing the director's actions, the rules and all exceptions ~~thereto~~ to the rules in force, and any recommendations for the more effectual accomplishment of the purposes of this chapter. The director shall also furnish any special reports to the governor whenever the governor requests them. ~~Such~~ The reports shall be printed for public distribution under the same regulations as are the reports of other state officers, boards, or commissions.

Sec. 124.11. The civil service of the state and the several counties, cities, civil service townships, city health districts, general health districts, and city school districts ~~thereof~~ of the state shall be divided into the unclassified service and the classified service.

(A) The unclassified service shall comprise the following positions, which shall not be included in the classified service, and which shall be exempt from all examinations required by this chapter:

(1) All officers elected by popular vote or persons appointed to fill vacancies in ~~such~~ those offices;

(2) All election officers as defined in section 3501.01 of the Revised Code;

(3) The members of all boards and commissions, and heads of principal departments, boards, and commissions appointed by the governor or by and with the governor's consent; and the members of all boards and commissions and all heads of departments appointed by the mayor, or, if there is no mayor, such other similar chief appointing authority of any city or city school district; ~~except.~~ Except as otherwise provided in division (A)(17) or (C) of this section, this chapter does not exempt the chiefs of police departments and chiefs of fire departments of cities or civil service townships from the competitive classified service;

(4) The members of county or district licensing boards or commissions and boards of revision, and deputy county auditors;

(5) All officers and employees elected or appointed by either or both branches of the general assembly, and ~~such~~ employees of the city legislative authority ~~as are~~ engaged in legislative duties;

(6) All commissioned, warrant, and noncommissioned officers and enlisted persons in the Ohio organized militia, including military appointees in the adjutant general's department;

(7)(a) All presidents, business managers, administrative officers, superintendents, assistant superintendents, principals, deans, assistant deans, instructors, teachers, and such employees as are engaged in educational or

research duties connected with the public school system, colleges, and universities, as determined by the governing body of the public school system, colleges, and universities;

(b) The library staff of any library in the state supported wholly or in part at public expense.

(8) Four clerical and administrative support employees for each of the elective state officers; and three clerical and administrative support employees for other elective officers and each of the principal appointive executive officers, boards, or commissions, except for civil service commissions, that are authorized to appoint such clerical and administrative support employees;

(9) The deputies and assistants of state agencies authorized to act for and on behalf of the agency, or holding a fiduciary or administrative relation to that agency and those persons employed by and directly responsible to elected county officials or a county administrator and holding a fiduciary or administrative relationship to such elected county officials or county administrator, and the employees of such county officials whose fitness would be impracticable to determine by competitive examination, provided that division (A)(9) of this section shall not affect those persons in county employment in the classified service as of September 19, 1961. Nothing in division (A)(9) of this section applies to any position in a county department of job and family services created pursuant to Chapter 329. of the Revised Code.

(10) Bailiffs, constables, official stenographers, and commissioners of courts of record, deputies of clerks of the courts of common pleas who supervise, or who handle public moneys or secured documents, and such officers and employees of courts of record and such deputies of clerks of the courts of common pleas as the director of administrative services finds it impracticable to determine their fitness by competitive examination;

(11) Assistants to the attorney general, special counsel appointed or employed by the attorney general, assistants to county prosecuting attorneys, and assistants to city directors of law;

(12) Such teachers and employees in the agricultural experiment stations; such students in normal schools, colleges, and universities of the state who are employed by the state or a political subdivision of the state in student or intern classifications; and such unskilled labor positions as the director of administrative services or any municipal civil service commission may find it impracticable to include in the competitive classified service; provided such exemptions shall be by order of the commission or the director, duly entered on the record of the commission or

the director with the reasons for each such exemption;

(13) Any physician or dentist who is a full-time employee of the department of mental health or the department of mental retardation and developmental disabilities or of an institution under the jurisdiction of either department; and physicians who are in residency programs at the institutions;

(14) Up to twenty positions at each institution under the jurisdiction of the department of mental health or the department of mental retardation and developmental disabilities that the department director determines to be primarily administrative or managerial; and up to fifteen positions in any division of either department, excluding administrative assistants to the director and division chiefs, which are within the immediate staff of a division chief and which the director determines to be primarily and distinctively administrative and managerial;

(15) Noncitizens of the United States employed by the state, or its counties or cities, as physicians or nurses who are duly licensed to practice their respective professions under the laws of ~~Ohio~~ this state, or medical assistants, in mental or chronic disease hospitals, or institutions;

(16) Employees of the governor's office;

(17) Fire chiefs and chiefs of police in civil service townships appointed by boards of township trustees under section 505.38 or 505.49 of the Revised Code;

(18) Executive directors, deputy directors, and program directors employed by boards of alcohol, drug addiction, and mental health services under Chapter 340. of the Revised Code, and secretaries of the executive directors, deputy directors, and program directors;

(19) Superintendents, and management employees as defined in section 5126.20 of the Revised Code, of county boards of mental retardation and developmental disabilities;

(20) Physicians, nurses, and other employees of a county hospital who are appointed pursuant to sections 339.03 and 339.06 of the Revised Code;

(21) The executive director of the state medical board, who is appointed pursuant to division (B) of section 4731.05 of the Revised Code;

(22) County directors of job and family services as provided in section 329.02 of the Revised Code and administrators appointed under section 329.021 of the Revised Code;

(23) A director of economic development who is hired pursuant to division (A) of section 307.07 of the Revised Code;

(24) Chiefs of construction and compliance, of operations and maintenance, and of licensing and certification in the division of industrial

compliance in the department of commerce;

(25) The executive director of a county transit system appointed under division (A) of section 306.04 of the Revised Code;

(26) Up to five positions at each of the administrative departments listed in section 121.02 of the Revised Code and at the department of taxation, department of the adjutant general, department of education, Ohio board of regents, bureau of workers' compensation, industrial commission, state lottery commission, and public utilities commission of Ohio that the head of that administrative department or of that other state agency determines to be involved in policy development and implementation. The head of the administrative department or other state agency shall set the compensation for employees in these positions at a rate that is not less than the minimum compensation specified in pay range 41 but not more than the maximum compensation specified in pay range 44 of salary schedule E-2 in section 124.152 of the Revised Code. The authority to establish positions in the unclassified service under division (A)(26) of this section is in addition to and does not limit any other authority that an administrative department or state agency has under the Revised Code to establish positions, appoint employees, or set compensation.

(27) Employees of the department of agriculture employed under section 901.09 of the Revised Code;

(28) For cities, counties, civil service townships, city health districts, general health districts, and city school districts, the deputies and assistants of elective or principal executive officers authorized to act for and in the place of their principals or holding a fiduciary relation to their principals;

(29) Employees who receive external interim, intermittent, or temporary appointments under division (B) of section 124.30 of the Revised Code;

(30) Employees appointed to administrative staff positions for which an appointing authority is given specific statutory authority to set compensation;

(31) Employees appointed to highway patrol cadet or highway patrol cadet candidate classifications.

(B) The classified service shall comprise all persons in the employ of the state and the several counties, cities, city health districts, general health districts, and city school districts ~~thereof~~ of the state, not specifically included in the unclassified service. Upon the creation by the board of trustees of a civil service township civil service commission, the classified service shall also comprise, except as otherwise provided in division (A)(17) or (C) of this section, all persons in the employ of a civil service township police or fire ~~departments~~ department having ten or more full-time paid

employees. The classified service consists of two classes, which shall be designated as the competitive class and the unskilled labor class.

(1) The competitive class shall include all positions and employments in the state and the counties, cities, city health districts, general health districts, and city school districts ~~thereof~~ of the state, and, upon the creation by the board of trustees of a civil service township of a township civil service commission, all positions in a civil service township police or fire ~~departments~~ department having ten or more full-time paid employees, for which it is practicable to determine the merit and fitness of applicants by competitive examinations. Appointments shall be made to, or employment shall be given in, all positions in the competitive class that are not filled by promotion, reinstatement, transfer, or reduction, as provided in this chapter, and the rules of the director of administrative services, by appointment from those certified to the appointing officer in accordance with this chapter.

(2) The unskilled labor class shall include ordinary unskilled laborers. Vacancies in the labor class shall be filled by appointment from lists of applicants registered by the director or a commission, as applicable. The director or the commission, by rule, shall require an applicant for registration in the labor class to furnish ~~such~~ evidence or take ~~such~~ tests as the director or commission considers proper with respect to age, residence, physical condition, ability to labor, honesty, sobriety, industry, capacity, and experience in the work or employment for which application is made. Laborers who fulfill the requirements shall be placed on the eligible list for the kind of labor or employment sought, and preference shall be given in employment in accordance with the rating received from ~~such~~ that evidence or in ~~such~~ those tests. Upon the request of an appointing officer, stating the kind of labor needed, the pay and probable length of employment, and the number to be employed, the director or commission shall certify from the highest on the list double the number to be employed; from this number, the appointing officer shall appoint the number actually needed for the particular work. If more than one applicant receives the same rating, priority in time of application shall determine the order in which their names shall be certified for appointment.

(C) A municipal or civil service township civil service commission may place volunteer firefighters who are paid on a fee-for-service basis in either the classified or the unclassified civil service.

(D) This division does not apply to persons in the unclassified service who have the right to resume positions in the classified service under sections 4121.121, 5119.071, 5120.07, 5120.38, 5120.381, 5120.382, 5123.08, 5139.02, and 5501.19 of the Revised Code.

An appointing authority whose employees are paid directly by warrant of the ~~auditor of state~~ director of budget and management may appoint a person who holds a certified position in the classified service within the appointing authority's agency to a position in the unclassified service within that agency. A person appointed pursuant to this division to a position in the unclassified service shall retain the right to resume the position and status held by the person in the classified service immediately prior to the person's appointment to the position in the unclassified service, regardless of the number of positions the person held in the unclassified service. Reinstatement An employee's right to resume a position in the classified service may only be exercised when an appointing authority demotes the employee to a pay range lower than the employee's current pay range or revokes the employee's appointment to the unclassified service. An employee forfeits the right to resume a position in the classified service when the employee is removed from the position in the unclassified service due to incompetence, inefficiency, dishonesty, drunkenness, immoral conduct, insubordination, discourteous treatment of the public, neglect of duty, violation of this chapter or the rules of the director of administrative services, any other failure of good behavior, any other acts of misfeasance, malfeasance, or nonfeasance in office, or conviction of a felony. An employee also forfeits the right to resume a position in the classified service upon transfer to a different agency.

Reinstatement to a position in the classified service shall be to a position substantially equal to that position in the classified service held previously, as certified by the director of administrative services. If the position the person previously held in the classified service has been placed in the unclassified service or is otherwise unavailable, the person shall be appointed to a position in the classified service within the appointing authority's agency that the director of administrative services certifies is comparable in compensation to the position the person previously held in the classified service. Service in the position in the unclassified service shall be counted as service in the position in the classified service held by the person immediately prior to the person's appointment to the position in the unclassified service. When a person is reinstated to a position in the classified service as provided in this division, the person is entitled to all rights, status, and benefits accruing to the position in the classified service during the person's time of service in the position in the unclassified service.

Sec. 124.134. (A) Each full-time permanent state employee paid in accordance with section 124.152 of the Revised Code and those employees listed in divisions (B)(2) and (4) of section 124.14 of the Revised Code,

after service of one year, shall have earned and will be due upon the attainment of the first year of employment, and annually thereafter, eighty hours of vacation leave with full pay. One year of service shall be computed on the basis of twenty-six biweekly pay periods. A full-time permanent state employee with five or more years of service shall have earned and is entitled to one hundred twenty hours of vacation leave with full pay. A full-time permanent state employee with ten or more years of service shall have earned and is entitled to one hundred sixty hours of vacation leave with full pay. A full-time permanent state employee with fifteen or more years of service shall have earned and is entitled to one hundred eighty hours of vacation leave with full pay. A full-time permanent state employee with twenty or more years of service shall have earned and is entitled to two hundred hours of vacation leave with full pay. A full-time permanent state employee with twenty-five or more years of service shall have earned and is entitled to two hundred forty hours of vacation leave with full pay. Such vacation leave shall accrue to the employee at the rate of three and one-tenth hours each biweekly period for those entitled to eighty hours per year; four and six-tenths hours each biweekly period for those entitled to one hundred twenty hours per year; six and two-tenths hours each biweekly period for those entitled to one hundred sixty hours per year; six and nine-tenths hours each biweekly period for those entitled to one hundred eighty hours per year; seven and seven-tenths hours each biweekly period for those entitled to two hundred hours per year; and nine and two-tenths hours each biweekly period for those entitled to two hundred forty hours per year.

The amount of an employee's service shall be determined in accordance with the standard specified in section 9.44 of the Revised Code. Credit for prior service, including an increased vacation accrual rate and longevity supplement, shall take effect during the first pay period that begins immediately following the date the director of administrative services approves granting credit for that prior service. No employee, other than an employee who submits proof of prior service within ninety days after the date of the employee's hiring, shall receive any amount of vacation leave for the period prior to the date of the director's approval of the grant of credit for prior service.

Part-time permanent employees who are paid in accordance with section 124.152 of the Revised Code and full-time permanent employees subject to this section who are in active pay status for less than eighty hours in a pay period shall earn vacation leave on a prorated basis. The ratio between the hours worked and the vacation hours earned by these classes of employees shall be the same as the ratio between the hours worked and the vacation

hours earned by a full-time permanent employee with the same amount of service as provided for in this section.

Vacation leave is not available for use until it appears on the employee's earning statement and the compensation described in the earning statement is available to the employee.

(B) Employees granted leave under this section shall forfeit their right to take or to be paid for any vacation leave to their credit which is in excess of the accrual for three years. Such excess leave shall be eliminated from the employees' leave balance. If an employee's vacation leave credit is at, or will reach in the immediately following pay period, the maximum of the accrual for three years and the employee has been denied the use of vacation leave during the immediately preceding twelve months, the employee, at the employee's request, shall be paid in a pay period for the vacation leave the employee was denied, up to the maximum amount the employee would be entitled to be paid for in any pay period. An employee is not entitled to receive payment for vacation leave denied in any pay period in which the employee's vacation leave credit is not at, or will not reach in the immediately following pay period, the maximum of accrual for three years. Any vacation leave for which an employee receives payment shall be deducted from the employee's vacation leave balance. Such payment shall not be made for any leave accrued in the same calendar year in which the payment is made.

(C) Upon separation from state service an employee granted leave under this section is entitled to compensation at the employee's current rate of pay for all unused vacation leave accrued under this section or section 124.13 of the Revised Code to the employee's credit. In case of transfer of an employee from one state agency to another, the employee shall retain the accrued and unused vacation leave. In case of death of an employee, such unused vacation leave shall be paid in accordance with section 2113.04 of the Revised Code, or to the employee's estate. An employee serving in a temporary work level or an interim appointment who is eligible to receive compensation under this division shall be compensated at the base rate of pay of the employee's normal classification.

Sec. 124.135. (A) State employees are entitled to paid leave when summoned for jury duty by a court of competent jurisdiction ~~or~~.

(B) State employees are entitled to paid leave when subpoenaed to appear before any court, commission, board, or other legally constituted body authorized by law to compel the attendance of witnesses, if the employee is not a party to the action. Each This division does not apply if the state employee is a party to the action or proceeding involved or is

subpoenaed as a result of secondary employment outside the service of the state.

(C) Each full-time permanent state employee paid in accordance with section 124.152 of the Revised Code and those employees described in divisions (B)(2) and (4) of section 124.14 of the Revised Code also may ~~also~~ be entitled, ~~at~~ in their appointing authority's discretion, ~~be entitled~~ to paid leave when appointed to serve on advisory boards or commissions; or when soliciting for charities for which payroll deductions are made.

Sec. 124.137. There is hereby created in the state treasury the parental leave benefit fund. The director of administrative services shall use moneys credited to the fund solely for the payment of parental leave benefits available to employees paid by warrant of the ~~auditor of state~~ director of budget and management and for payment of any direct and indirect costs that are attributable to consultants or a third-party administrator and that are necessary to administer this section. All investment earnings of the parental leave fund shall be credited to the fund.

The director of administrative services, in consultation with the director of budget and management, shall determine a rate at which the payrolls of all state agencies with employees paid by warrant of the ~~auditor of state~~ director of budget and management shall be charged each pay period that is sufficient to cover the costs of administering the parental leave benefit program. The rate shall be based on the total number of such employees and may be adjusted as the director of administrative services, in consultation with the director of budget and management, considers necessary. All money collected from the assessment shall be credited to the parental leave benefit fund.

Sec. 124.138. The director of administrative services may establish paid leaves and employee benefits for eligible full-time fire fighters employed by the adjutant general's department that are comparable to paid leaves and employee benefits provided to other full-time permanent employees paid directly by warrant of the ~~auditor of state~~ director of budget and management. Any paid leaves and employee benefits established under this section shall be limited to fire fighters regularly scheduled to work at least one hundred four hours per biweekly pay period and shall be adjusted so that the ratio between the hours worked and the paid leave hours earned shall be the same as the ratio between the hours worked and the paid leave hours earned by full-time permanent employees with the same amount of accrued service. The director of administrative services shall adopt rules in accordance with Chapter 119. of the Revised Code governing any paid leaves and employee benefits established under this section.

Sec. 124.139. (A) A full-time state employee shall receive up to two hundred forty hours of leave with pay during each calendar year to use during those hours when the employee is absent from work because of the employee's donation of any portion of an adult liver or because of the employee's donation of an adult kidney.

(B) A full-time state employee shall receive up to fifty-six hours of leave with pay during each calendar year to use during those hours when the employee is absent from work because of the employee's donation of adult bone marrow.

(C) An appointing authority shall compensate a full-time state employee who uses leave granted under division (A) or (B) of this section at the employee's regular rate of pay for those regular work hours during which the employee is absent from work.

(D)(1) The director of administrative services, under section 124.04 of the Revised Code, shall provide information about this section to full-time employees who are paid directly by warrant of the ~~auditor of state~~ director of budget and management.

(2) The appointing authority of full-time employees who are not paid directly by warrant of the ~~auditor of state~~ director of budget and management shall periodically provide information about this section to those employees.

Sec. 124.14. (A)(1) The director of administrative services shall establish, and may modify or repeal, by rule, a job classification plan for all positions, offices, and employments the salaries of which are paid in whole or in part by the state. The director shall group jobs within a classification so that the positions are similar enough in duties and responsibilities to be described by the same title, to have the same pay assigned with equity, and to have the same qualifications for selection applied. The director shall, by rule, assign a classification title to each classification within the classification plan. However, the director shall consider in establishing classifications, including classifications with parenthetical titles, and assigning pay ranges such factors as duties performed only on one shift, special skills in short supply in the labor market, recruitment problems, separation rates, comparative salary rates, the amount of training required, and other conditions affecting employment. The director shall describe the duties and responsibilities of the class and establish the qualifications for being employed in that position, and shall file with the secretary of state a copy of specifications for all of the classifications. The director shall file new, additional, or revised specifications with the secretary of state before being used.

The director shall, by rule, assign each classification, either on a statewide basis or in particular counties or state institutions, to a pay range established under section 124.15 or section 124.152 of the Revised Code. The director may assign a classification to a pay range on a temporary basis for a period of time designated in the rule. The director may establish, by rule adopted under Chapter 119. of the Revised Code, experimental classification plans for some or all employees paid directly by warrant of the ~~auditor of state~~ director of budget and management. The rule shall include specifications for each classification within the plan and shall specifically address compensation ranges, and methods for advancing within the ranges, for the classifications, which may be assigned to pay ranges other than the pay ranges established under section 124.15 or 124.152 of the Revised Code.

(2) The director of administrative services may reassign to a proper classification those positions that have been assigned to an improper classification. If the compensation of an employee in such a reassigned position exceeds the maximum rate of pay for the employee's new classification, the employee shall be placed in pay step X and shall not receive an increase in compensation until the maximum rate of pay for that classification exceeds the employee's compensation.

(3) The director may reassign an exempt employee, as defined in section 124.152 of the Revised Code, to a bargaining unit classification if the director determines that the bargaining unit classification is the proper classification for that employee. Notwithstanding Chapter 4117. of the Revised Code or instruments and contracts negotiated under it, such placements are at the director's discretion.

(4) The director shall, by rule, assign related classifications, which form a career progression, to a classification series. The director shall, by rule, assign each classification in the classification plan a five-digit number, the first four digits of which shall denote the classification series to which the classification is assigned. When a career progression encompasses more than ten classifications, the director shall, by rule, identify the additional classifications belonging to a classification series. Such additional classifications shall be part of the classification series, notwithstanding the fact that the first four digits of the number assigned to the additional classifications do not correspond to the first four digits of the numbers assigned to other classifications in the classification series.

(5) The director shall adopt rules in accordance with Chapter 119. of the Revised Code for the establishment of a classification plan for county agencies that elect not to use the services and facilities of a county personnel

department. The rules shall include a methodology for the establishment of titles unique to county agencies, the use of state classification titles and classification specifications for common positions, the criteria for a county to meet in establishing its own classification plan, and the establishment of what constitutes a classification series for county agencies.

(B) Division (A) of this section and sections 124.15 and 124.152 of the Revised Code do not apply to the following persons, positions, offices, and employments:

(1) Elected officials;

(2) Legislative employees, employees of the legislative service commission, employees in the office of the governor, employees who are in the unclassified civil service and exempt from collective bargaining coverage in the office of the secretary of state, auditor of state, treasurer of state, and attorney general, and employees of the supreme court;

(3) Employees of a county children services board that establishes compensation rates under section 5153.12 of the Revised Code;

(4) Any position for which the authority to determine compensation is given by law to another individual or entity;

(5) Employees of the bureau of workers' compensation whose compensation the administrator of workers' compensation establishes under division (B) of section 4121.121 of the Revised Code.

(C) The director may employ a consulting agency to aid and assist the director in carrying out this section.

(D)(1) When the director proposes to modify a classification or the assignment of classes to appropriate pay ranges, the director shall send written notice of the proposed rule to the appointing authorities of the affected employees thirty days before the hearing on the proposed rule. The appointing authorities shall notify the affected employees regarding the proposed rule. The director shall also send such appointing authorities notice of any final rule which is adopted within ten days after adoption.

(2) When the director proposes to reclassify any employee so that the employee is adversely affected, the director shall give to the employee affected and to the employee's appointing authority a written notice setting forth the proposed new classification, pay range, and salary. Upon the request of any classified employee who is not serving in a probationary period, the director shall perform a job audit to review the classification of the employee's position to determine whether the position is properly classified. The director shall give to the employee affected and to the employee's appointing authority a written notice of the director's determination whether or not to reclassify the position or to reassign the

employee to another classification. An employee or appointing authority desiring a hearing shall file a written request for the hearing with the state personnel board of review within thirty days after receiving the notice. The board shall set the matter for a hearing and notify the employee and appointing authority of the time and place of the hearing. The employee, appointing authority, or any authorized representative of the employee who wishes to submit facts for the consideration of the board shall be afforded reasonable opportunity to do so. After the hearing, the board shall consider anew the reclassification and may order the reclassification of the employee and require the director to assign the employee to such appropriate classification as the facts and evidence warrant. As provided in division (A) of section 124.03 of the Revised Code, the board may determine the most appropriate classification for the position of any employee coming before the board, with or without a job audit. The board shall disallow any reclassification or reassignment classification of any employee when it finds that changes have been made in the duties and responsibilities of any particular employee for political, religious, or other unjust reasons.

(E)(1) Employees of each county department of job and family services shall be paid a salary or wage established by the board of county commissioners. The provisions of section 124.18 of the Revised Code concerning the standard work week apply to employees of county departments of job and family services. A board of county commissioners may do either of the following:

(a) Notwithstanding any other section of the Revised Code, supplement the sick leave, vacation leave, personal leave, and other benefits of any employee of the county department of job and family services of that county, if the employee is eligible for the supplement under a written policy providing for the supplement;

(b) Notwithstanding any other section of the Revised Code, establish alternative schedules of sick leave, vacation leave, personal leave, or other benefits for employees not inconsistent with the provisions of a collective bargaining agreement covering the affected employees.

(2) The provisions of division (E)(1) of this section do not apply to employees for whom the state employment relations board establishes appropriate bargaining units pursuant to section 4117.06 of the Revised Code, except in either of the following situations:

(a) The employees for whom the state employment relations board establishes appropriate bargaining units elect no representative in a board-conducted representation election.

(b) After the state employment relations board establishes appropriate

bargaining units for such employees, all employee organizations withdraw from a representation election.

(F) With respect to officers and employees of state-supported colleges and universities and except for the powers and duties of the state personnel board of review set forth in section 124.03 of the Revised Code, the powers, duties, and functions of the department of administrative services and of the director of administrative services specified in this chapter are hereby vested in and assigned to the boards of trustees of those colleges and universities, or those officers to whom the boards of trustees have delegated these powers, duties, and functions, subject to a periodic audit and review by the director. In exercising the powers, duties, and functions of the director, the boards of trustees or the officers to whom these powers, duties, and functions were delegated need not establish a job classification plan for unclassified employees and may proceed under section 111.15 of the Revised Code when exercising the director's rule-making authority. The adoption, amendment, rescission, and enforcement of rules under this division is not subject to approval, disapproval, or modification by the state personnel board of review. Nothing in this division shall be construed to limit the right of any classified employee who possesses the right of appeal to the state personnel board of review to continue to possess that right of appeal.

Upon the director's determination or finding of the misuse by the board of trustees of or a designated officer of a state-supported college or university of the authority granted under this division, the director shall order and direct the personnel functions of that state-supported college or university until sections 124.01 to 124.64 of the Revised Code have been fully complied with.

(G)(1) Each board of county commissioners may, by a resolution adopted by a majority of its members, establish a county personnel department to exercise the powers, duties, and functions specified in division (G) of this section. As used in division (G) of this section, "county personnel department" means a county personnel department established by a board of county commissioners under division (G)(1) of this section.

(2) Each board of county commissioners may, by a resolution adopted by a majority of its members, designate the county personnel department of the county to exercise the powers, duties, and functions of the department of administrative services and the director of administrative services specified in sections 124.01 to 124.64 and Chapter 325. of the Revised Code, except for the powers and duties of the state personnel board of review, which powers and duties shall not be construed as having been modified or

diminished in any manner by division (G)(2) of this section, with respect to the employees for whom the board of county commissioners is the appointing authority or co-appointing authority. Upon certification of a copy of the resolution by the board to the director, these powers, duties, and functions are vested in and assigned to the county personnel department with respect to the employees for whom the board of county commissioners is the appointing authority or co-appointing authority. The certification to the director shall be provided not later than one hundred twenty days before the first day of July of an odd-numbered year, and, following the certification, the powers, duties, and functions specified in sections 124.01 to 124.64 and Chapter 325. of the Revised Code shall be vested in and assigned to the county personnel department on that first day of July. Nothing in division (G)(2) of this section shall be construed to limit the right of any employee who possesses the right of appeal to the state personnel board of review to continue to possess that right of appeal.

Any board of county commissioners that has established a county personnel department may contract with the department of administrative services, another political subdivision, or an appropriate public or private entity to provide competitive testing services or other appropriate services.

(3) After the county personnel department of a county has assumed the powers, duties, and functions of the department of administrative services and the director as described in division (G)(2) of this section, any elected official, board, agency, or other appointing authority of that county may, upon notification to the director, elect to use the services and facilities of the county personnel department. Upon the acceptance by the director of such notification, the county personnel department shall exercise the powers, duties, and functions of the department of administrative services and the director as described in division (G)(2) of this section with respect to the employees of that elected official, board, agency, or other appointing authority. The notification to the director shall be provided not later than one hundred twenty days before the first day of July of an odd-numbered year, and, following the notification, the powers, duties, and functions specified in sections 124.01 to 124.64 and Chapter 325. of the Revised Code with respect to the employees of that elected official, board, agency, or other appointing authority shall be vested in and assigned to the county personnel department on that first day of July. Except for those employees under the jurisdiction of the county personnel department, the director shall continue to exercise these powers, duties, and functions with respect to employees of the county.

(4) Each board of county commissioners that has established a county

personnel department may, by a resolution adopted by a majority of its members, disband the county personnel department and return to the department of administrative services for the administration of sections 124.01 to 124.64 and Chapter 325. of the Revised Code. The board shall, not later than one hundred twenty days before the first day of July of an odd-numbered year, send the director a certified copy of the resolution disbanding the county personnel department. All powers, duties, and functions previously vested in and assigned to the county personnel department shall return to the director on that first day of July.

(5) Any elected official, board, agency, or appointing authority of a county may return to the department of administrative services for the administration of sections 124.01 to 124.64 and Chapter 325. of the Revised Code. The elected official, board, agency, or appointing authority shall, not later than one hundred twenty days before the first day of July of an odd-numbered year, send the director a certified copy of the resolution that states its decision. All powers, duties, and functions previously vested in and assigned to the county personnel department with respect to the employees of that elected official, board, agency, or appointing authority shall return to the director on that first day of July.

(6) The director, by rule adopted in accordance with Chapter 119. of the Revised Code, shall prescribe criteria and procedures for granting to each county personnel department the powers, duties, and functions of the department of administrative services and the director as described in division (G)(2) of this section with respect to the employees of an elected official, board, agency, or other appointing authority or co-appointing authority. The rules shall cover the following criteria and procedures:

(a) The notification to the department of administrative services that an elected official, board, agency, or other appointing authority of a county has elected to use the services and facilities of the county personnel department;

(b) A requirement that each county personnel department, in carrying out its duties, adhere to merit system principles with regard to employees of county departments of job and family services, child support enforcement agencies, and public child welfare agencies so that there is no threatened loss of federal funding for these agencies, and a requirement that the county be financially liable to the state for any loss of federal funds due to the action or inaction of the county personnel department. The costs associated with audits conducted to monitor compliance with division (G)(6)(b) of this section shall be borne equally by the department of administrative services and the county.

(c) The termination of services and facilities rendered by the department

of administrative services, to include rate adjustments, time periods for termination, and other related matters;

(d) Authorization for the director of administrative services to conduct periodic audits and reviews of county personnel departments to guarantee the uniform application of this granting of the director's powers, duties, and functions. The costs of the audits and reviews shall be borne equally by the department of administrative services and the county for which the services were performed.

(e) The dissemination of audit findings under division (G)(5)(d) of this section, any appeals process relating to adverse findings by the department, and the methods whereby the county personnel program will revert to the authority of the director of administrative services due to misuse or nonuniform application of the authority granted to the county under division (G)(2) or (3) of this section.

(H) The director of administrative services shall establish the rate and method of compensation for all employees who are paid directly by warrant of the ~~auditor of state~~ director of budget and management and who are serving in positions which the director of administrative services has determined impracticable to include in the state job classification plan. This division does not apply to elected officials, legislative employees, employees of the legislative service commission, employees who are in the unclassified civil service and exempt from collective bargaining coverage in the office of the secretary of state, auditor of state, treasurer of state, and attorney general, employees of the courts, employees of the bureau of workers' compensation whose compensation the administrator of workers' compensation establishes under division (B) of section 4121.121 of the Revised Code, or employees of an appointing authority authorized by law to fix the compensation of those employees.

(I) The director shall set the rate of compensation for all intermittent, interim, seasonal, temporary, emergency, and casual employees who are not considered public employees under section 4117.01 of the Revised Code. Such employees are not entitled to receive employee benefits. This rate of compensation shall be equitable in terms of the rate of employees serving in the same or similar classifications. This division does not apply to elected officials, legislative employees, employees of the legislative service commission, employees who are in the unclassified civil service and exempt from collective bargaining coverage in the office of the secretary of state, auditor of state, treasurer of state, and attorney general, employees of the courts, employees of the bureau of workers' compensation whose compensation the administrator establishes under division (B) of section

4121.121 of the Revised Code, or employees of an appointing authority authorized by law to fix the compensation of those employees.

Sec. 124.151. (A) As used in this section, "compensation" includes, but is not limited to, wages and salary, travel allowances paid pursuant to section 101.27 of the Revised Code, and benefits paid pursuant to sections 124.13, 124.19, 124.381, 124.382, 124.383, 124.384, 124.385, and 124.386 of the Revised Code.

(B)(1) The compensation of any employee ~~whose employment commenced on or after the effective date of this amendment and~~ who is paid by warrant of the ~~auditor of state~~ director of budget and management shall be paid by direct deposit. Each such employee shall provide to the appointing authority a written authorization for payment by direct deposit. The authorization shall include the designation of a financial institution equipped to accept direct deposits and the number of the account into which the deposit is to be made. The authorization shall remain in effect until withdrawn in writing by the employee or until dishonored by the financial institution. The director of administrative services shall provide by rule adopted under Chapter 119. of the Revised Code for the direct deposit in a financial institution of the compensation of an employee who fails to provide to the appointing authority a written authorization for payment by direct deposit.

(2) Division (B)(1) of this section does not apply to an employee who was appointed to the employee's current position before June 5, 2002, who is a public employee as defined in section 4117.01 of the Revised Code, and whose applicable collective bargaining agreement does not require the employee to be paid by direct deposit.

Sec. 124.152. (A)(1) Except as provided in divisions (A)(2) and (3) of this section, each exempt employee shall be paid a salary or wage in accordance with schedule E-1 or schedule E-2 of division (B) ~~or (C)~~ of this section.

(2) Each exempt employee who holds a position in the unclassified civil service pursuant to division (A)(26) or (30) of section 124.11 of the Revised Code may be paid a salary or wage in accordance with schedule E-1, schedule E-1 for step seven only, or schedule E-2 of division (B); or (C); ~~(D)~~, ~~or (E)~~ of this section, as applicable.

(3)(a) Except as provided in division (A)(3)(b) of this section, each exempt employee who was paid a salary or wage at step 7 in the employee's pay range on June 28, 2003, in accordance with the applicable schedule E-1 of former section 124.152 of the Revised Code and who continued to be so paid on June 29, 2003, shall be paid a salary or wage in the corresponding

pay range in schedule E-1 for step seven only of division ~~(D)~~ or ~~(E)~~(C) of this section for as long as the employee remains in the position the employee held as of July 1, 2003.

(b) Except as provided in division (A)(3)(c) of this section, if an exempt employee who is being paid a salary or wage in accordance with schedule E-1 for step seven only of division ~~(D)~~ or ~~(E)~~(C) of this section moves to another position, the employee shall not receive a salary or wage for that position or any other position in the future in accordance with that schedule.

(c) If an exempt employee who is being paid a salary or wage in accordance with schedule E-1 for step seven only of division ~~(D)~~ or ~~(E)~~(C) of this section moves to another position assigned to pay range 12 or above, the appointing authority has the discretion to assign the employee to be paid a salary or wage in the appropriate pay range for that position in accordance with schedule E-1 for step seven only, provided that the appointing authority so notifies the director of administrative services in writing at the time the employee is appointed to that position.

(B) Beginning on the first day of the pay period that includes July 1, ~~2002~~ 2006, each exempt employee who must be paid in accordance with schedule E-1 or schedule E-2 of this section shall be paid a salary or wage in accordance with the following schedule of rates:

Schedule E-1

		Pay Ranges and Step Values					
Range		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
1	Hourly	8.78	9.16	9.56	9.97		
	Annually	18262	19053	19885	20738		
2	Hourly	10.64	11.09	11.58	12.08		
	Annually	22131	23067	24086	25126		
3	Hourly	11.14	11.65	12.16	12.69		
	Annually	23171	24232	25293	26395		
4	Hourly	11.70	12.23	12.81	13.38		
	Annually	24336	25438	26645	27830		
5	Hourly	12.28	12.84	13.38	13.97		
	Annually	25542	26707	27830	29058		
6	Hourly	12.94	13.47	14.07	14.64		
	Annually	26915	28018	29266	30451		
7	Hourly	13.74	14.26	14.83	15.35	15.94	
	Annually	28579	29661	30846	31928	33155	
8	Hourly	14.53	15.16	15.83	16.53	17.23	
	Annually	30222	31533	32926	34382	35838	

9	Hourly	15.50	16.30	17.11	17.95	18.87
	Annually	32240	33904	35589	37336	39250
10	Hourly	16.72	17.63	18.58	19.65	20.70
	Annually	34778	36670	38646	40872	43056
11	Hourly	18.20	19.27	20.38	21.53	22.76
	Annually	37856	40082	42390	44782	47341
12	Hourly	20.08	21.21	22.35	23.59	24.90
	Annually	41766	44117	46488	49067	51792
13	Hourly	22.13	23.35	24.63	25.95	27.40
	Annually	46030	48568	51230	53976	56992
14	Hourly	24.35	25.72	27.10	28.59	30.20
	Annually	50648	53498	56368	59467	62816
15	Hourly	26.74	28.24	29.84	31.48	33.22
	Annually	55619	58739	62067	65478	69098
16	Hourly	29.48	31.12	32.84	34.67	36.59
	Annually	61318	64730	68307	72114	76107
17	Hourly	32.49	34.28	36.20	38.20	40.33
	Annually	67579	71302	75296	79456	83886
18	Hourly	35.80	37.78	39.90	42.11	44.43
	Annually	74464	78582	82992	87589	92414
<u>1</u>	<u>Hourly</u>	<u>9.40</u>	<u>9.82</u>	<u>10.24</u>	<u>10.68</u>	
	<u>Annually</u>	<u>19552</u>	<u>20426</u>	<u>21299</u>	<u>22214</u>	
<u>2</u>	<u>Hourly</u>	<u>11.40</u>	<u>11.88</u>	<u>12.40</u>	<u>12.94</u>	
	<u>Annually</u>	<u>23712</u>	<u>24710</u>	<u>25792</u>	<u>26915</u>	
<u>3</u>	<u>Hourly</u>	<u>11.94</u>	<u>12.48</u>	<u>13.03</u>	<u>13.60</u>	
	<u>Annually</u>	<u>24835</u>	<u>25958</u>	<u>27102</u>	<u>28288</u>	
<u>4</u>	<u>Hourly</u>	<u>12.54</u>	<u>13.10</u>	<u>13.72</u>	<u>14.34</u>	
	<u>Annually</u>	<u>26083</u>	<u>27248</u>	<u>28538</u>	<u>29827</u>	
<u>5</u>	<u>Hourly</u>	<u>13.15</u>	<u>13.75</u>	<u>14.34</u>	<u>14.97</u>	
	<u>Annually</u>	<u>27352</u>	<u>28600</u>	<u>29827</u>	<u>31138</u>	
<u>6</u>	<u>Hourly</u>	<u>13.86</u>	<u>14.43</u>	<u>15.07</u>	<u>15.69</u>	
	<u>Annually</u>	<u>28829</u>	<u>30014</u>	<u>31346</u>	<u>32635</u>	
<u>7</u>	<u>Hourly</u>	<u>14.72</u>	<u>15.27</u>	<u>15.88</u>	<u>16.44</u>	<u>17.08</u>
	<u>Annually</u>	<u>30618</u>	<u>31762</u>	<u>33030</u>	<u>34195</u>	<u>35526</u>
<u>8</u>	<u>Hourly</u>	<u>15.56</u>	<u>16.24</u>	<u>16.95</u>	<u>17.71</u>	<u>18.46</u>
	<u>Annually</u>	<u>32365</u>	<u>33779</u>	<u>35256</u>	<u>36837</u>	<u>38397</u>
<u>9</u>	<u>Hourly</u>	<u>16.60</u>	<u>17.46</u>	<u>18.32</u>	<u>19.23</u>	<u>20.21</u>
	<u>Annually</u>	<u>34528</u>	<u>36317</u>	<u>38106</u>	<u>39998</u>	<u>42037</u>
<u>10</u>	<u>Hourly</u>	<u>17.91</u>	<u>18.89</u>	<u>19.90</u>	<u>21.05</u>	<u>22.18</u>
	<u>Annually</u>	<u>37253</u>	<u>39291</u>	<u>41392</u>	<u>43784</u>	<u>46134</u>

<u>11</u>	<u>Hourly</u>	<u>19.50</u>	<u>20.64</u>	<u>21.84</u>	<u>23.06</u>	<u>24.38</u>
	<u>Annually</u>	<u>40560</u>	<u>42931</u>	<u>45427</u>	<u>47965</u>	<u>50710</u>
<u>12</u>	<u>Hourly</u>	<u>21.51</u>	<u>22.72</u>	<u>23.94</u>	<u>25.27</u>	<u>26.68</u>
	<u>Annually</u>	<u>44741</u>	<u>47258</u>	<u>49795</u>	<u>52562</u>	<u>55494</u>
<u>13</u>	<u>Hourly</u>	<u>23.71</u>	<u>25.01</u>	<u>26.39</u>	<u>27.80</u>	<u>29.36</u>
	<u>Annually</u>	<u>49317</u>	<u>52021</u>	<u>54891</u>	<u>57824</u>	<u>61069</u>
<u>14</u>	<u>Hourly</u>	<u>26.08</u>	<u>27.55</u>	<u>29.03</u>	<u>30.62</u>	<u>32.35</u>
	<u>Annually</u>	<u>54246</u>	<u>57304</u>	<u>60382</u>	<u>63690</u>	<u>67288</u>
<u>15</u>	<u>Hourly</u>	<u>28.64</u>	<u>30.25</u>	<u>31.96</u>	<u>33.72</u>	<u>35.59</u>
	<u>Annually</u>	<u>59571</u>	<u>62920</u>	<u>66477</u>	<u>70138</u>	<u>74027</u>
<u>16</u>	<u>Hourly</u>	<u>31.58</u>	<u>33.33</u>	<u>35.17</u>	<u>37.14</u>	<u>39.19</u>
	<u>Annually</u>	<u>65686</u>	<u>69326</u>	<u>73154</u>	<u>77251</u>	<u>81515</u>
<u>17</u>	<u>Hourly</u>	<u>34.80</u>	<u>36.72</u>	<u>38.78</u>	<u>40.92</u>	<u>43.20</u>
	<u>Annually</u>	<u>72384</u>	<u>76378</u>	<u>80662</u>	<u>85114</u>	<u>89856</u>
<u>18</u>	<u>Hourly</u>	<u>38.35</u>	<u>40.47</u>	<u>42.75</u>	<u>45.10</u>	<u>47.60</u>
	<u>Annually</u>	<u>79768</u>	<u>84178</u>	<u>88920</u>	<u>93808</u>	<u>99008</u>

Schedule E-2

	Range	Minimum	Maximum
<u>41</u>	<u>Hourly</u>	<u>16.23</u>	<u>32.46</u>
	<u>Annually</u>	<u>33758</u>	<u>67517</u>
<u>42</u>	<u>Hourly</u>	<u>17.89</u>	<u>35.86</u>
	<u>Annually</u>	<u>37211</u>	<u>74589</u>
<u>43</u>	<u>Hourly</u>	<u>19.70</u>	<u>39.49</u>
	<u>Annually</u>	<u>40976</u>	<u>82139</u>
<u>44</u>	<u>Hourly</u>	<u>21.73</u>	<u>43.13</u>
	<u>Annually</u>	<u>45198</u>	<u>89710</u>
<u>45</u>	<u>Hourly</u>	<u>24.01</u>	<u>47.09</u>
	<u>Annually</u>	<u>49941</u>	<u>97947</u>
<u>46</u>	<u>Hourly</u>	<u>26.43</u>	<u>51.46</u>
	<u>Annually</u>	<u>54974</u>	<u>107037</u>
<u>47</u>	<u>Hourly</u>	<u>29.14</u>	<u>56.16</u>
	<u>Annually</u>	<u>60611</u>	<u>116813</u>
<u>48</u>	<u>Hourly</u>	<u>32.14</u>	<u>61.29</u>
	<u>Annually</u>	<u>66851</u>	<u>127483</u>
<u>49</u>	<u>Hourly</u>	<u>35.44</u>	<u>66.18</u>
	<u>Annually</u>	<u>73715</u>	<u>137654</u>
<u>41</u>	<u>Hourly</u>	<u>16.23</u>	<u>34.77</u>
	<u>Annually</u>	<u>33758</u>	<u>72322</u>
<u>42</u>	<u>Hourly</u>	<u>17.89</u>	<u>38.41</u>
	<u>Annually</u>	<u>37211</u>	<u>79893</u>

<u>43</u>	<u>Hourly</u>	<u>19.70</u>	<u>42.30</u>
	<u>Annually</u>	<u>40976</u>	<u>87984</u>
<u>44</u>	<u>Hourly</u>	<u>21.73</u>	<u>46.21</u>
	<u>Annually</u>	<u>45198</u>	<u>96117</u>
<u>45</u>	<u>Hourly</u>	<u>24.01</u>	<u>50.44</u>
	<u>Annually</u>	<u>49941</u>	<u>104915</u>
<u>46</u>	<u>Hourly</u>	<u>26.43</u>	<u>55.13</u>
	<u>Annually</u>	<u>54974</u>	<u>114670</u>
<u>47</u>	<u>Hourly</u>	<u>29.14</u>	<u>60.16</u>
	<u>Annually</u>	<u>60611</u>	<u>125133</u>
<u>48</u>	<u>Hourly</u>	<u>32.14</u>	<u>65.65</u>
	<u>Annually</u>	<u>66851</u>	<u>136552</u>
<u>49</u>	<u>Hourly</u>	<u>35.44</u>	<u>70.89</u>
	<u>Annually</u>	<u>73715</u>	<u>147451</u>

(C) ~~Beginning on the first day of the pay period that includes July 1, 2005, each exempt employee who must be paid in accordance with schedule E-1 or schedule E-2 of this section shall be paid a salary or wage in accordance with the following schedule of rates:~~

Schedule E-1

		Pay Ranges and Step Values					
	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
1	Hourly	9.13	9.53	9.94	10.37		
	Annually	18990	19822	20675	21570		
2	Hourly	11.07	11.53	12.04	12.56		
	Annually	23026	23982	25043	26125		
3	Hourly	11.59	12.12	12.65	13.20		
	Annually	24107	25210	26312	27456		
4	Hourly	12.17	12.72	13.32	13.92		
	Annually	25314	26458	27706	28954		
5	Hourly	12.77	13.35	13.92	14.53		
	Annually	26562	27768	28954	30222		
6	Hourly	13.46	14.01	14.63	15.23		
	Annually	27997	29141	30430	31678		
7	Hourly	14.29	14.83	15.42	15.96	16.58	
	Annually	29723	30846	32074	33197	34486	
8	Hourly	15.11	15.77	16.46	17.19	17.92	
	Annually	31429	32802	34237	35755	37274	
9	Hourly	16.12	16.95	17.79	18.67	19.62	
	Annually	33530	35256	37003	38834	40810	

10	Hourly	17.39	18.34	19.32	20.44	21.53
	Annually	36171	38147	40186	42515	44782
11	Hourly	18.93	20.04	21.20	22.39	23.67
	Annually	39374	41683	44096	46571	49234
12	Hourly	20.88	22.06	23.24	24.53	25.90
	Annually	43430	45885	48339	51022	53872
13	Hourly	23.02	24.28	25.62	26.99	28.50
	Annually	47882	50502	53290	56139	59280
14	Hourly	25.32	26.75	28.18	29.73	31.41
	Annually	52666	55640	58614	61838	65333
15	Hourly	27.81	29.37	31.03	32.74	34.55
	Annually	57845	61090	64542	68099	71864
16	Hourly	30.66	32.36	34.15	36.06	38.05
	Annually	63773	67309	71032	75005	79144
17	Hourly	33.79	35.65	37.65	39.73	41.94
	Annually	70283	74152	78312	82638	87235
18	Hourly	37.23	39.29	41.50	43.79	46.21
	Annually	77438	81723	86320	91083	96117

Schedule E-2

	Range	Minimum	Maximum
41	Hourly	16.23	33.76
	Annually	33758	70221
42	Hourly	17.89	37.29
	Annually	37211	77563
43	Hourly	19.70	41.07
	Annually	40976	85426
44	Hourly	21.73	44.86
	Annually	45198	93309
45	Hourly	24.01	48.97
	Annually	49941	101858
46	Hourly	26.43	53.52
	Annually	54974	111322
47	Hourly	29.14	58.41
	Annually	60611	121493
48	Hourly	32.14	63.74
	Annually	66851	132579
49	Hourly	35.44	68.83
	Annually	73715	143166

(D) Beginning on the first day of the pay period that includes July 1, 2003 2006, each exempt employee who must be paid in accordance with

schedule E-1 for step seven only shall be paid a salary or wage in accordance with the following schedule of rates:

Schedule E-1 for Step Seven Only

Pay Ranges and Step Seven Values

	Range	
12	Hourly	27.71
	Annually	57637
13	Hourly	30.49
	Annually	63419
14	Hourly	33.62
	Annually	69930
15	Hourly	36.98
	Annually	76918
16	Hourly	40.80
	Annually	84864
17	Hourly	44.93
	Annually	93454
18	Hourly	49.50
	Annually	102960

~~(E) Beginning on the first day of the pay period that includes July 1, 2005, each exempt employee who must be paid in accordance with schedule E-1 for step seven only shall be paid a salary or wage in accordance with the following schedule of rates:~~

~~Schedule E-1 for Step Seven Only~~

~~Pay Ranges and Step Seven Values~~

	Range	
12	Hourly	28.82
	Annually	59946
13	Hourly	31.71
	Annually	65957
14	Hourly	34.96
	Annually	72717
15	Hourly	38.46
	Annually	79997
16	Hourly	42.43
	Annually	88254
17	Hourly	46.73
	Annually	97198
18	Hourly	51.48
	Annually	107078

<u>12</u>	<u>Hourly</u>	<u>29.68</u>
	<u>Annually</u>	<u>61734</u>
<u>13</u>	<u>Hourly</u>	<u>32.66</u>
	<u>Annually</u>	<u>67933</u>
<u>14</u>	<u>Hourly</u>	<u>36.01</u>
	<u>Annually</u>	<u>74901</u>
<u>15</u>	<u>Hourly</u>	<u>39.61</u>
	<u>Annually</u>	<u>82389</u>
<u>16</u>	<u>Hourly</u>	<u>43.70</u>
	<u>Annually</u>	<u>90896</u>
<u>17</u>	<u>Hourly</u>	<u>48.13</u>
	<u>Annually</u>	<u>100110</u>
<u>18</u>	<u>Hourly</u>	<u>53.02</u>
	<u>Annually</u>	<u>110282</u>

(~~F~~)(D) As used in this section, "exempt employee" means a permanent full-time or permanent part-time employee paid directly by warrant of the ~~auditor of state~~ director of budget and management whose position is included in the job classification plan established under division (A) of section 124.14 of the Revised Code but who is not considered a public employee for the purposes of Chapter 4117. of the Revised Code. As used in this section, "exempt employee" also includes a permanent full-time or permanent part-time employee of the secretary of state, auditor of state, treasurer of state, or attorney general who has not been placed in an appropriate bargaining unit by the state employment relations board.

Sec. 124.18. (A) Forty hours shall be the standard work week for all employees whose salary or wage is paid in whole or in part by the state or by any state-supported college or university. When any employee whose salary or wage is paid in whole or in part by the state or by any state-supported college or university is required by an authorized administrative authority to be in an active pay status more than forty hours in any calendar week, the employee shall be compensated for such time over forty hours, except as otherwise provided in this section, at one and one-half times the employee's regular rate of pay. The use of sick leave or any leave used in lieu of sick leave shall not be considered to be active pay status for the purposes of earning overtime or compensatory time by employees whose wages are paid directly by warrant of the ~~auditor of state~~ director of budget and management. A flexible-hours employee is not entitled to compensation for overtime work unless the employee's authorized administrative authority required the employee to be in active pay status for more than forty hours in a calendar week, regardless of the number of hours the employee works on

any day in the same calendar week.

Such compensation for overtime work shall be paid no later than at the conclusion of the next succeeding pay period.

If the employee elects to take compensatory time off in lieu of overtime pay for any overtime worked, such compensatory time shall be granted by the employee's administrative superior, on a time and one-half basis, at a time mutually convenient to the employee and the administrative superior. ~~An~~ Compensatory time is not available for use until it appears on the employee's earning statement and the compensation described in the earning statement is available to the employee.

An employee may accrue compensatory time to a maximum of two hundred forty hours, except that public safety employees and other employees who meet the criteria established in the "Federal Fair Labor Standards Act of 1938," 52 Stat. 1060, 29 U.S.C.A. 207, 213, as amended, may accrue a maximum of four hundred eighty hours of compensatory time. An employee shall be paid at the employee's regular rate of pay for any hours of compensatory time accrued in excess of these maximum amounts if the employee has not used the compensatory time within one hundred eighty days after it is granted, if the employee transfers to another agency of the state, or if a change in the employee's status exempts the employee from the payment of overtime compensation. Upon the termination of employment, any employee with accrued but unused compensatory time shall be paid for that time at a rate that is the greater of the employee's final regular rate of pay or the employee's average regular rate of pay during the employee's last three years of employment with the state.

No overtime, as described in this section, can be paid unless it has been authorized by the authorized administrative authority. Employees may be exempted from the payment of compensation as required by this section only under the criteria for exemption from the payment of overtime compensation established in the "Federal Fair Labor Standards Act of 1938," 52 Stat. 1060, 29 U.S.C.A. 207, 213, as amended. With the approval of the director of administrative services, the appointing authority may establish a policy to grant compensatory time or to pay compensation to state employees who are exempt from overtime compensation. With the approval of the board of county commissioners, a county human services department may establish a policy to grant compensatory time or to pay compensation to employees of the department who are exempt from overtime compensation.

(B)(1) An employee, whose salary or wage is paid in whole or in part by the state, shall be paid for the holidays declared in section 124.19 of the

Revised Code and shall not be required to work on those holidays, unless, in the opinion of the employee's responsible administrative authority, failure to work on those holidays would impair the public service. An employee paid directly by warrant of the ~~auditor of state~~ director of budget and management who is scheduled to work on a holiday and who does not report to work the day before, the day of, or the day after the holiday due to an illness of the employee or of a member of the employee's immediate family shall not receive holiday pay as provided by this division, unless the employee can provide documentation of extenuating circumstances that prohibited the employee from so reporting to work. An employee also shall not be paid for a holiday unless the employee was in active pay status on the scheduled work day immediately preceding the holiday.

(2) If any of the holidays declared in section 124.19 of the Revised Code falls on Saturday, the Friday immediately preceding shall be observed as the holiday. If any of the holidays declared in section 124.19 of the Revised Code falls on Sunday, the Monday immediately succeeding shall be observed as the holiday. Employees whose work schedules are based on the requirements of a seven-days-a-week work operation shall observe holidays on the actual days specified in section 124.19 of the Revised Code.

(3) If an employee's work schedule is other than Monday through Friday, the employee shall be entitled to eight hours of holiday pay for holidays observed on the employee's day off regardless of the day of the week on which they are observed. ~~A~~

(4) ~~A~~ full-time permanent employee is entitled to a minimum of eight hours of pay for each holiday regardless of the employee's work shift and work schedule. A flexible-hours employee is entitled to holiday pay for the number of hours for which the employee normally would have been scheduled to work, who is normally scheduled to work in excess of eight hours on a day on which a holiday falls, either shall be required to work an alternate schedule for that week or shall receive additional holiday pay for the hours the employee is normally scheduled to work. Such an alternate schedule may require a flexible-hours employee to work five shifts consisting of eight hours each during the week including the holiday, and, in that case, the employee shall receive eight hours of holiday pay for the day the holiday is observed. ~~Part-time~~

(5) ~~Part-time~~ permanent employees shall ~~be paid~~ receive holiday pay ~~for that portion of any holiday for which they would normally have been scheduled to work on a pro-rated basis, based upon the daily average of actual hours worked, excluding overtime hours worked, in the previous calendar quarter. The figure shall be calculated for the preceding calendar~~

quarter on the first day of January, April, July, and October of each year.
~~When~~

(6) When an employee who is eligible for overtime pay under this section is required by the employee's responsible administrative authority to work on the day observed as a holiday, the employee shall be entitled to pay for such time worked at one and one-half times the employee's regular rate of pay in addition to the employee's regular pay, or to be granted compensatory time off at time and one-half thereafter, at the employee's option. Payment at such rate shall be excluded in the calculation of hours in active pay status.

(C) Each appointing authority may designate the number of employees in an agency who are flexible-hours employees. The appointing authority may establish for each flexible-hours employee a specified minimum number of hours to be worked each day that is consistent with the "Federal Fair Labor Standards Act of 1938," 52 Stat. 1060, 29 U.S.C.A. 207, 213, as amended.

(D) This section shall be uniformly administered for employees as defined in section 124.01 of the Revised Code and by the personnel departments of state-supported colleges and universities for employees of state-supported colleges and universities. If employees are not paid directly by warrant of the ~~auditor of state~~ director of budget and management, the political subdivision shall determine whether the use of sick leave shall be considered to be active pay status for purposes of those employees earning overtime or compensatory time.

(E) Policies relating to the payment of overtime pay or the granting of compensatory time off shall be adopted by the chief administrative officer of the house of representatives for employees of the house of representatives, by the clerk of the senate for employees of the senate, and by the director of the legislative service commission for all other legislative employees.

(F) As used in this section, "regular rate of pay" means the base rate of pay an employee receives plus any pay supplements received pursuant to section 124.181 of the Revised Code.

Sec. 124.181. (A) Except as provided in division (M) of this section, any employee paid in accordance with schedule B of section 124.15 or schedule E-1 or schedule E-1 for step seven only of section 124.152 of the Revised Code is eligible for the pay supplements provided in this section upon application by the appointing authority substantiating the employee's qualifications for the supplement and with the approval of the director of administrative services except as provided in division (E) of this section.

(B)(1) Except as provided in section 124.183 of the Revised Code, in

computing any of the pay supplements provided in this section for an employee paid in accordance with schedule B of section 124.15 of the Revised Code, the classification salary base shall be the minimum hourly rate of the pay range, provided in that section, in which the employee is assigned at the time of computation.

(2) Except as provided in section 124.183 of the Revised Code, in computing any of the pay supplements provided in this section for an employee paid in accordance with schedule E-1 of section 124.152 of the Revised Code, the classification salary base shall be the minimum hourly rate of the pay range, provided in that section, in which the employee is assigned at the time of computation.

(3) Except as provided in section 124.183 of the Revised Code, in computing any of the pay supplements provided in this section for an employee paid in accordance with schedule E-1 for step seven only of section 124.152 of the Revised Code, the classification salary base shall be the minimum hourly rate in the corresponding pay range, provided in schedule E-1 of that section, to which the employee is assigned at the time of the computation.

(C) The effective date of any pay supplement, except as provided in section 124.183 of the Revised Code or unless otherwise provided in this section, shall be determined by the director.

(D) The director shall, by rule, establish standards regarding the administration of this section.

(E)(1) Except as otherwise provided in this division, beginning on the first day of the pay period within which the employee completes five years of total service with the state government or any of its political subdivisions, each employee in positions paid in accordance with schedule B of section 124.15 of the Revised Code or in accordance with schedule E-1 or schedule E-1 for step seven only of section 124.152 of the Revised Code shall receive an automatic salary adjustment equivalent to two and one-half per cent of the classification salary base, to the nearest whole cent. Each employee shall receive thereafter an annual adjustment equivalent to one-half of one per cent of the employee's classification salary base, to the nearest whole cent, for each additional year of qualified employment until a maximum of ten per cent of the employee's classification salary base is reached. The granting of longevity adjustments shall not be affected by promotion, demotion, or other changes in classification held by the employee, nor by any change in pay range for the employee's class or grade. Longevity pay adjustments shall become effective at the beginning of the pay period within which the employee completes the necessary length of service, except that when an

employee requests credit for prior service, the effective date of the prior service credit and of any longevity adjustment shall be the first day of the pay period following approval of the credit by the director of administrative services. No employee, other than an employee who submits proof of prior service within ninety days after the date of the employee's hiring, shall receive any longevity adjustment for the period prior to the director's approval of a prior service credit. Time spent on authorized leave of absence shall be counted for this purpose.

(2) An employee who has retired in accordance with the provisions of any retirement system offered by the state and who is employed by the state or any political subdivision of the state on or after June 24, 1987, shall not have prior service with the state or any political subdivision of the state counted for the purpose of determining the amount of the salary adjustment provided under this division.

(3) There shall be a moratorium on employees' receipt under this division of credit for service with the state government or any of its political subdivisions during the period from July 1, 2003, through June 30, 2005. In calculating the number of years of total service under this division, no credit shall be included for service during the moratorium. The moratorium shall apply to the employees of the secretary of state, the auditor of state, the treasurer of state, and the attorney general, who are subject to this section unless the secretary of state, the auditor of state, the treasurer of state, or the attorney general decides to exempt the office's employees from the moratorium and so notifies the director of administrative services in writing on or before July 1, 2003.

If an employee is exempt from the moratorium, receives credit for a period of service during the moratorium, and takes a position with another entity in the state government or any of its political subdivisions, either during or after the moratorium, and if that entity's employees are or were subject to the moratorium, the employee shall continue to retain the credit. However, if the moratorium is in effect upon the taking of the new position, the employee shall cease receiving additional credit as long as the employee is in the position, until the moratorium expires.

(F) When an exceptional condition exists that creates a temporary or a permanent hazard for one or more positions in a class paid in accordance with schedule B of section 124.15 of the Revised Code or in accordance with schedule E-1 or schedule E-1 for step seven only of section 124.152 of the Revised Code, a special hazard salary adjustment may be granted for the time the employee is subjected to the hazardous condition. All special hazard conditions shall be identified for each position and incidence from

information submitted to the director on an appropriate form provided by the director and categorized into standard conditions of: some unusual hazard not common to the class; considerable unusual hazard not common to the class; and exceptional hazard not common to the class.

(1) A hazardous salary adjustment of five per cent of the employee's classification salary base may be applied in the case of some unusual hazardous condition not common to the class for those hours worked, or a fraction of those hours worked, while the employee was subject to the unusual hazard condition.

(2) A hazardous salary adjustment of seven and one-half per cent of the employee's classification salary base may be applied in the case of some considerable hazardous condition not common to the class for those hours worked, or a fraction of those hours worked, while the employee was subject to the considerable hazard condition.

(3) A hazardous salary adjustment of ten per cent of the employee's classification salary base may be applied in the case of some exceptional hazardous condition not common to the class for those hours worked, or a fraction of those hours worked, when the employee was subject to the exceptional hazard condition.

(4) Each claim for temporary hazard pay shall be submitted as a separate payment and shall be subject to an administrative audit by the director as to the extent and duration of the employee's exposure to the hazardous condition.

(G) When a full-time employee whose salary or wage is paid directly by warrant of the ~~auditor of state~~ director of budget and management and who also is eligible for overtime under the "Fair Labor Standards Act of 1938," 52 Stat. 1060, 29 U.S.C.A. 207, 213, as amended, is ordered by the appointing authority to report back to work after termination of the employee's regular work schedule and the employee reports, the employee shall be paid for such time. The employee shall be entitled to four hours at the employee's total rate of pay or overtime compensation for the actual hours worked, whichever is greater. This division does not apply to work that is a continuation of or immediately preceding an employee's regular work schedule.

(H) When a certain position or positions paid in accordance with schedule B of section 124.15 of the Revised Code or in accordance with schedule E-1 or schedule E-1 for step seven only of section 124.152 of the Revised Code require the ability to speak or write a language other than English, a special pay supplement may be granted to attract bilingual individuals, to encourage present employees to become proficient in other

languages, or to retain qualified bilingual employees. The bilingual pay supplement provided in this division may be granted in the amount of five per cent of the employee's classification salary base for each required foreign language and shall remain in effect as long as the bilingual requirement exists.

(I) The director of administrative services may establish a shift differential for employees. The differential shall be paid to employees in positions working in other than the regular or first shift. In those divisions or agencies where only one shift prevails, no shift differential shall be paid regardless of the hours of the day that are worked. The director and the appointing authority shall designate which positions shall be covered by this division.

(J) Whenever an employee is assigned to work in a higher level position for a continuous period of more than two weeks but no more than two years because of a vacancy, the employee's pay may be established at a rate that is approximately four per cent above the employee's current base rate for the period the employee occupies the position, provided that this temporary occupancy is approved by the director. Employees paid under this division shall continue to receive any of the pay supplements due them under other divisions of this section based on the step one base rate for their normal classification.

(K) If a certain position, or positions, within a class paid in accordance with schedule B of section 124.15 of the Revised Code or in accordance with schedule E-1 or schedule E-1 for step seven only of section 124.152 of the Revised Code are mandated by state or federal law or regulation or other regulatory agency or other certification authority to have special technical certification, registration, or licensing to perform the functions which are under the mandate, a special professional achievement pay supplement may be granted. This special professional achievement pay supplement shall not be granted when all incumbents in all positions in a class require a license as provided in the classification description published by the department of administrative services; to licensees where no special or extensive training is required; when certification is granted upon completion of a stipulated term of in-service training; when an appointing authority has required certification; or any other condition prescribed by the director.

(1) Before this supplement may be applied, evidence as to the requirement must be provided by the agency for each position involved, and certification must be received from the director as to the director's concurrence for each of the positions so affected.

(2) The professional achievement pay supplement provided in this

division shall be granted in an amount up to ten per cent of the employee's classification salary base and shall remain in effect as long as the mandate exists.

(L) Those employees assigned to teaching supervisory, principal, assistant principal, or superintendent positions who have attained a higher educational level than a basic bachelor's degree may receive an educational pay supplement to remain in effect as long as the employee's assignment and classification remain the same.

(1) An educational pay supplement of two and one-half per cent of the employee's classification salary base may be applied upon the achievement of a bachelor's degree plus twenty quarter hours of postgraduate work.

(2) An educational pay supplement of an additional five per cent of the employee's classification salary base may be applied upon achievement of a master's degree.

(3) An educational pay supplement of an additional two and one-half per cent of the employee's classification salary base may be applied upon achievement of a master's degree plus thirty quarter hours of postgraduate work.

(4) An educational pay supplement of five per cent of the employee's classification salary base may be applied when the employee is performing as a master teacher.

(5) An educational pay supplement of five per cent of the employee's classification salary base may be applied when the employee is performing as a special education teacher.

(6) Those employees in teaching supervisory, principal, assistant principal, or superintendent positions who are responsible for specific extracurricular activity programs shall receive overtime pay for those hours worked in excess of their normal schedule, at their straight time hourly rate up to a maximum of five per cent of their regular base salary in any calendar year.

(M)(1) A state agency, board, or commission may establish a supplementary compensation schedule for those licensed physicians employed by the agency, board, or commission in positions requiring a licensed physician. The supplementary compensation schedule, together with the compensation otherwise authorized by this chapter, shall provide for the total compensation for these employees to range appropriately, but not necessarily uniformly, for each classification title requiring a licensed physician, in accordance with a schedule approved by the state controlling board. The individual salary levels recommended for each such physician employed shall be approved by the director. Notwithstanding section 124.11

of the Revised Code, such personnel are in the unclassified civil service.

(2) The director of administrative services may approve supplementary compensation for the director of health, if the director is a licensed physician, in accordance with a supplementary compensation schedule approved under division (M)(1) of this section or in accordance with another supplementary compensation schedule the director of administrative services considers appropriate. The supplementary compensation shall not exceed twenty per cent of the director of health's base rate of pay.

(N) Notwithstanding sections 117.28, 117.30, 117.33, 117.36, 117.42, and 131.02 of the Revised Code, the state shall not institute any civil action to recover and shall not seek reimbursement for overpayments made in violation of division (E) of this section or division (C) of section 9.44 of the Revised Code for the period starting after June 24, 1987, and ending on October 31, 1993.

(O) Employees of the office of the treasurer of state who are exempt from collective bargaining coverage may be granted a merit pay supplement of up to one and one-half per cent of their step rate. The rate at which this supplement is granted shall be based on performance standards established by the treasurer of state. Any supplements granted under this division shall be administered on an annual basis.

Sec. 124.182. (A) There is hereby created in the state treasury the professional development fund. The director of administrative services shall use moneys credited to the fund to pay for programs that provide professional development opportunities for employees who are exempt from collective bargaining coverage and paid by warrant of the ~~auditor of state~~ director of budget and management. The director of administrative services shall identify by rule adopted under Chapter 119. of the Revised Code programs for which payments from the fund shall be made. The fund also shall be used to pay any direct and indirect costs that are attributable to consultants or a third-party administrator and that are necessary to administer this section. All investment earnings of the fund shall be credited to it.

(B) The director of administrative services, in consultation with the director of budget and management, shall determine a rate at which the payrolls of all participating state agencies with employees paid by warrant of the ~~auditor of state~~ director of budget and management shall be charged each pay period that is sufficient to cover the costs of administering the programs paid for with the moneys credited to the professional development fund. The rate shall be based on the total number of those employees and may be adjusted as the director of administrative services, in consultation

with the director of budget and management, considers necessary. All moneys collected from the charge shall be credited to the professional development fund.

(C) If the director of administrative services determines that additional appropriation amounts are necessary, the director may request that the director of budget and management increase the appropriation amounts. The additional appropriation amounts are hereby appropriated.

Sec. 124.321. (A) Whenever it becomes necessary for an appointing authority to reduce its work force, the appointing authority shall lay off employees or abolish their positions in accordance with sections 124.321 to 124.327 of the Revised Code and the rules of the director of administrative services.

(B)(1) Employees may be laid off as a result of a lack of funds within an appointing authority. For appointing authorities that employ persons whose salary or wage is paid by warrant of the ~~auditor of state~~ director of budget and management, the director of budget and management shall be responsible for determining whether a lack of funds exists. For appointing authorities that employ persons whose salary or wage is paid other than by warrant of the ~~auditor of state~~ director of budget and management, the appointing authority itself shall determine whether a lack of funds exists and shall file a statement of rationale and supporting documentation with the director of administrative services prior to sending the layoff notice.

(2) As used in this division, a "lack of funds" means an appointing authority has a current or projected deficiency of funding to maintain current, or to sustain projected, levels of staffing and operations. This section does not require any transfer of money between funds in order to offset a deficiency or projected deficiency of federal funding for a program.

(3) The director of budget and management shall adopt rules, under Chapter 119. of the Revised Code, for agencies whose employees are paid by warrant of the ~~auditor of state~~ director of budget and management, for determining whether a lack of funds exists.

(C)(1) Employees may be laid off as a result of lack of work within an appointing authority. For appointing authorities whose employees are paid by warrant of the ~~auditor of state~~ director of budget and management, the director of administrative services shall determine whether a lack of work exists. All other appointing authorities shall themselves determine whether a lack of work exists and shall file a statement of rationale and supporting documentation with the director of administrative services prior to sending the layoff notice.

(2) As used in this division, a "lack of work" means an appointing

authority has a current or projected temporary decrease in the workload, expected to last less than one year, that requires a reduction of current or projected staffing levels. The determination of a lack of work shall indicate the current or projected temporary decrease in the workload of an appointing authority and whether the current or projected staffing levels of the appointing authority will be excessive.

(D)(1) Employees may be laid off as a result of abolishment of positions. As used in this division, "abolishment" means the deletion of a position or positions from the organization or structure of an appointing authority.

For purposes of this division, an appointing authority may abolish positions for any one or any combination of the following reasons: as a result of a reorganization for the efficient operation of the appointing authority, for reasons of economy, or for lack of work.

(2)(a) Reasons of economy permitting an appointing authority to abolish a position and to lay off the holder of that position under this division shall be determined at the time the appointing authority proposes to abolish the position. The reasons of economy shall be based on the appointing authority's estimated amount of savings with respect to salary, benefits, and other matters associated with the abolishment of the position, except that the reasons of economy associated with the position's abolishment instead may be based on the appointing authority's estimated amount of savings with respect to salary and benefits only, if:

(i) Either the appointing authority's operating appropriation has been reduced by an executive or legislative action, or the appointing authority has a current or projected deficiency in funding to maintain current or projected levels of staffing and operations; and

(ii) It files a notice of the position's abolishment with the director of administrative services within one year of the occurrence of the applicable circumstance described in division (D)(2)(a)(i) of this section.

(b) The following principles apply when a circumstance described in division (D)(2)(a)(i) of this section would serve to authorize an appointing authority to abolish a position and to lay off the holder of the position under this division based on the appointing authority's estimated amount of savings with respect to salary and benefits only:

(i) The position's abolishment shall be done in good faith and not as a subterfuge for discipline.

(ii) If a circumstance affects a specific program only, the appointing authority only may abolish a position within that program.

(iii) If a circumstance does not affect a specific program only, the

appointing authority may identify a position that it considers appropriate for abolishment based on the reasons of economy.

(3) Each appointing authority shall determine itself whether any position should be abolished and shall file a statement of rationale and supporting documentation with the director of administrative services prior to sending the notice of abolishment.

If an abolishment results in a reduction of the work force, the appointing authority shall follow the procedures for laying off employees, subject to the following modifications:

(a) The employee whose position has been abolished shall have the right to fill an available vacancy within the employee's classification.

(b) If the employee whose position has been abolished has more retention points than any other employee serving in the same classification, the employee with the fewest retention points shall be displaced.

(c) If the employee whose position has been abolished has the fewest retention points in the classification, the employee shall have the right to fill an available vacancy in a lower classification in the classification series.

(d) If the employee whose position has been abolished has the fewest retention points in the classification, the employee shall displace the employee with the fewest retention points in the next or successively lower classification in the classification series.

(E) Notwithstanding any contrary provision of the displacement procedure described in section 124.324 of the Revised Code for employees to displace other employees during a layoff, the director of administrative services may establish a paper lay-off process under which employees who are to be laid off or displaced may be required, before the date of their paper layoff, to preselect their options for displacing other employees.

(F) The director of administrative services shall adopt rules under Chapter 119. of the Revised Code for the determination of lack of work within an appointing authority, for the abolishment of positions by an appointing authority, and for the implementation of this section.

Sec. 124.324. (A) A laid-off employee has the right to displace the employee with the fewest retention points in the classification from which the employee was laid off or in a lower or equivalent classification, in the following order:

(1) Within the classification from which the employee was laid off;

(2) Within the classification series from which the employee was laid off;

(3) Within a classification ~~which~~ that has the same or similar duties as the classification from which the employee was laid off, in accordance with

the list published by the director of administrative services under division (B)(2) of section 124.311 of the Revised Code;

(4) Within the classification the employee held immediately prior to holding the classification from which the employee was laid off.

Divisions (A)(3) and (4) of this section shall not apply to employees of cities, city health districts, and counties, except for employees of county departments of job and family services.

A laid-off employee in the classified service has the right to displace an employee with the fewest retention points in the classification that the laid-off employee held immediately prior to holding the classification from which the employee was laid off, if the laid-off employee was certified in the former classification. If a position in that classification does not exist, ~~then~~ the employee may displace employees in the classification that the employee next previously held, and so on, subject to the same provisions. The employee may not displace employees in a classification if the employee does not meet the minimum qualifications of the classification; or if the employee held the classification more than five years prior to the date on which the employee was laid off, except that failure to meet minimum qualifications shall not prevent the employee from displacing employees in the classification that the employee next previously held within that five-year period.

If, after exercising displacement rights, an employee is subject to further layoff action, the employee's displacement rights shall be in accordance with the classification from which the employee was first laid off.

The director shall verify the calculation of the retention points of all employees in an affected classification in accordance with section 124.325 of the Revised Code.

(B) Following the order of layoff, an employee laid off in the classified civil service shall displace another employee within the same appointing authority or independent institution and layoff jurisdiction in the following manner:

(1) Each laid-off employee possessing more retention points shall displace the employee with the fewest retention points in the next lower classification or successively lower classification in the same classification series; except that a laid-off provisional employee shall not have the right to displace a certified employee;

(2) Any employee displaced by an employee possessing more retention points shall displace the employee with the fewest retention points in the next lower classification or successively lower classification in the same classification series; except that a displaced provisional employee shall not

displace a certified employee. This process shall continue, if necessary, until the employee with the fewest retention points in the lowest classification of the classification series of the same appointing authority or independent institution has been reached and, if necessary, laid off.

(C) Employees shall notify the appointing authority of their intention to exercise their displacement rights, within five days after receiving notice of layoff. This division does not apply if the director of administrative services has established a paper lay-off process pursuant to division (E) of section 124.321 of the Revised Code that includes a different notification requirement for employees exercising their displacement rights under that process.

(D) No employee shall displace an employee for whose position or classification there exists special minimum qualifications, as established by a position description, by classification specifications, or by bona fide occupational qualification, unless the employee desiring to displace another employee possesses the requisite minimum qualifications for the position or classification.

(E) If an employee exercising displacement rights must displace an employee in another county within the same layoff district, the displacement shall not be construed to be a transfer.

(F) The director of administrative services shall ~~promulgate~~ adopt rules, under Chapter 119. of the Revised Code, for the implementation of this section.

Sec. 124.327. (A) Employees who have been laid off or have, by virtue of exercising their ~~displacements~~ displacement rights, been displaced to a lower classification in their classification series, shall be placed on appropriate layoff lists. Those employees with the most retention points within each category of order of layoff, as established in section 124.323 of the Revised Code, shall be placed at the top of the layoff list to be followed by employees ranked in descending total retention order. Laid-off employees shall be placed on layoff lists for each classification in the classification series equal to or lower than the classification in which the employee was employed at the time of layoff.

(B) An employee who is laid off retains reinstatement rights in the agency from which the employee was laid off. Reinstatement rights continue for one year from the date of layoff. During this one-year period, in any layoff jurisdiction in which an appointing authority has an employee on a layoff list, the appointing authority shall not hire or promote anyone into a position within that classification until all laid-off persons on a layoff list for that classification who are qualified to perform the duties of the position are

reinstated or decline the position when it is offered.

(C) Each laid-off or displaced employee, in addition to reinstatement rights within the employee's appointing authority, shall have the right to reemployment with other agencies within the layoff jurisdiction, if the employee is qualified to perform the duties of the position, but only in the same classification from which the employee was initially laid off or displaced. Layoff lists for each appointing authority must be exhausted before jurisdictional reemployment layoff lists are used.

(D) Any employee accepting or declining reinstatement to the same classification and same appointment type from which the employee was laid off or displaced shall be removed from the appointing authority's layoff list.

(E) Any employee accepting or declining reemployment to the same classification and the same appointment type from which the employee was laid off or displaced shall be removed from the jurisdictional layoff list.

(F) An employee who does not exercise the option to displace under section 124.324 of the Revised Code shall only be entitled to reinstatement or reemployment in the classification from which the employee was displaced or laid off.

(G) An employee who declines reinstatement to a classification lower in the classification series than the classification from which the employee was laid off or displaced, shall thereafter only be entitled to reinstatement to a classification higher, up to and including the classification from which the employee was laid off or displaced, in the classification series than the classification that was declined.

(H) Any employee reinstated or reemployed under this section shall not serve a probationary period upon reinstatement or reemployment except that an employee laid off during an original or promotional probationary period shall begin a new probationary period.

(I) For the purposes of this section, employees whose salary or wage is not paid directly by warrant of the ~~auditor of state~~ director of budget and management shall be placed on layoff lists of their appointing authority only.

Sec. 124.382. (A) As used in this section and sections 124.383, 124.386, 124.387, and 124.388 of the Revised Code:

(1) ~~"Base pay period" means the pay period that includes the first day of December.~~

(2) "Pay period" means the fourteen-day period of time during which the payroll is accumulated, as determined by the director of administrative services.

(3)(2) "Active pay status" means the conditions under which an

employee is eligible to receive pay, and includes, but is not limited to, vacation leave, sick leave, personal leave, bereavement leave, and administrative leave.

~~(4)~~(3) "No pay status" means the conditions under which an employee is ineligible to receive pay and includes, but is not limited to, leave without pay, leave of absence, and disability leave.

~~(5)~~(4) "Disability leave" means the leave granted pursuant to section 124.385 of the Revised Code.

~~(6)~~(5) "Full-time permanent employee" means an employee whose regular hours of duty total eighty hours in a pay period in a state agency and whose appointment is not for a limited period of time.

~~(7)~~(6) "Base rate of pay" means the rate of pay established under schedule B or C of section 124.15 of the Revised Code or under schedule E-1, schedule E-1 for step seven only, or schedule E-2 of section 124.152 of the Revised Code, plus any supplement provided under section 124.181 of the Revised Code, plus any supplements enacted into law which are added to schedule B or C of section 124.15 of the Revised Code or to schedule E-1, schedule E-1 for step seven only, or schedule E-2 of section 124.152 of the Revised Code.

~~(8)~~(7) "Part-time permanent employee" means an employee whose regular hours of duty total less than eighty hours in a pay period in a state agency and whose appointment is not for a limited period of time.

(B) Each full-time permanent and part-time permanent employee whose salary or wage is paid directly by warrant of the ~~auditor of state~~ director of budget and management shall be credited with sick leave of three and one-tenth hours for each completed eighty hours of service, excluding overtime hours worked. Sick leave is not available for use until it appears on the employee's earning statement and the compensation described in the earning statement is available to the employee.

(C) Any sick leave credit provided pursuant to division (B) of this section, remaining as of the last day of the pay period preceding the ~~next succeeding base pay period~~ first paycheck the employee receives in December, shall be converted pursuant to section 124.383 of the Revised Code.

(D) Employees may use sick leave, provided a credit balance is available, upon approval of the responsible administrative officer of the employing unit, for absence due to personal illness, pregnancy, injury, exposure to contagious disease that could be communicated to other employees, and illness, injury, or death in the employee's immediate family. When sick leave is used, it shall be deducted from the employee's credit on

the basis of absence from previously scheduled work in such increments of an hour and at such a compensation rate as the director of administrative services determines. The appointing authority of each employing unit may require an employee to furnish a satisfactory, signed statement to justify the use of sick leave.

If, after having utilized the credit provided by this section, an employee utilizes sick leave that was accumulated prior to November 15, 1981, compensation for such sick leave used shall be at a rate as the director determines.

(E)(1) The previously accumulated sick leave balance of an employee who has been separated from the public service, for which separation payments pursuant to section 124.384 of the Revised Code have not been made, shall be placed to the employee's credit upon the employee's reemployment in the public service, if the reemployment takes place within ten years of the date on which the employee was last terminated from public service.

(2) The previously accumulated sick leave balance of an employee who has separated from a school district shall be placed to the employee's credit upon the employee's appointment as an unclassified employee of the state department of education, if all of the following apply:

(a) The employee accumulated the sick leave balance while employed by the school district.

(b) The employee did not receive any separation payments for the sick leave balance.

(c) The employee's employment with the department takes place within ten years after the date on which the employee separated from the school district.

(F) An employee who transfers from one public agency to another shall be credited with the unused balance of the employee's accumulated sick leave.

(G) The director of administrative services shall establish procedures to uniformly administer this section. No sick leave may be granted to a state employee upon or after the employee's retirement or termination of employment.

Sec. 124.384. (A) Except as otherwise provided in this section, employees whose salaries or wages are paid by warrant of the ~~auditor of state~~ director of budget and management and who have accumulated sick leave under section 124.38 or 124.382 of the Revised Code shall be paid for a percentage of their accumulated balances, upon separation for any reason, including death but excluding retirement, at their last base rate of pay at the

rate of one hour of pay for every two hours of accumulated balances. An employee who retires in accordance with any retirement plan offered by the state shall be paid upon retirement for each hour of the employee's accumulated sick leave balance at a rate of fifty-five per cent of the employee's last base rate of pay.

An employee serving in a temporary work level or an interim appointment who elects to convert unused sick leave to cash shall do so at the base rate of pay of the employee's normal classification. If an employee dies, the employee's unused sick leave shall be paid in accordance with section 2113.04 of the Revised Code or to the employee's estate.

In order to be eligible for the payment authorized by this section, an employee shall have at least one year of state service and shall request all or a portion of such payment no later than three years after separation from state service. No person is eligible to receive all or a portion of the payment authorized by this section at any time later than three years after the person's separation from state service.

(B) Except as otherwise provided in this division, a person initially employed on or after July 5, 1987, by a state agency in which the employees' salaries or wages are paid directly by warrant of the ~~auditor of state~~ director of budget and management shall receive payment under this section only for sick leave accumulated while employed by state agencies in which the employees' salaries or wages are paid directly by warrant of the ~~auditor of state~~ director of budget and management. A person initially employed on or after July 5, 1987, by the state department of education as an unclassified employee shall receive payment under this section only for sick leave accumulated while employed by state agencies in which the employees' salaries or wages are paid directly by warrant of the ~~auditor of state~~ director of budget and management and for sick leave placed to the employee's credit under division (E)(2) of section 124.382 of the Revised Code.

(C) For employees paid in accordance with section 124.152 of the Revised Code and those employees listed in divisions (B)(2) and (4) of section 124.14 of the Revised Code, the director of administrative services, with the approval of the director of ~~the office of~~ budget and management, may establish a plan for early payment of accrued sick leave and vacation leave.

Sec. 124.386. (A) Each full-time permanent employee paid in accordance with section 124.152 of the Revised Code and those full-time permanent employees listed in divisions (B)(2) and (4) of section 124.14 of the Revised Code shall be credited with thirty-two hours of personal leave

each year. Each part-time permanent employee paid in accordance with section 124.152 of the Revised Code, and those part-time permanent employees listed in divisions (B)(2) and (4) of section 124.14 of the Revised Code, shall receive a pro-rated personal leave credit as determined by rule of the director of administrative services. Such credit shall be made to each eligible employee in the first pay the employee receives in December. Employees, upon giving reasonable notice to the responsible administrative officer of the appointing authority, may use personal leave for absence due to mandatory court appearances, legal or business matters, family emergencies, unusual family obligations, medical appointments, weddings, religious holidays not listed in section 124.19 of the Revised Code, or any other matter of a personal nature. Personal leave may not be used on a holiday when an employee is scheduled to work.

Personal leave is not available for use until it appears on the employee's earning statement and the compensation described in the earning statement is available to the employee.

(B) When personal leave is used, it shall be deducted from the unused balance of the employee's personal leave on the basis of absence in such increments of an hour as the director of administrative services determines. Compensation for such leave shall be equal to the employee's base rate of pay.

(C) A newly appointed full-time permanent employee or a nonfull-time employee who receives a full-time permanent appointment shall be credited with personal leave of thirty-two hours, less one and two-tenths hours for each pay period that has elapsed following ~~the base pay period~~ the first paycheck the employee receives in December, until the first day of the pay period during which the appointment was effective.

(D) The director of administrative services shall allow employees to elect one of the following options with respect to the unused balance of personal leave:

(1) Carry forward the balance. The maximum credit that shall be available to an employee at any one time is forty hours.

(2) Convert the balance to accumulated sick leave, to be used in the manner provided by section 124.382 of the Revised Code;

(3) Receive a cash benefit. The cash benefit shall equal one hour of the employee's base rate of pay for every hour of unused credit that is converted. An employee serving in a temporary work level or an interim appointment who elects to convert unused personal leave to cash shall do so at the base rate of pay of the employee's normal classification. Such cash benefit shall not be subject to contributions to any of the retirement systems,

either by the employee or the employer.

(E) A full-time permanent employee who separates from state service or becomes ineligible to be credited with leave under this section shall receive a reduction of personal leave credit of one and two-tenths hours for each pay period that remains beginning with the first pay period following the date of separation or the effective date of the employee's ineligibility until the pay period preceding the next base pay period. After calculation of the reduction of an employee's personal leave credit, the employee is entitled to compensation for any remaining personal leave credit at the employee's current base rate of pay. If the reduction results in a number of hours less than zero, the cash equivalent value of such number of hours shall be deducted from any compensation that remains payable to the employee, or from the cash conversion value of any vacation or sick leave that remains credited to the employee. An employee serving in a temporary work level or an interim appointment who is eligible to receive compensation under this section shall be compensated at the base rate of pay of the employee's normal classification.

(F) An employee who transfers from one public agency to another public agency in which the employee is eligible for the credit provided under this section shall be credited with the unused balance of personal leave.

(G) The director of administrative services shall establish procedures to uniformly administer this section. No personal leave may be granted to a state employee upon or after retirement or termination of employment.

Sec. 124.387. Each full-time permanent and part-time permanent employee whose salary or wage is paid directly by warrant of the ~~auditor of state~~ director of budget and management shall be granted three days of bereavement leave with pay upon the death of a member of the employee's immediate family. Compensation for bereavement leave shall be equal to the employee's base rate of pay.

Sec. 124.389. The director of administrative services may establish an employee exchange program for employees whose salary or wage is paid directly by warrant of the ~~auditor of state~~ director of budget and management. The director of administrative services shall adopt rules in accordance with Chapter 119. of the Revised Code to provide for the administration of the program.

Sec. 124.391. (A) As used in this section, "paid leave" means sick leave, personal leave, or vacation leave.

(B) The director of administrative services may establish a program under which an employee paid directly by warrant of the ~~auditor of state~~

director of budget and management may donate that employee's accrued but unused paid leave to another employee paid directly by warrant of the ~~auditor of state~~ director of budget and management who has no accrued but unused paid leave and who has a critical need for it because of circumstances such as a serious illness or the serious illness of a member of the employee's immediate family.

If the director of administrative services establishes a leave donation program under this division, the director shall adopt rules in accordance with Chapter 119. of the Revised Code to provide for the administration of the program. These rules shall include, but not be limited to, provisions that identify the circumstances under which leave may be donated and that specify the amount, types, and value of leave that may be donated.

(C) At the discretion of the appropriate legislative authority, a county may implement a leave donation program, as provided in this section, for all county agencies or for one or more designated agencies within the county.

Sec. 124.392. (A) As used in this section, "exempt employee" has the same meaning as in section 124.152 of the Revised Code.

(B) The director of administrative services may establish a voluntary cost savings program for exempt employees. The director shall adopt rules in accordance with Chapter 119. of the Revised Code to provide for the administration of the program.

Sec. 124.82. (A) Except as provided in division (D) of this section, the department of administrative services, in consultation with the superintendent of insurance, shall, in accordance with competitive selection procedures of Chapter 125. of the Revised Code, contract with an insurance company or a health plan in combination with an insurance company, authorized to do business in this state, for the issuance of a policy or contract of health, medical, hospital, dental, or surgical benefits, or any combination of those benefits, covering state employees who are paid directly by warrant of the ~~auditor of state~~ director of budget and management, including elected state officials. The department may fulfill its obligation under this division by exercising its authority under division (A)(2) of section 124.81 of the Revised Code.

(B) The department may, in addition, in consultation with the superintendent of insurance, negotiate and contract with health insuring corporations holding a certificate of authority under Chapter 1751. of the Revised Code, in their approved service areas only, for issuance of a contract or contracts of health care services, covering state employees who are paid directly by warrant of the ~~auditor of state~~ director of budget and management, including elected state officials. ~~Except for health insuring~~

~~corporations, no more than~~ The department may enter into contracts with one or more insurance carrier carriers or health plan shall be contracted with plans to provide the same plan of benefits, provided that:

(1) The amount of the premium or cost for such coverage contributed by the state, for an individual or for an individual and the individual's family, does not exceed that same amount of the premium or cost contributed by the state under division (A) of this section;

(2) The employee be permitted to exercise the option as to which plan the employee will select under division (A) or (B) of this section, at a time that shall be determined by the department;

(3) The health insuring corporations do not refuse to accept the employee, or the employee and the employee's family, if the employee exercises the option to select care provided by the corporations;

(4) The employee may choose participation in only one of the plans sponsored by the department;

(5) The director of health examines and certifies to the department that the quality and adequacy of care rendered by the health insuring corporations meet at least the standards of care provided by hospitals and physicians in that employee's community, who would be providing such care as would be covered by a contract awarded under division (A) of this section.

(C) All or any portion of the cost, premium, or charge for the coverage in divisions (A) and (B) of this section may be paid in such manner or combination of manners as the department determines and may include the proration of health care costs, premiums, or charges for part-time employees.

(D) Notwithstanding division (A) of this section, the department may provide benefits equivalent to those that may be paid under a policy or contract issued by an insurance company or a health plan pursuant to division (A) of this section.

(E) This section does not prohibit the state office of collective bargaining from entering into an agreement with an employee representative for the purposes of providing fringe benefits, including, but not limited to, hospitalization, surgical care, major medical care, disability, dental care, vision care, medical care, hearing aids, prescription drugs, group life insurance, sickness and accident insurance, group legal services or other benefits, or any combination of those benefits, to employees paid directly by warrant of the ~~auditor of state~~ director of budget and management through a jointly administered trust fund. The employer's contribution for the cost of the benefit care shall be mutually agreed to in the collectively bargained

agreement. The amount, type, and structure of fringe benefits provided under this division is subject to the determination of the board of trustees of the jointly administered trust fund. Notwithstanding any other provision of the Revised Code, competitive bidding does not apply to the purchase of fringe benefits for employees under this division when those benefits are provided through a jointly administered trust fund.

(F) Members of state boards or commissions may be covered by any policy, contract, or plan of benefits or services described in division (A) or (B) of this section. Board or commission members who are appointed for a fixed term and who are compensated on a per meeting basis, or paid only for expenses, or receive a combination of per diem payments and expenses shall pay the entire amount of the premiums, costs, or charges for that coverage.

Sec. 124.821. Each state agency shall pay the monthly enrollee premium for medical insurance coverage under Part B of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C. 1395j, as amended, for state employees and elected state officials who are employed by or serve in the agency, are paid directly by warrant of the ~~auditor of state~~ director of budget and management, are sixty-five years of age or older, and are participating in the program of health insurance for the aged under Title XVIII of the "Social Security Act," 79 Stat. 286, 42 U.S.C. 1395, as amended. The cost of the premiums shall not be deducted from any employee's or official's wage or salary.

The director of administrative services shall uniformly administer this section and shall, by rule, establish procedures for carrying out such administration.

Sec. 124.823. The department of administrative services shall establish a pilot program under which it includes medical savings accounts as part of any package of health care benefit options offered to state employees and state elected officials paid by warrant of the ~~auditor of state~~ director of budget and management. Except for the provisions in divisions (A) and (B) of section 3924.64 of the Revised Code concerning designation of an administrator, a medical savings account established as part of the program is subject to sections 3924.64 to 3924.74 of the Revised Code.

The department is not required to offer the medical savings account option to any state employee who is covered under a collective bargaining agreement entered into pursuant to Chapter 4117. of the Revised Code, but a medical savings account option may be part of a package of health care benefit options offered pursuant to a collective bargaining agreement. The department may limit enrollment in the medical savings account program and may require state employees enrolled in it to contribute to their medical

savings accounts. The department shall make both individual and family coverage available through the accounts. The program shall not increase the cost of providing health insurance to state employees. The department may end the program at any time not sooner than two years after it is established, except that the department may not end the program prior to providing six months' notice to the speaker of the house of representatives, president of the senate, minority leader of the house and minority leader of the senate, and the chairs of the standing committees of the senate and house of representatives with primary responsibility for health and insurance legislation.

A state employee who chooses the medical savings account option shall have any state health, medical, hospital, dental, surgical, and vision benefits for which the employee is eligible provided through the medical savings account. The department, under section 124.81 or 124.82 of the Revised Code, shall contract for or otherwise provide a high-deductible policy or contract through which those benefits can be paid.

The employee for whom a medical savings account is opened shall at the time the account is opened choose an administrator from a list of administrators designated by the department, one of which may be the insurer from which the department purchases the high-deductible policy or contract. If the employee fails to choose an administrator, the department shall designate an administrator.

If an elected state official whose term commenced prior to the establishment of the program elects to participate in the medical savings account program, participation shall commence at the beginning of the term following establishment of the program.

Sec. 124.84. (A) The department of administrative services, in consultation with the superintendent of insurance and subject to division (D) of this section, shall negotiate and contract with one or more insurance companies or health insuring corporations authorized to operate or do business in this state for the purchase of a policy of long-term care insurance covering all state employees who are paid directly by warrant of the ~~auditor of state~~ director of budget and management, including elected state officials. Any policy purchased under this division shall be negotiated and entered into in accordance with the competitive selection procedures specified in Chapter 125. of the Revised Code. As used in this section, "long-term care insurance" has the same meaning as in section 3923.41 of the Revised Code.

(B) Any elected state official or state employee paid directly by warrant of the ~~auditor of state~~ director of budget and management may elect to participate in any long-term care insurance policy purchased under division

(A) of this section. All or any portion of the premium charged may be paid by the state. Participation in the policy may include the dependents and family members of the elected state official or state employee.

If a participant in a long-term care insurance policy leaves employment, the participant and the participant's dependents and family members may, at their election, continue to participate in a policy established under this section. The manner of payment and the portion of premium charged the participant, dependent, and family member shall be established pursuant to division (E) of this section.

(C) Any long-term care insurance policy purchased under this section or section 124.841 or 145.581 of the Revised Code shall provide for all of the following with respect to the premiums charged for the policy:

(1) They shall be set at the entry age of the official or employee when first covered by the policy and shall not increase except as a class during coverage under the policy.

(2) They shall be based on the class of all officials or employees covered by the policy.

(3) They shall continue, pursuant to section 145.581 of the Revised Code, after the retirement of the official or employee who is covered under the policy, at the rate in effect on the date of the official's or employee's retirement.

(D) Prior to entering into a contract with an insurance company or health insuring corporation for the purchase of a long-term care insurance policy under this section, the department shall request the superintendent of insurance to certify the financial condition of the company or corporation. The department shall not enter into the contract if, according to that certification, the company or corporation is insolvent, is determined by the superintendent to be potentially unable to fulfill its contractual obligations, or is placed under an order of rehabilitation or conservation by a court of competent jurisdiction or under an order of supervision by the superintendent.

(E) The department shall adopt rules in accordance with section 111.15 of the Revised Code governing long-term care insurance purchased under this section. All or any portion of the premium charged the participants, dependents, and family members shall be paid in such manner or combination of manners as the department determines.

Sec. 124.87. (A) There is hereby established in the state treasury the state employee health benefit fund for the sole purpose of enabling the department of administrative services to provide state employees with any benefits specified in division (A) of section 124.82 of the Revised Code.

(B) The fund shall be under the supervision of the department. The department shall be responsible, under approved bonds, for all moneys coming into, and paid out of, the fund in accordance with this section and shall ensure that the fund is actuarially sound. Amounts from the fund may be used to pay direct and indirect costs that are attributable to consultants or ~~a third-party administrator~~ administrators and that are necessary to administer this section.

(C) In carrying out its duties and responsibilities, the department shall do the following:

(1) Adopt rules with regard to the administration of the fund;

(2) With respect to benefits specified in division (A) of section 124.82 of the Revised Code, enter into a contract with a company authorized to do the business of sickness and accident insurance under Title XXXIX of the Revised Code or a professional claim administrator, to serve as administrator of that portion of the fund set aside to provide ~~such~~ those benefits. As used in this division, a "professional claim administrator" means any person that has experience in the handling of insurance claims and has been determined by the department to be fully qualified, financially sound, and capable of meeting all of the service requirements of the contract of administration under such criteria as may be established by rules adopted by the department. With respect to the benefits specified in division (A) of section 124.82 of the Revised Code, if the fund is the secondary payor of these benefits, the amount the professional claim administrator may pay is limited to an amount that will yield a benefit no greater than the amount that would have been paid if the fund were the primary payor of these benefits.

(3) Adopt rules governing the conditions under which an employee may participate in or withdraw from the fund, and the procedure by which the employee is to contribute to the fund;

(4) Adopt rules to ensure that the fund is actuarially sound;

(5) Adopt rules to ensure the integrity of the fund, and to ensure that the fund be used solely for the purpose specified in division (A) of this section.

The department shall adopt all rules pursuant to this section in accordance with Chapter 119. of the Revised Code.

(D) Amounts withheld from employees, amounts contributed by the state or from federal funds, and all amounts contributed by any state authority, shall be credited to the fund. All other income, including the income derived from any dividends and distributions, interest earned, premium rate adjustments, or other refunds, shall also be credited to the fund. Any amounts remaining in the fund after all premiums or subscription charges, and other expenses have been paid, shall be retained in the fund as

a special reserve for adverse fluctuation.

(E) All income derived from the investment of the fund shall accrue to the fund.

(F) The department shall have prepared every year, by a competent actuary familiar with health and life insurance, a report showing a complete actuarial evaluation of the fund and the adequacy of the rates of contribution, which report shall contain ~~such~~ recommendations as the actuary considers advisable. The department ~~may~~ at any time may request the actuary to make any studies or evaluations to determine the adequacy of the rates of contribution, and ~~such~~ those rates may be adjusted by the department, as recommended by the actuary, effective as of the first of any fiscal year thereafter.

Sec. 125.21. The director of administrative services shall process payroll information for the purpose of payment for personal services of state officials and employees on the basis of rates of pay determined by pertinent law, the director, or other competent authority.

Calculation of payrolls may be made after the conclusion of each pay period based upon the amount of time served as certified by the appropriate appointing authority. Payment for personal service rendered by an official or employee during any pay period shall be made no later than at the conclusion of the official's or employee's next succeeding pay period.

The director of administrative services shall furnish to the ~~auditor of state~~ director of budget and management all necessary data for drawing state official and employee pay warrants and preparing earning statements. These data shall include the rate at which paid; the time for which paid, including overtime and any other adjustments affecting the official's or employee's gross pay; all taxes withheld, including, whenever practicable, year-to-date figures on all taxes withheld; the amount of contribution to the appropriate retirement system; any voluntary deductions made in accordance with authorizations filed by the official or employee; and whether a direct deposit is to be made in accordance with an authorization filed by the official or employee.

Amounts deducted from the salaries or wages of all officials and employees shall be transferred to the payroll withholding fund, which is hereby created in the state treasury for the purpose of consolidating all such deductions made in any month. Payments from this fund shall be made at intervals for the intended purpose of the deduction or for refund where it is determined that deductions were made in error.

Sec. 126.07. No contract, agreement, or obligation involving the expenditure of money chargeable to an appropriation, nor any resolution or

order for the expenditure of money chargeable to an appropriation, shall be valid and enforceable unless the director of budget and management first certifies that there is a balance in the appropriation not already obligated to pay existing obligations, in an amount at least equal to the portion of the contract, agreement, obligation, resolution, or order to be performed in the current fiscal year. Any written contract or agreement entered into by the state shall contain a clause stating that the obligations of the state are subject to this section.

In order to make a payment from the state treasury, a state agency shall first submit to the director all invoices, claims, vouchers, and other evidentiary matter related to the payment. If the director approves payment to be made, the director shall ~~submit the approval to the auditor of state for the drawing of~~ draw a warrant as provided in section ~~417.45~~ 126.35 of the Revised Code. The director shall not approve payment to be made if the director finds that there is not an unobligated balance in the appropriation for the payment, that the payment is not for a valid claim against the state that is legally due, or that insufficient evidentiary matter has been submitted. If the director does not approve payment, the director shall notify the agency of the reasons the director has not given approval.

In approving payments to be made under this section, the director, upon receipt of certification from the director of job and family services pursuant to section 4141.231 of the Revised Code, shall withhold from amounts otherwise payable to a person who is the subject of the director of jobs and family services' certification, the amount certified to be due and unpaid to the director of job and family services, and shall approve for payment to the director of job and family services, the amount withheld.

Sec. 126.21. (A) The director of budget and management shall do all of the following:

- (1) Keep all necessary accounting records;
- (2) Prescribe and maintain the accounting system of the state and establish appropriate accounting procedures and charts of accounts;
- (3) Establish procedures for the use of written, electronic, optical, or other communications media for approving payment vouchers;
- (4) Reconcile, in the case of any variation between the amount of any appropriation and the aggregate amount of items of the appropriation, with the advice and assistance of the state agency affected by it and the legislative service commission, totals so as to correspond in the aggregate with the total appropriation. In the case of a conflict between the item and the total of which it is a part, the item shall be considered the intended appropriation.

(5) Evaluate on an ongoing basis and, if necessary, recommend improvements to the internal controls used in state agencies;

(6) Authorize the establishment of petty cash accounts. The director of budget and management may withdraw approval for any petty cash account and require the officer in charge to return to the state treasury any unexpended balance shown by the officer's accounts to be on hand. Any officer who is issued a warrant for petty cash shall render a detailed account of the expenditures of the petty cash and shall report when requested the balance of petty cash on hand at any time.

(7) Process orders, invoices, vouchers, claims, and payrolls and prepare financial reports and statements;

(8) Perform extensions, reviews, and compliance checks prior to approving a payment as the director considers necessary;

(9) Issue the official comprehensive annual financial report of the state. The report shall cover all funds of the state reporting entity and shall include basic financial statements and required supplementary information prepared in accordance with generally accepted accounting principles and other information as the director provides. All state agencies, authorities, institutions, offices, retirement systems, and other component units of the state reporting entity as determined by the director shall furnish the director whatever financial statements and other information the director requests for the report, in the form, at the times, covering the periods, and with the attestation the director prescribes. The information for state institutions of higher education, as defined in section 3345.011 of the Revised Code, shall be submitted to the director by the Ohio board of regents. The board shall establish a due date by which each such institution shall submit the information to the board, but no such date shall be later than one hundred twenty days after the end of the state fiscal year unless a later date is approved by the director.

(B) In addition to the director's duties under division (A) of this section, the director of budget and management may establish and administer one or more state payment card programs that permit or require state agencies to use a payment card to purchase equipment, materials, supplies, or services in accordance with guidelines issued by the director. ~~The director may contract with one or more vendors to provide the payment cards and payment card services.~~ State agencies may only participate in state payment card programs that the director establishes pursuant to this section.

(C) In addition to the director's duties under divisions (A) and (B) of this section, the director may enter into any contract or agreement necessary for and incidental to the performance of the director's duties or the duties of the

office of budget and management.

Sec. 126.22. The director of budget and management may:

(A) Perform ~~or contract for~~ accounting services for and design and implement accounting systems with state agencies;

(B) Provide other accounting services, including the preparation and submission of reports;

(C) Change any accounting code appearing in appropriations acts of the general assembly.

Sec. ~~117.45~~ 126.35. (A) The ~~auditor of state~~ director of budget and management shall draw warrants against the treasurer of state pursuant to all requests for payment that the director ~~of budget and management~~ has approved under section 126.07 of the Revised Code.

(B) Unless the director of job and family services has provided for the making of payments by electronic benefit transfer, if a financial institution and account have been designated by the participant or recipient, payment by the ~~auditor of state~~ director of budget and management to a participant in the Ohio works first program pursuant to Chapter 5107. of the Revised Code or a recipient of disability financial assistance pursuant to Chapter 5115. of the Revised Code shall be made by direct deposit to the account of the participant or recipient in the financial institution. Payment by the ~~auditor of state~~ director of budget and management to a recipient of benefits distributed through the medium of electronic benefit transfer pursuant to section 5101.33 of the Revised Code shall be by electronic benefit transfer. Payment by the ~~auditor of state~~ director of budget and management as compensation to an employee of the state who has, pursuant to section 124.151 of the Revised Code, designated a financial institution and account for the direct deposit of such payments shall be made by direct deposit to the account of the employee. Payment to any other payee who has designated a financial institution and account for the direct deposit of such payment may be made by direct deposit to the account of the payee in the financial institution as provided in section 9.37 of the Revised Code. ~~The auditor of state shall contract with an authorized financial institution for the services necessary to make direct deposits or electronic benefit transfers under this division and draw lump sum warrants payable to that institution in the amount to be transferred.~~ Accounts maintained by the ~~auditor of state~~ director of budget and management or the ~~auditor of state's~~ director's agent in a financial institution for the purpose of effectuating payment by direct deposit or electronic benefit transfer shall be maintained in accordance with section 135.18 of the Revised Code.

(C) All other payments from the state treasury shall be made by paper

warrants or by direct deposit payable to the respective payees. The ~~auditor of state~~ director of budget and management may mail the paper warrants to the respective payees or distribute them through other state agencies, whichever the ~~auditor of state~~ director determines to be the better procedure.

(D) If the average per transaction cost the ~~auditor of state~~ director of budget and management incurs in making direct deposits for a state agency exceeds the average per transaction cost the ~~auditor of state~~ director incurs in drawing paper warrants for all public offices during the same period of time, the ~~auditor of state~~ director may certify the difference in cost and the number of direct deposits for the agency to the director of administrative services. The director of administrative services shall reimburse the ~~auditor of state~~ director of budget and management for such additional costs and add the amount to the processing charge assessed upon the state agency.

Sec. ~~417.46~~ 126.36. If the ~~auditor of state~~ director of budget and management is satisfied, by affidavit or otherwise, that any warrant on the state treasury drawn by ~~him~~ the director has been lost or destroyed prior to its presentation for payment, ~~he~~ the director may issue to the proper person a replacement of the lost or destroyed warrant; provided, that before issuing the replacement, ~~he~~ the director shall require that the person making application therefor execute a formal agreement to indemnify the state for any loss or damage sustained on account of the issuance of the replacement and the subsequent presentation and payment of the original. The form of the agreement shall be prepared by the attorney general. The agreement when executed shall be filed with the ~~auditor of state~~ director. The treasurer of state shall not be liable because of ~~his paying~~ the payment of any replacement warrant drawn under this section.

Sec. ~~417.47~~ 126.37. (A) The ~~auditor of state~~ director of budget and management shall void any warrant ~~he~~ the director draws on the state treasury pursuant to Chapter 5733. or 5747. of the Revised Code that is not presented for payment to the treasurer of state within two years after the date of issuance and shall void any other warrant ~~he~~ the director draws on the state treasury that is not presented to the treasurer of state within ninety days after the date of issuance.

(B) If a warrant voided pursuant to division (A) of this section was drawn against an appropriation of the current fiscal year and the holder of the voided warrant presents the warrant for reissuance, in the same fiscal year, to the state agency that made the payment originally, the agency shall prepare a voucher for the holder of the voided warrant, in the amount shown on the warrant that has been voided, against the same appropriation of the same fiscal year if the agency is satisfied that payment is proper.

(C) If a warrant was drawn against an appropriation of the first fiscal year of the fiscal biennium and voided pursuant to division (A) of this section in either fiscal year of the biennium and if the holder of the voided warrant presents the warrant for reissuance, in the second fiscal year of the biennium, to the state agency that made the payment originally, the agency shall prepare a voucher for the holder of the voided warrant, in the amount shown on the warrant that has been voided, against funds transferred to the agency by the director of ~~budget and management~~ pursuant to section 131.33 of the Revised Code, if the agency is satisfied that payment is proper. If no such funds are available for transfer, the agency shall prepare the voucher against any unexpended appropriations of the current fiscal year available to it.

(D) If a warrant was drawn against an appropriation and, during the same biennium, was voided pursuant to division (A) of this section, and if, after that biennium, the holder of the voided warrant presents the warrant for reissuance to the state agency that made the payment originally, the agency shall prepare a voucher for the holder of the voided warrant, in the amount shown on the warrant that has been voided, against any appropriation of the current fiscal year made to the agency if the agency is satisfied that payment is proper.

(E) If a warrant voided pursuant to division (A) of this section was drawn against an appropriation of a previous fiscal year and voided after that fiscal biennium and if the holder of the voided warrant presents the warrant for reissuance to the state agency that made the payment originally, the agency shall forward the warrant to the director of ~~budget and management~~ with a request for reissuance. The director shall make payment to the holder of the voided warrant, in the amount shown on the warrant that has been voided, against an appropriation of the current fiscal year made to the director of ~~budget and management~~ for the reissuance of voided warrants, if the director of ~~budget and management~~ is satisfied that reissuance of the warrant is proper.

Sec. ~~117.48~~ 126.38. The ~~auditor of state~~ director of budget and management shall furnish an earnings statement with each pay warrant issued to a state employee paid on a payroll voucher. The statement shall include a summary of the earnings information provided to the ~~auditor of state~~ director pursuant to section 125.21 of the Revised Code.

Sec. 131.01. As used in Chapters 113., 117., 123., 124., 125., 126., 127., and 131. of the Revised Code, and any statute that uses the terms in connection with state accounting or budgeting:

(A) "Account" means any record, element, or summary in which

financial transactions are identified and recorded as debit or credit transactions in order to summarize items of a similar nature or classification.

(B) "Accounting procedure" means the arrangement of all processes which discover, record, and summarize financial information to produce financial statements and reports and to provide internal control.

(C) "Accounting system" means the total structure of records and procedures which discover, record, classify, and report information on the financial position and operations of a governmental unit or any of its funds and organizational components.

(D) "Allocation" means a portion of an appropriation which is designated for expenditure by specific organizational units or for special purposes, activities, or objects that do not relate to a period of time.

(E) "Allotment" means all or part of an appropriation which may be encumbered or expended within a specific period of time.

(F) "Appropriation" means an authorization granted by the general assembly to make expenditures and to incur obligations for specific purposes.

(G) "Assets" means resources owned, controlled, or otherwise used or held by the state which have monetary value.

(H) "Budget" means the plan of financial operation embodying an estimate of proposed expenditures and obligations for a given period and the proposed means of financing them.

(I) "Direct deposit" is a form of electronic funds transfer in which money is electronically deposited into the account of a person or entity at a financial institution.

(J) "Disbursement" means a payment made for any purpose.

(K) "Electronic benefit transfer" means the electronic delivery of benefits through automated teller machines, point of sale terminals, or other electronic media pursuant to section 5101.33 of the Revised Code.

(L) "Electronic funds transfer" means the electronic movement of funds via automated clearing house or wire transfer.

(M) "Encumbrancing document" means a document reserving all or part of an appropriation.

(N) "Expenditure" means a reduction of the balance of an appropriation after legal requirements have been met.

(O) "Fund" means an independent fiscal and accounting entity with a self-balancing set of accounts recording cash or other resources, together with all related liabilities, obligations, reserves, and fund balances which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special rules, restrictions, or

limitations.

(P) "Lapse" means the automatic termination of an appropriation at the end of the fiscal period for which it was appropriated.

(Q) "Reappropriation" means an appropriation of a previous appropriation that is continued in force in a succeeding appropriation period. "Reappropriation" shall be equated with and incorporated in the term "appropriation."

(R) "Voucher" means the document used to transmit a claim for payment and evidentiary matter related to the claim.

(S) "Warrant" means an order drawn upon the treasurer of state by the ~~auditor of state~~ director of budget and management directing the treasurer of state to pay a specified amount, including an order to make a lump-sum payment to a financial institution for the transfer of funds by direct deposit or the drawdown of funds by electronic benefit transfer, and the resulting electronic transfer to or by the ultimate payees.

The terms defined in this section shall be used, on all accounting forms, reports, formal rules, and budget requests produced by a state agency, only as defined in this section.

Sec. 131.02. (A) ~~Whenever~~ Except as otherwise provided in section 4123.37 and division (J) of section 4123.511 of the Revised Code, whenever any amount is payable to the state, the officer, employee, or agent responsible for administering the law under which the amount is payable shall immediately proceed to collect the amount or cause the amount to be collected and shall pay the amount into the state treasury or into the appropriate custodial fund in the manner set forth pursuant to section 113.08 of the Revised Code. Except as otherwise provided in this division, if the amount is not paid within forty-five days after payment is due, the officer, employee, or agent shall certify the amount due to the attorney general, in the form and manner prescribed by the attorney general, and notify the director of budget and management thereof. In the case of an amount payable by a student enrolled in a state institution of higher education, the amount shall be certified within the later of forty-five days after the amount is due or the tenth day after the beginning of the next academic semester, quarter, or other session following the session for which the payment is payable. The attorney general may assess the collection cost to the amount certified in such manner and amount as prescribed by the attorney general.

For the purposes of this section, the attorney general and the officer, employee, or agent responsible for administering the law under which the amount is payable shall agree on the time a payment is due, and that agreed upon time shall be one of the following times:

(1) If a law, including an administrative rule, of this state prescribes the time a payment is required to be made or reported, when the payment is required by that law to be paid or reported.

(2) If the payment is for services rendered, when the rendering of the services is completed.

(3) If the payment is reimbursement for a loss, when the loss is incurred.

(4) In the case of a fine or penalty for which a law or administrative rule does not prescribe a time for payment, when the fine or penalty is first assessed.

(5) If the payment arises from a legal finding, judgment, or adjudication order, when the finding, judgment, or order is rendered or issued.

(6) If the payment arises from an overpayment of money by the state to another person, when the overpayment is discovered.

(7) The date on which the amount for which an individual is personally liable under section 5735.35, section 5739.33, or division (G) of section 5747.07 of the Revised Code is determined.

(8) Upon proof of claim being filed in a bankruptcy case.

(9) Any other appropriate time determined by the attorney general and the officer, employee, or agent responsible for administering the law under which the amount is payable on the basis of statutory requirements or ordinary business processes of the state agency to which the payment is owed.

(B)(1) The attorney general shall give immediate notice by mail or otherwise to the party indebted of the nature and amount of the indebtedness.

(2) If the amount payable to this state arises from a tax levied under Chapter 5733., 5739., 5741., or 5747. of the Revised Code, the notice also shall specify all of the following:

(a) The assessment or case number;

(b) The tax pursuant to which the assessment is made;

(c) The reason for the liability, including, if applicable, that a penalty or interest is due;

(d) An explanation of how and when interest will be added to the amount assessed;

(e) That the attorney general and tax commissioner, acting together, have the authority, but are not required, to compromise the claim and accept payment over a reasonable time, if such actions are in the best interest of the state.

(C) The attorney general shall collect the claim or secure a judgment and issue an execution for its collection.

(D) Each claim shall bear interest, from the day on which the claim became due, at the rate per annum required by section 5703.47 of the Revised Code.

(E) The attorney general and the chief officer of the agency reporting a claim, acting together, may do any of the following if such action is in the best interests of the state:

(1) Compromise the claim;

(2) Extend for a reasonable period the time for payment of the claim by agreeing to accept monthly or other periodic payments. The agreement may require security for payment of the claim.

(3) Add fees to recover the cost of processing checks or other draft instruments returned for insufficient funds and the cost of providing electronic payment options.

(F)(1) Except as provided in division (F)(2) of this section, if the attorney general finds, after investigation, that any claim due and owing to the state is uncollectible, the attorney general, with the consent of the chief officer of the agency reporting the claim, may do the following:

(a) Sell, convey, or otherwise transfer the claim to one or more private entities for collection;

(b) Cancel the claim or cause it to be ~~cancelled~~ cancelled.

(2) The attorney general shall cancel or cause to be ~~cancelled~~ cancelled an unsatisfied claim on the date that is forty years after the date the claim is certified.

(3) If information contained in a claim that is sold, conveyed, or transferred to a private entity pursuant to this section is confidential pursuant to federal law or a section of the Revised Code that implements a federal law governing confidentiality, such information remains subject to that law during and following the sale, conveyance, or transfer.

Sec. 131.022. (A) As used in this section:

(1) "Final overdue claim" means a claim that has been certified to the attorney general under section 131.02 of the Revised Code, that has been final for at least one year, and for which no arrangements have been made for the payment of the claim or, if arrangements for the payment of the claim have been made, the person owing the claim has failed to comply with the terms of the arrangement for more than thirty days.

"Final overdue claim" includes collection costs incurred with respect to the claim that is the basis of the final overdue claim and assessed by the attorney general under division (A) of section 131.02 of the Revised Code, interest accreting to the claim under division (D) of that section, and fees added under division (E)(3) of that section.

(2) "Final" means a claim has been finalized under the law providing for the imposition or determination of the amount due, and any time provided for appeal of the amount, legality, or validity of the claim has expired without an appeal having been filed in the manner provided by law. "Final" includes, but is not limited to, a final determination of the tax commissioner for which the time for appeal has expired without a notice of appeal having been filed.

(B) If a claim is certified to the attorney general under section 131.02 of the Revised Code, at any time after the claim is a final overdue claim, the attorney general may, subject to the approval of the chief officer of the agency reporting the claim and of the controlling board, sell the claim to any person through a competitive process. If federal funds comprise all or a part of the claim, it may not be sold unless the chief officer determines that the sale of the claim will not have an adverse financial impact on the state due to any requirement of the state to repay the federal funds to the federal government.

(C) The attorney general may consolidate any number of final overdue claims for sale under this section.

(D) Not less than sixty days before first offering a final overdue claim for sale, the attorney general shall provide written notice, by ordinary mail, to the person owing the claim at that person's last known mailing address. The notice shall state the following:

(1) The nature and amount of the claim;

(2) The manner in which the person may contact the office of the attorney general to arrange terms for payment of the claim;

(3) That if the person does not contact the office of the attorney general within sixty days after the date the notice is issued and arrange terms of payment of the claim all of the following apply:

(a) The attorney general will offer the claim for sale to a private party for collection by that party by any legal means;

(b) The person is deemed to be denied any right to seek and obtain a refund of any amount from which the claim arises if the applicable law otherwise allows for a refund of that nature;

(c) Except as provided in division (I) of this section, the person is deemed to waive any right the person may have to confidentiality of information regarding the claim to the extent confidentiality is provided under any other section of the Revised Code.

(E) Upon the sale of a final overdue claim under this section, the claim becomes the property of the purchaser, and the purchaser may sell or otherwise transfer the claim to any other person or otherwise dispose of the

claim. The owner of the claim is entitled to all proceeds from the collection of the claim, except the owner of the claim shall reimburse the state for costs it incurs after the sale of the claim in assisting or facilitating the collection of the claim including, without limitation, costs of time expended by state employees. Purchasers or transferees of a final overdue claim are subject to any applicable laws governing collection of debts of the kind represented by the claim.

(F) Upon the sale or transfer of a final overdue claim under this section, no refund shall be issued or paid to the person owing the claim for any part of the amount from which the claim arises. The sale or transfer of a claim under this section or division (F) of section 131.02 of the Revised Code shall not compromise any criminal, civil, or administrative action initiated by the state against any person owing the claim.

(G) Except as provided in division (I) of this section, and notwithstanding any other section of the Revised Code, the attorney general, solely for the purpose of effecting the sale or transfer of a final overdue claim under this section, may disclose information about the person owing the claim that otherwise would be confidential under a section of the Revised Code, and the person shall have no right of action against that disclosure to the extent a right of that nature is available under that section.

(H) The authority granted under this section is supplemental to the authority granted under section 131.02 of the Revised Code.

(I) If information contained in a claim that is sold, conveyed, or transferred to a private entity pursuant to this section is confidential pursuant to federal law or a section of the Revised Code that implements a federal law governing confidentiality, such information remains subject to that law during and following the sale, conveyance, or transfer. A private entity to which a claim is sold, conveyed, or transferred is bound by all federal and state confidentiality requirements concerning such information.

Sec. 131.33. No state agency shall incur an obligation which exceeds the agency's current appropriation authority. Unexpended balances of appropriations shall, at the close of the period for which the appropriations are made, revert to the funds from which the appropriations were made, except that the director of budget and management shall transfer such unexpended balances from the first fiscal year to the second fiscal year of an agency's appropriations to the extent necessary for voided warrants to be reissued pursuant to division (C) of section ~~117.47~~ 126.37 of the Revised Code.

Except as provided in this section, appropriations made to a specific fiscal year shall be expended only to pay liabilities incurred within that

fiscal year.

All payrolls shall be charged to the allotments of the fiscal quarters in which the applicable payroll vouchers are certified by the director of budget and management in accordance with section 126.07 of the Revised Code. As used in this section, "payrolls" means any payment made in accordance with section 125.21 of the Revised Code.

Legal liabilities from prior fiscal years for which there is no reappropriation authority shall be discharged from the unencumbered balances of current appropriations.

Sec. 133.01. As used in this chapter, in sections 9.95, 9.96, and 2151.655 of the Revised Code, in other sections of the Revised Code that make reference to this chapter unless the context does not permit, and in related proceedings, unless otherwise expressly provided:

(A) "Acquisition" as applied to real or personal property includes, among other forms of acquisition, acquisition by exercise of a purchase option, and acquisition of interests in property, including, without limitation, easements and rights-of-way, and leasehold and other lease interests initially extending or extendable for a period of at least sixty months.

(B) "Anticipatory securities" means securities, including notes, issued in anticipation of the issuance of other securities.

(C) "Board of elections" means the county board of elections of the county in which the subdivision is located. If the subdivision is located in more than one county, "board of elections" means the county board of elections of the county that contains the largest portion of the population of the subdivision or that otherwise has jurisdiction in practice over and customarily handles election matters relating to the subdivision.

(D) "Bond retirement fund" means the bond retirement fund provided for in section 5705.09 of the Revised Code, and also means a sinking fund or any other special fund, regardless of the name applied to it, established by or pursuant to law or the proceedings for the payment of debt charges. Provision may be made in the applicable proceedings for the establishment in a bond retirement fund of separate accounts relating to debt charges on particular securities, or on securities payable from the same or common sources, and for the application of moneys in those accounts only to specified debt charges on specified securities or categories of securities. Subject to law and any provisions in the applicable proceedings, moneys in a bond retirement fund or separate account in a bond retirement fund may be transferred to other funds and accounts.

(E) "Capitalized interest" means all or a portion of the interest payable on securities from their date to a date stated or provided for in the applicable

legislation, which interest is to be paid from the proceeds of the securities.

(F) "Chapter 133. securities" means securities authorized by or issued pursuant to or in accordance with this chapter.

(G) "County auditor" means the county auditor of the county in which the subdivision is located. If the subdivision is located in more than one county, "county auditor" means the county auditor of the county that contains the highest amount of the tax valuation of the subdivision or that otherwise has jurisdiction in practice over and customarily handles property tax matters relating to the subdivision. In the case of a county that has adopted a charter, "county auditor" means the officer who generally has the duties and functions provided in the Revised Code for a county auditor.

(H) "Credit enhancement facilities" means letters of credit, lines of credit, stand-by, contingent, or firm securities purchase agreements, insurance, or surety arrangements, guarantees, and other arrangements that provide for direct or contingent payment of debt charges, for security or additional security in the event of nonpayment or default in respect of securities, or for making payment of debt charges to and at the option and on demand of securities holders or at the option of the issuer or upon certain conditions occurring under put or similar arrangements, or for otherwise supporting the credit or liquidity of the securities, and includes credit, reimbursement, marketing, remarketing, indexing, carrying, interest rate hedge, and subrogation agreements, and other agreements and arrangements for payment and reimbursement of the person providing the credit enhancement facility and the security for that payment and reimbursement.

(I) "Current operating expenses" or "current expenses" means the lawful expenditures of a subdivision, except those for permanent improvements and for payments of debt charges of the subdivision.

(J) "Debt charges" means the principal, including any mandatory sinking fund deposits and mandatory redemption payments, interest, and any redemption premium, payable on securities as those payments come due and are payable. The use of "debt charges" for this purpose does not imply that any particular securities constitute debt within the meaning of the Ohio Constitution or other laws.

(K) "Financing costs" means all costs and expenses relating to the authorization, including any required election, issuance, sale, delivery, authentication, deposit, custody, clearing, registration, transfer, exchange, fractionalization, replacement, payment, and servicing of securities, including, without limitation, costs and expenses for or relating to publication and printing, postage, delivery, preliminary and final official statements, offering circulars, and informational statements, travel and

transportation, underwriters, placement agents, investment bankers, paying agents, registrars, authenticating agents, remarketing agents, custodians, clearing agencies or corporations, securities depositories, financial advisory services, certifications, audits, federal or state regulatory agencies, accounting and computation services, legal services and obtaining approving legal opinions and other legal opinions, credit ratings, redemption premiums, and credit enhancement facilities. Financing costs may be paid from any moneys available for the purpose, including, unless otherwise provided in the proceedings, from the proceeds of the securities to which they relate and, as to future financing costs, from the same sources from which debt charges on the securities are paid and as though debt charges.

(L) "Fiscal officer" means the following, or, in the case of absence or vacancy in the office, a deputy or assistant authorized by law or charter to act in the place of the named officer, or if there is no such authorization then the deputy or assistant authorized by legislation to act in the place of the named officer for purposes of this chapter, in the case of the following subdivisions:

- (1) A county, the county auditor;
- (2) A municipal corporation, the city auditor or village clerk or clerk-treasurer, or the officer who, by virtue of a charter, has the duties and functions provided in the Revised Code for the city auditor or village clerk or clerk-treasurer;
- (3) A school district, the treasurer of the board of education;
- (4) A regional water and sewer district, the secretary of the board of trustees;
- (5) A joint township hospital district, the treasurer of the district;
- (6) A joint ambulance district, the clerk of the board of trustees;
- (7) A joint recreation district, the person designated pursuant to section 755.15 of the Revised Code;
- (8) A detention facility district or a district organized under section 2151.65 of the Revised Code or a combined district organized under sections 2152.41 and 2151.65 of the Revised Code, the county auditor of the county designated by law to act as the auditor of the district;
- (9) A township, a fire district organized under division (C) of section 505.37 of the Revised Code, or a township police district, the fiscal officer of the township;
- (10) A joint fire district, the clerk of the board of trustees of that district;
- (11) A regional or county library district, the person responsible for the financial affairs of that district;
- (12) A joint solid waste management district, the fiscal officer appointed

by the board of directors of the district under section 343.01 of the Revised Code;

(13) A joint emergency medical services district, the person appointed as fiscal officer pursuant to division (D) of section 307.053 of the Revised Code;

(14) A fire and ambulance district, the person appointed as fiscal officer under division (B) of section 505.375 of the Revised Code;

(15) A subdivision described in division (MM)(17) of this section, the officer who is designated by law as or performs the functions of its chief fiscal officer.

(M) "Fiscal year" has the same meaning as in section 9.34 of the Revised Code.

(N) "Fractionalized interests in public obligations" means participations, certificates of participation, shares, or other instruments or agreements, separate from the public obligations themselves, evidencing ownership of interests in public obligations or of rights to receive payments of, or on account of, principal or interest or their equivalents payable by or on behalf of an obligor pursuant to public obligations.

(O) "Fully registered securities" means securities in certificated or uncertificated form, registered as to both principal and interest in the name of the owner.

(P) "Fund" means to provide for the payment of debt charges and expenses related to that payment at or prior to retirement by purchase, call for redemption, payment at maturity, or otherwise.

(Q) "General obligation" means securities to the payment of debt charges on which the full faith and credit and the general property taxing power, including taxes within the tax limitation if available to the subdivision, of the subdivision are pledged.

(R) "Interest" or "interest equivalent" means those payments or portions of payments, however denominated, that constitute or represent consideration for forbearing the collection of money, or for deferring the receipt of payment of money to a future time.

(S) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1 et seq., as amended, and includes any laws of the United States providing for application of that code.

(T) "Issuer" means any public issuer and any nonprofit corporation authorized to issue securities for or on behalf of any public issuer.

(U) "Legislation" means an ordinance or resolution passed by a majority affirmative vote of the then members of the taxing authority unless a different vote is required by charter provisions governing the passage of the

particular legislation by the taxing authority.

(V) "Mandatory sinking fund redemption requirements" means amounts required by proceedings to be deposited in a bond retirement fund for the purpose of paying in any year or fiscal year by mandatory redemption prior to stated maturity the principal of securities that is due and payable, except for mandatory prior redemption requirements as provided in those proceedings, in a subsequent year or fiscal year.

(W) "Mandatory sinking fund requirements" means amounts required by proceedings to be deposited in a year or fiscal year in a bond retirement fund for the purpose of paying the principal of securities that is due and payable in a subsequent year or fiscal year.

(X) "Net indebtedness" has the same meaning as in division (A) of section 133.04 of the Revised Code.

(Y) "Obligor," in the case of securities or fractionalized interests in public obligations issued by another person the debt charges or their equivalents on which are payable from payments made by a public issuer, means that public issuer.

(Z) "One purpose" relating to permanent improvements means any one permanent improvement or group or category of permanent improvements for the same utility, enterprise, system, or project, development or redevelopment project, or for or devoted to the same general purpose, function, or use or for which self-supporting securities, based on the same or different sources of revenues, may be issued or for which special assessments may be levied by a single ordinance or resolution. "One purpose" includes, but is not limited to, in any case any off-street parking facilities relating to another permanent improvement, and:

(1) Any number of roads, highways, streets, bridges, sidewalks, and viaducts;

(2) Any number of off-street parking facilities;

(3) In the case of a county, any number of permanent improvements for courthouse, jail, county offices, and other county buildings, and related facilities;

(4) In the case of a school district, any number of facilities and buildings for school district purposes, and related facilities.

(AA) "Outstanding," referring to securities, means securities that have been issued, delivered, and paid for, except any of the following:

(1) Securities canceled upon surrender, exchange, or transfer, or upon payment or redemption;

(2) Securities in replacement of which or in exchange for which other securities have been issued;

(3) Securities for the payment, or redemption or purchase for cancellation prior to maturity, of which sufficient moneys or investments, in accordance with the applicable legislation or other proceedings or any applicable law, by mandatory sinking fund redemption requirements, mandatory sinking fund requirements, or otherwise, have been deposited, and credited for the purpose in a bond retirement fund or with a trustee or paying or escrow agent, whether at or prior to their maturity or redemption, and, in the case of securities to be redeemed prior to their stated maturity, notice of redemption has been given or satisfactory arrangements have been made for giving notice of that redemption, or waiver of that notice by or on behalf of the affected security holders has been filed with the subdivision or its agent for the purpose.

(BB) "Paying agent" means the one or more banks, trust companies, or other financial institutions or qualified persons, including an appropriate office or officer of the subdivision, designated as a paying agent or place of payment of debt charges on the particular securities.

(CC) "Permanent improvement" or "improvement" means any property, asset, or improvement certified by the fiscal officer, which certification is conclusive, as having an estimated life or period of usefulness of five years or more, and includes, but is not limited to, real estate, buildings, and personal property and interests in real estate, buildings, and personal property, equipment, furnishings, and site improvements, and reconstruction, rehabilitation, renovation, installation, improvement, enlargement, and extension of property, assets, or improvements so certified as having an estimated life or period of usefulness of five years or more. The acquisition of all the stock ownership of a corporation is the acquisition of a permanent improvement to the extent that the value of that stock is represented by permanent improvements. A permanent improvement for parking, highway, road, and street purposes includes resurfacing, but does not include ordinary repair.

(DD) "Person" has the same meaning as in section 1.59 of the Revised Code and also includes any federal, state, interstate, regional, or local governmental agency, any subdivision, and any combination of those persons.

(EE) "Proceedings" means the legislation, certifications, notices, orders, sale proceedings, trust agreement or indenture, mortgage, lease, lease-purchase agreement, assignment, credit enhancement facility agreements, and other agreements, instruments, and documents, as amended and supplemented, and any election proceedings, authorizing, or providing for the terms and conditions applicable to, or providing for the security or

sale or award of, public obligations, and includes the provisions set forth or incorporated in those public obligations and proceedings.

(FF) "Public issuer" means any of the following that is authorized by law to issue securities or enter into public obligations:

(1) The state, including an agency, commission, officer, institution, board, authority, or other instrumentality of the state;

(2) A taxing authority, subdivision, district, or other local public or governmental entity, and any combination or consortium, or public division, district, commission, authority, department, board, officer, or institution, thereof;

(3) Any other body corporate and politic, or other public entity.

(GG) "Public obligations" means both of the following:

(1) Securities;

(2) Obligations of a public issuer to make payments under installment sale, lease, lease purchase, or similar agreements, which obligations bear interest or interest equivalent.

(HH) "Refund" means to fund and retire outstanding securities, including advance refunding with or without payment or redemption prior to maturity.

(II) "Register" means the books kept and maintained by the registrar for registration, exchange, and transfer of registered securities.

(JJ) "Registrar" means the person responsible for keeping the register for the particular registered securities, designated by or pursuant to the proceedings.

(KK) "Securities" means bonds, notes, certificates of indebtedness, commercial paper, and other instruments in writing, including, unless the context does not admit, anticipatory securities, issued by an issuer to evidence its obligation to repay money borrowed, or to pay interest, by, or to pay at any future time other money obligations of, the issuer of the securities, but not including public obligations described in division (GG)(2) of this section.

(LL) "Self-supporting securities" means securities or portions of securities issued for the purpose of paying costs of permanent improvements to the extent that receipts of the subdivision, other than the proceeds of taxes levied by that subdivision, derived from or with respect to the improvements or the operation of the improvements being financed, or the enterprise, system, project, or category of improvements of which the improvements being financed are part, are estimated by the fiscal officer to be sufficient to pay the current expenses of that operation or of those improvements or enterprise, system, project, or categories of improvements and the debt

charges payable from those receipts on securities issued for the purpose. Until such time as the improvements or increases in rates and charges have been in operation or effect for a period of at least six months, the receipts therefrom, for purposes of this definition, shall be those estimated by the fiscal officer, except that those receipts may include, without limitation, payments made and to be made to the subdivision under leases or agreements in effect at the time the estimate is made. In the case of an operation, improvements, or enterprise, system, project, or category of improvements without at least a six-month history of receipts, the estimate of receipts by the fiscal officer, other than those to be derived under leases and agreements then in effect, shall be confirmed by the taxing authority.

(MM) "Subdivision" means any of the following:

(1) A county, including a county that has adopted a charter under Article X, Ohio Constitution;

(2) A municipal corporation, including a municipal corporation that has adopted a charter under Article XVIII, Ohio Constitution;

(3) A school district;

(4) A regional water and sewer district organized under Chapter 6119. of the Revised Code;

(5) A joint township hospital district organized under section 513.07 of the Revised Code;

(6) A joint ambulance district organized under section 505.71 of the Revised Code;

(7) A joint recreation district organized under division (C) of section 755.14 of the Revised Code;

(8) A detention facility district organized under section 2152.41, a district organized under section 2151.65, or a combined district organized under sections 2152.41 and 2151.65 of the Revised Code;

(9) A township police district organized under section 505.48 of the Revised Code;

(10) A township;

(11) A joint fire district organized under section 505.371 of the Revised Code;

(12) A county library district created under section 3375.19 or a regional library district created under section 3375.28 of the Revised Code;

(13) A joint solid waste management district organized under section 343.01 or 343.012 of the Revised Code;

(14) A joint emergency medical services district organized under section 307.052 of the Revised Code;

(15) A fire and ambulance district organized under section 505.375 of

the Revised Code;

(16) A fire district organized under division (C) of section 505.37 of the Revised Code;

(17) Any other political subdivision or taxing district or other local public body or agency authorized by this chapter or other laws to issue Chapter 133. securities.

(NN) "Taxing authority" means in the case of the following subdivisions:

(1) A county, a county library district, or a regional library district, the board or boards of county commissioners, or other legislative authority of a county that has adopted a charter under Article X, Ohio Constitution, but with respect to such a library district acting solely as agent for the board of trustees of that district;

(2) A municipal corporation, the legislative authority;

(3) A school district, the board of education;

(4) A regional water and sewer district, a joint ambulance district, a joint recreation district, a fire and ambulance district, or a joint fire district, the board of trustees of the district;

(5) A joint township hospital district, the joint township hospital board;

(6) A detention facility district or a district organized under section 2151.65 of the Revised Code, a combined district organized under sections 2152.41 and 2151.65 of the Revised Code, or a joint emergency medical services district, the joint board of county commissioners;

(7) A township, a fire district organized under division (C) of section 505.37 of the Revised Code, or a township police district, the board of township trustees;

(8) A joint solid waste management district organized under section 343.01 or 343.012 of the Revised Code, the board of directors of the district;

(9) A subdivision described in division (MM)(17) of this section, the legislative or governing body or official.

(OO) "Tax limitation" means the "ten-mill limitation" as defined in section 5705.02 of the Revised Code without diminution by reason of section 5705.313 of the Revised Code or otherwise, or, in the case of a municipal corporation or county with a different charter limitation on property taxes levied to pay debt charges on unvoted securities, that charter limitation. Those limitations shall be respectively referred to as the "ten-mill limitation" and the "charter tax limitation."

(PP) "Tax valuation" means the aggregate of the valuations of property subject to ad valorem property taxation by the subdivision on the real property, personal property, and public utility property tax lists and

duplicates most recently certified for collection, and shall be calculated without deductions of the valuations of otherwise taxable property exempt in whole or in part from taxation by reason of exemptions of certain amounts of taxable value under division (C) of section 5709.01 or section 323.152 of the Revised Code, or similar laws now or in the future in effect.

For purposes of section 133.06 of the Revised Code, "tax valuation" shall not include the valuation of tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, or personal property owned or leased by a railroad company and used in railroad operations listed under or described in section 5711.22, division (B) or (F) of section 5727.111, or section 5727.12 of the Revised Code.

(QQ) "Year" means the calendar year.

(RR) "Administrative agent," "agent," "commercial paper," "floating rate interest structure," "indexing agent," "interest rate hedge," "interest rate period," "put arrangement," and "remarketing agent" have the same meanings as in section 9.98 of the Revised Code.

(SS) "Sales tax supported" means obligations to the payment of debt charges on which an additional sales tax or additional sales taxes have been pledged by the taxing authority of a county pursuant to section 133.081 of the Revised Code.

Sec. 133.04. (A) As used in this chapter, "net indebtedness" means, as determined pursuant to this section, the principal amount of the outstanding securities of a subdivision less the amount held in a bond retirement fund to the extent such amount is not taken into account in determining the principal amount outstanding under division (AA) of section 133.01 of the Revised Code. For purposes of this definition, the principal amount of outstanding securities includes the principal amount of outstanding securities of another subdivision apportioned to the subdivision as a result of acquisition of territory, and excludes the principal amount of outstanding securities of the subdivision apportioned to another subdivision as a result of loss of territory and the payment or reimbursement obligations of the subdivision under credit enhancement facilities relating to outstanding securities.

(B) In calculating the net indebtedness of a subdivision, none of the following securities, including anticipatory securities issued in anticipation of their issuance, shall be considered:

(1) Securities issued in anticipation of the levy or collection of special assessments, either in original or refunded form;

(2) Securities issued in anticipation of the collection of current revenues for the fiscal year or other period not to exceed twelve consecutive months,

or securities issued in anticipation of the collection of the proceeds from a specifically identified voter-approved tax levy;

(3) Securities issued for purposes described in section 133.12 of the Revised Code;

(4) Securities issued under Chapter 122., 140., 165., 725., or 761. or section 131.23 of the Revised Code;

(5) Securities issued to pay final judgments or court-approved settlements under authorizing laws and securities issued under section 2744.081 of the Revised Code;

(6) Securities issued to pay costs of permanent improvements to the extent they are issued in anticipation of the receipt of, and are payable as to principal from, federal or state grants or distributions for, or legally available for, that principal or for the costs of those permanent improvements;

(7) Securities issued to evidence loans from the state capital improvements fund pursuant to Chapter 164. of the Revised Code or from the state infrastructure bank pursuant to section 5531.09 of the Revised Code;

(8) That percentage of the principal amount of general obligation securities issued by a county, township, or municipal corporation to pay the costs of permanent improvements equal to the percentage of the debt charges on those securities payable during the current fiscal year that the fiscal officer estimates can be paid during the current fiscal year from payments in lieu of taxes under section 1728.11, 1728.111, 5709.42, 5709.74, or 5709.79 of the Revised Code, and that the legislation authorizing the issuance of the securities pledges or covenants will be used for the payment of those debt charges; provided that the amount excluded from consideration under division (B)(8) of this section shall not exceed the lesser of thirty million dollars or one-half per cent of the subdivision's tax valuation in the case of a county or township, or one and one-tenth per cent of the subdivision's tax valuation in the case of a municipal corporation;

(9) Securities issued in an amount equal to the property tax replacement payments received under section 5727.85 or 5727.86 of the Revised Code;

~~(9)~~(10) Securities issued in an amount equal to the property tax replacement payments received under section 5751.21 or 5751.22 of the Revised Code;

(11) Other securities, including self-supporting securities, excepted by law from the calculation of net indebtedness or from the application of this chapter;

~~(10)~~(12) Any other securities outstanding on October 30, 1989, and then

excepted from the calculation of net indebtedness or from the application of this chapter, and securities issued at any time to fund or refund those securities.

Sec. 133.06. (A) A school district shall not incur, without a vote of the electors, net indebtedness that exceeds an amount equal to one-tenth of one per cent of its tax valuation, except as provided in divisions (G) and (H) of this section and in division (C) of section 3313.372 of the Revised Code, or as prescribed in section 3318.052 of the Revised Code, or as provided in division (J) of this section.

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

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

The superintendent of public instruction shall certify to the district the superintendent's and the tax commissioner's decisions within thirty days after receipt of the request for consents.

If the electors do not approve the issuance of securities at the election for which the superintendent of public instruction and tax commissioner consented to the submission of the question, the school district may submit the same question to the electors on the date that the next special election may be held under section 3501.01 of the Revised Code without submitting a new request for consent. If the school district seeks to submit the same question at any other subsequent election, the district shall first submit a new request for consent in accordance with this division.

(D) In calculating the net indebtedness of a school district, none of the following shall be considered:

(1) Securities issued to acquire school buses and other equipment used in transporting pupils or issued pursuant to division (D) of section 133.10 of the Revised Code;

(2) Securities issued under division (F) of this section, under section 133.301 of the Revised Code, and, to the extent in excess of the limitation stated in division (B) of this section, under division (E) of this section;

(3) Indebtedness resulting from the dissolution of a joint vocational school district under section 3311.217 of the Revised Code, evidenced by outstanding securities of that joint vocational school district;

(4) Loans, evidenced by any securities, received under sections 3313.483, 3317.0210, 3317.0211, and 3317.64 of the Revised Code;

(5) Debt incurred under section 3313.374 of the Revised Code;

(6) Debt incurred pursuant to division (B)(5) of section 3313.37 of the Revised Code to acquire computers and related hardware;

(7) Debt incurred under section 3318.042 of the Revised Code.

(E) A school district may become a special needs district as to certain securities as provided in division (E) of this section.

(1) A board of education, by resolution, may declare its school district to be a special needs district by determining both of the following:

(a) The student population is not being adequately serviced by the existing permanent improvements of the district.

(b) The district cannot obtain sufficient funds by the issuance of securities within the limitation of division (B) of this section to provide additional or improved needed permanent improvements in time to meet the needs.

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

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

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

(c) The projected needs;

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

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

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

(b) The projection of the potential average growth of tax valuation during the next five years, according to the information certified to the superintendent and any other information the superintendent obtains, indicates a likelihood of potential average growth of tax valuation of the district during the next five years of an average of not less than three per

cent per year. The findings and certification of the superintendent shall be conclusive.

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

(a) Nine per cent of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage by which the tax valuation has increased over the tax valuation on the first day of the sixtieth month preceding the month in which its board determines to submit to the electors the question of issuing the proposed securities;

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

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

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

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

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

(2) Upon the declaration of an emergency, the board of education may, by resolution, submit to the electors of the district pursuant to section 133.18 of the Revised Code the question of issuing securities for the purpose of paying the cost, in excess of any insurance or condemnation proceeds received by the district, of permanent improvements to respond to the emergency need.

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

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

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

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

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

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

(G) The board of education may contract with an architect, professional engineer, or other person experienced in the design and implementation of energy conservation measures for an analysis and recommendations pertaining to installations, modifications of installations, or remodeling that would significantly reduce energy consumption in buildings owned by the district. The report shall include estimates of all costs of such installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, and debt service, and estimates of the amounts by which energy consumption and resultant operational and maintenance costs, as defined by the Ohio school facilities commission, would be reduced.

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

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

except section 3318.052 of the Revised Code, shall not exceed one per cent of the district's tax valuation.

So long as any securities issued under division (G) of this section remain outstanding, the board of education shall monitor the energy consumption and resultant operational and maintenance costs of buildings in which installations or modifications have been made or remodeling has been done pursuant to division (G) of this section and shall maintain and annually update a report documenting the reductions in energy consumption and resultant operational and maintenance cost savings attributable to such installations, modifications, or remodeling. The report shall be certified by an architect or engineer independent of any person that provided goods or services to the board in connection with the energy conservation measures that are the subject of the report. The resultant operational and maintenance cost savings shall be certified by the school district treasurer. The report shall be made available to the commission upon request.

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

(1) The fiscal officer of the school district estimates that receipts of the school district from payments made under or pursuant to agreements entered into pursuant to section 725.02, 1728.10, 3735.671, 5709.081, 5709.082, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, or 5709.82 of the Revised Code, or distributions under division (C) of section 5709.43 of the Revised Code, or any combination thereof, are, after accounting for any appropriate coverage requirements, sufficient in time and amount, and are committed by the proceedings, to pay the debt charges on the securities issued to evidence that indebtedness and payable from those receipts, and the taxing authority of the district confirms the fiscal officer's estimate, which confirmation is approved by the superintendent of public instruction;

(2) The fiscal officer of the school district certifies, and the taxing authority of the district confirms, that the district, at the time of the certification and confirmation, reasonably expects to have sufficient revenue available for the purpose of operating such permanent improvements for their intended purpose upon acquisition or completion thereof, and the superintendent of public instruction approves the taxing authority's confirmation.

The maximum maturity of securities issued under division (H) of this

section shall be the lesser of twenty years or the maximum maturity calculated under section 133.20 of the Revised Code.

(I) A school district may incur net indebtedness by the issuance of securities in accordance with the provisions of this chapter in excess of the limit specified in division (B) or (C) of this section when necessary to raise the school district portion of the basic project cost ~~pursuant to~~ and any additional funds necessary to participate in a project under Chapter 3318. of the Revised Code, including the cost of items designated by the Ohio school facilities commission as required locally funded initiatives and the cost for site acquisition. The school facilities commission shall notify the superintendent of public instruction whenever a school district will exceed either limit pursuant to this division.

(J) A school district whose portion of the basic project cost of its classroom facilities project under sections 3318.01 to 3318.20 of the Revised Code is greater than or equal to one hundred million dollars may incur without a vote of the electors net indebtedness in an amount up to two per cent of its tax valuation through the issuance of general obligation securities in order to generate all or part of the amount of its portion of the basic project cost if the controlling board has approved the school facilities commission's conditional approval of the project under section 3318.04 of the Revised Code. The school district board and the Ohio school facilities commission shall include the dedication of the proceeds of such securities in the agreement entered into under section 3318.08 of the Revised Code. No state moneys shall be released for a project to which this section applies until the proceeds of any bonds issued under this section that are dedicated for the payment of the school district portion of the project are first deposited into the school district's project construction fund.

Sec. 133.12. (A) If the tax commissioner determines that funds are not otherwise available for the purpose, the taxing authority of a subdivision having general property taxing power may issue general obligation securities in case of any of the following:

(1) An epidemic or threatened epidemic, or during an unusual prevalence of a dangerous communicable disease, to defray those expenses that the board of health having jurisdiction within the subdivision considers necessary to prevent the spread of the epidemic or disease;

(2) The destruction of an essential permanent improvement by fire, flood, or extraordinary catastrophe, to provide temporary necessary facilities in place of that permanent improvement;

(3) A special election called after the adoption of the annual appropriation measure, to pay the costs of that election payable by the

subdivision;

(4) Within a quarantined area, the outbreak or infestation of the pest for which the quarantined area was established, to defray those expenses that the subdivision considers necessary to combat the pest, including removal or complete destruction of plants that are dead or dying from the pest.

(B) One-half of the principal amount of the securities issued under this section prior to the effective date of this amendment shall mature on the first day of June next following the next February tax settlement at which, in accordance with the statutory tax budget procedure, a property tax to pay the debt charges on the securities can be included in the budget, and the other one-half of the principal amount shall mature on the next following first day of December. The last maturity of the securities issued under this section on and after the effective date of this amendment shall be not later than the last day of December of the tenth year following the year in which the securities are first issued. A property tax shall be levied to pay debt charges on ~~these~~ any of those securities.

(C) As used in this section:

(1) "Pest" has the same meaning as in section 927.51 of the Revised Code.

(2) "Quarantined area" has the same meaning as in section 927.39 of the Revised Code.

Sec. 133.18. (A) The taxing authority of a subdivision may by legislation submit to the electors of the subdivision the question of issuing any general obligation bonds, for one purpose, that the subdivision has power or authority to issue.

(B) When the taxing authority of a subdivision desires or is required by law to submit the question of a bond issue to the electors, it shall pass legislation that does all of the following:

(1) Declares the necessity and purpose of the bond issue;

(2) States the date of the authorized election at which the question shall be submitted to the electors;

(3) States the amount, approximate date, estimated rate of interest, and maximum number of years over which the principal of the bonds may be paid;

(4) Declares the necessity of levying a tax outside the tax limitation to pay the debt charges on the bonds and any anticipatory securities.

The estimated rate of interest, and any statutory or charter limit on interest ~~rate~~ rates that may then be in effect and that is subsequently amended, shall not be a limitation on the actual interest rate or rates on the securities when issued.

(C)(1) The taxing authority shall certify a copy of the legislation passed under division (B) of this section to the county auditor. The county auditor shall promptly calculate and advise and, not later than seventy-five days before the election, confirm that advice by certification to, the taxing authority the estimated average annual property tax levy, expressed in cents or dollars and cents for each one hundred dollars of tax valuation and in mills for each one dollar of tax valuation, that the county auditor estimates to be required throughout the stated maturity of the bonds to pay the debt charges on the bonds. In calculating the estimated average annual property tax levy for this purpose, the county auditor shall assume that the bonds are issued in one series bearing interest and maturing in substantially equal principal amounts in each year over the maximum number of years over which the principal of the bonds may be paid as stated in that legislation, and that the amount of the tax valuation of the subdivision for the current year remains the same throughout the maturity of the bonds, except as otherwise provided in division (C)(2) of this section. If the tax valuation for the current year is not determined, the county auditor shall base the calculation on the estimated amount of the tax valuation submitted by the county auditor to the county budget commission. If the subdivision is located in more than one county, the county auditor shall obtain the assistance of the county auditors of the other counties, and those county auditors shall provide assistance, in establishing the tax valuation of the subdivision for purposes of certifying the estimated average annual property tax levy.

(2) When considering the tangible personal property component of the tax valuation of the subdivision, the county auditor shall take into account the assessment percentages prescribed in section 5711.22 of the Revised Code. The tax commissioner may issue rules, orders, or instructions directing how the assessment percentages must be utilized.

(D) After receiving the county auditor's advice under division (C) of this section, the taxing authority by legislation may determine to proceed with submitting the question of the issue of securities, and shall, not later than the seventy-fifth day before the day of the election, file the following with the board of elections:

(1) Copies of the legislation provided for in divisions (B) and (D) of this section;

(2) The amount of the estimated average annual property tax levy, expressed in cents or dollars and cents for each one hundred dollars of tax valuation and in mills for each one dollar of tax valuation, as estimated and certified to the taxing authority by the county auditor.

(E)(1) The board of elections shall prepare the ballots and make other necessary arrangements for the submission of the question to the electors of the subdivision. If the subdivision is located in more than one county, the board shall inform the boards of elections of the other counties of the filings with it, and those other boards shall if appropriate make the other necessary arrangements for the election in their counties. The election shall be conducted, canvassed, and certified in the manner provided in Title XXXV of the Revised Code.

(2) The election shall be held at the regular places for voting in the subdivision. If the electors of only a part of a precinct are qualified to vote at the election the board of elections may assign the electors in that part to an adjoining precinct, including an adjoining precinct in another county if the board of elections of the other county consents to and approves the assignment. Each elector so assigned shall be notified of that fact prior to the election by notice mailed by the board of elections, in such manner as it determines, prior to the election.

(3) The board of elections shall publish a notice of the election, in one or more newspapers of general circulation in the subdivision, at least once no later than ten days prior to the election. The notice shall state all of the following:

- (a) The principal amount of the proposed bond issue;
- (b) The stated purpose for which the bonds are to be issued;
- (c) The maximum number of years over which the principal of the bonds may be paid;
- (d) The estimated additional average annual property tax levy, expressed in cents or dollars and cents for each one hundred dollars of tax valuation and in mills for each one dollar of tax valuation, to be levied outside the tax limitation, as estimated and certified to the taxing authority by the county auditor;
- (e) The first calendar year in which the tax is expected to be due.

(F)(1) The form of the ballot to be used at the election shall be substantially either of the following, as applicable:

- (a) "Shall bonds be issued by the (name of subdivision) for the purpose of (purpose of the bond issue) in the principal amount of (principal amount of the bond issue), to be repaid annually over a maximum period of (the maximum number of years over which the principal of the bonds may be paid) years, and an annual levy of property taxes be made outside the (as applicable, "ten-mill" or "...charter tax") limitation, estimated by the county auditor to average over the repayment period of the bond issue (number of mills) mills for each

one dollar of tax valuation, which amounts to (rate expressed in cents or dollars and cents, such as "36 cents" or "\$1.41") for each one hundred dollars of tax valuation, commencing in (first year the tax will be levied), first due in calendar year (first calendar year in which the tax shall be due), to pay the annual debt charges on the bonds, and to pay debt charges on any notes issued in anticipation of those bonds?

	For the bond issue	"
	Against the bond issue	

(b) In the case of an election held pursuant to legislation adopted under section 3375.43 or 3375.431 of the Revised Code:

"Shall bonds be issued for (name of library) for the purpose of (purpose of the bond issue), in the principal amount of (amount of the bond issue) by (the name of the subdivision that is to issue the bonds and levy the tax) as the issuer of the bonds, to be repaid annually over a maximum period of (the maximum number of years over which the principal of the bonds may be paid) years, and an annual levy of property taxes be made outside the ten-mill limitation, estimated by the county auditor to average over the repayment period of the bond issue (number of mills) mills for each one dollar of tax valuation, which amounts to (rate expressed in cents or dollars and cents, such as "36 cents" or "\$1.41") for each one hundred dollars of tax valuation, commencing in (first year the tax will be levied), first due in calendar year (first calendar year in which the tax shall be due), to pay the annual debt charges on the bonds, and to pay debt charges on any notes issued in anticipation of those bonds?

	For the bond issue	"
	Against the bond issue	

(2) The purpose for which the bonds are to be issued shall be printed in the space indicated, in boldface type.

(G) The board of elections shall promptly certify the results of the election to the tax commissioner, the county auditor of each county in which any part of the subdivision is located, and the fiscal officer of the subdivision. The election, including the proceedings for and result of the election, is incontestable other than in a contest filed under section 3515.09 of the Revised Code in which the plaintiff prevails.

(H) If a majority of the electors voting upon the question vote for it, the

taxing authority of the subdivision may proceed under sections 133.21 to 133.33 of the Revised Code with the issuance of the securities and with the levy and collection of a property tax outside the tax limitation during the period the securities are outstanding sufficient in amount to pay the debt charges on the securities, including debt charges on any anticipatory securities required to be paid from that tax. If legislation passed under section 133.22 or 133.23 of the Revised Code authorizing those securities is filed with the county auditor on or before the last day of November, the amount of the voted property tax levy required to pay debt charges or estimated debt charges on the securities payable in the following year shall if requested by the taxing authority be included in the taxes levied for collection in the following year under section 319.30 of the Revised Code.

(I)(1) If, before any securities authorized at an election under this section are issued, the net indebtedness of the subdivision exceeds that applicable to that subdivision or those securities, then and so long as that is the case none of the securities may be issued.

(2) No securities authorized at an election under this section may be initially issued after the first day of the sixth January following the election, but this period of limitation shall not run for any time during which any part of the permanent improvement for which the securities have been authorized, or the issuing or validity of any part of the securities issued or to be issued, or the related proceedings, is involved or questioned before a court or a commission or other tribunal, administrative agency, or board.

(3) Securities representing a portion of the amount authorized at an election that are issued within the applicable limitation on net indebtedness are valid and in no manner affected by the fact that the balance of the securities authorized cannot be issued by reason of the net indebtedness limitation or lapse of time.

(4) Nothing in this division (I) shall be interpreted or applied to prevent the issuance of securities in an amount to fund or refund anticipatory securities lawfully issued.

(5) The limitations of divisions (I)(1) and (2) of this section do not apply to any securities authorized at an election under this section if at least ten per cent of the principal amount of the securities, including anticipatory securities, authorized has theretofore been issued, or if the securities are to be issued for the purpose of participating in any federally or state-assisted program.

(6) The certificate of the fiscal officer of the subdivision is conclusive proof of the facts referred to in this division.

Sec. 141.08. The chief justice of the supreme court shall receive ~~his~~ the

actual and necessary expenses incurred while performing ~~his~~ official duties under the law and the constitution in determining the disqualification or disability of any judge of the court of common pleas or of the court of appeals, to be paid from the state treasury upon the warrant of the ~~auditor of state~~ director of budget and management.

Sec. 141.10. (A) In addition to the annual salary and expenses provided for in sections 141.04 and 2501.15 of the Revised Code, each judge of a court of appeals who holds court in a county in which ~~he~~ the judge does not reside shall receive ~~his~~ the judge's actual and necessary expenses incurred while so holding court. Those expenses shall be paid by the treasurer of state upon the warrant of the ~~auditor of state~~ director of budget and management.

(B) In addition to the annual salary and expenses provided for in sections 141.04 and 2501.15 of the Revised Code, each judge of a court of appeals who is assigned by the chief justice of the supreme court to aid in disposing of business of a district other than that in which ~~he~~ the judge is elected or appointed, shall receive fifty dollars per day for each day of the assignment. The per diem compensation shall be paid from the treasury of the county to which the judge is so assigned upon the warrant of the auditor of that county.

Sec. 145.70. All amounts due the public employees retirement system from the state treasury pursuant to this chapter shall be promptly paid upon warrant of the ~~auditor of state~~ director of budget and management pursuant to a voucher approved by the ~~director of budget and management~~.

Sec. 173.14. As used in sections 173.14 to ~~173.26~~ 173.27 of the Revised Code:

(A)(1) Except as otherwise provided in division (A)(2) of this section, "long-term care facility" includes any residential facility that provides personal care services for more than twenty-four hours for two or more unrelated adults, including all of the following:

(a) A "nursing home," "residential care facility," or "home for the aging" as defined in section 3721.01 of the Revised Code;

(b) A facility authorized to provide extended care services under Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended;

(c) A county home or district home operated pursuant to Chapter 5155. of the Revised Code;

(d) An "adult care facility" as defined in section 3722.01 of the Revised Code;

(e) A facility approved by the veterans administration under section 104(a) of the "Veterans Health Care Amendments of 1983," 97 Stat. 993, 38

U.S.C. 630, as amended, and used exclusively for the placement and care of veterans;

(f) An adult foster home certified under section 173.36 of the Revised Code.

(2) "Long-term care facility" does not include a "residential facility" as defined in section 5119.22 of the Revised Code or a "residential facility" as defined in section 5123.19 of the Revised Code.

(B) "Resident" means a resident of a long-term care facility and, where appropriate, includes a prospective, previous, or deceased resident of a long-term care facility.

(C) "Community-based long-term care services" means health and social services provided to persons in their own homes or in community care settings, and includes any of the following:

- (1) Case management;
- (2) Home health care;
- (3) Homemaker services;
- (4) Chore services;
- (5) Respite care;
- (6) Adult day care;
- (7) Home-delivered meals;
- (8) Personal care;
- (9) Physical, occupational, and speech therapy;
- (10) Transportation;

(11) Any other health and social services provided to persons that allow them to retain their independence in their own homes or in community care settings.

(D) "Recipient" means a recipient of community-based long-term care services and, where appropriate, includes a prospective, previous, or deceased recipient of community-based long-term care services.

(E) "Sponsor" means an adult relative, friend, or guardian who has an interest in or responsibility for the welfare of a resident or a recipient.

(F) "Personal care services" has the same meaning as in section 3721.01 of the Revised Code.

(G) "Regional long-term care ombudsperson program" means an entity, either public or private and nonprofit, designated as a regional long-term care ombudsperson program by the state long-term care ombudsperson.

(H) "Representative of the office of the state long-term care ombudsperson program" means the state long-term care ombudsperson or a member of the ombudsperson's staff, or a person certified as a representative of the office under section 173.21 of the Revised Code.

(I) "Area agency on aging" means an area agency on aging established under the "Older Americans Act of 1965," 79 Stat. 219, 42 U.S.C.A. 3001, as amended.

Sec. 173.27. (A) As used in this section:

(1) "Applicant" means a person who is under final consideration for employment with the office of the state long-term care ombudsperson program in a full-time, part-time, or temporary position that involves providing ombudsperson services to residents and recipients. "Applicant" includes a person who is under final consideration for employment as the state long-term care ombudsperson or the head of a regional long-term care ombudsperson program. "Applicant" does not include a person who provides ombudsperson services to residents and recipients as a volunteer without receiving or expecting to receive any form of remuneration other than reimbursement for actual expenses.

(2) "Criminal records check" has the same meaning as in section 109.572 of the Revised Code.

(B)(1) The state long-term care ombudsperson or the ombudsperson's designee shall request that the superintendent of the bureau of criminal identification and investigation conduct a criminal records check with respect to each applicant. However, if the applicant is under final consideration for employment as the state long-term care ombudsperson, the director of aging shall request that the superintendent conduct the criminal records check. If an applicant for whom a criminal records check request is required under this division does not present proof of having been a resident of this state for the five-year period immediately prior to the date the criminal records check is requested or provide evidence that within that five-year period the superintendent has requested information about the applicant from the federal bureau of investigation in a criminal records check, the ombudsperson, designee, or director shall request that the superintendent obtain information from the federal bureau of investigation as part of the criminal records check of the applicant. Even if an applicant for whom a criminal records check request is required under this division presents proof of having been a resident of this state for the five-year period, the ombudsperson, designee, or director may request that the superintendent include information from the federal bureau of investigation in the criminal records check.

(2) A person required by division (B)(1) of this section to request a criminal records check shall do both of the following:

(a) Provide to each applicant for whom a criminal records check request is required under that division a copy of the form prescribed pursuant to

division (C)(1) of section 109.572 of the Revised Code and a standard fingerprint impression sheet prescribed pursuant to division (C)(2) of that section, and obtain the completed form and impression sheet from the applicant;

(b) Forward the completed form and impression sheet to the superintendent of the bureau of criminal identification and investigation.

(3) An applicant provided the form and fingerprint impression sheet under division (B)(2)(a) of this section who fails to complete the form or provide fingerprint impressions shall not be employed in any position for which a criminal records check is required by this section.

(C)(1) Except as provided in rules adopted by the director of aging in accordance with division (F) of this section and subject to division (C)(2) of this section, the office of the state long-term care ombudsperson may not employ a person in a position that involves providing ombudsperson services to residents and recipients if the person has been convicted of or pleaded guilty to any of the following:

(a) A violation of section 2903.01, 2903.02, 2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 2905.01, 2905.02, 2905.11, 2905.12, 2907.02, 2907.03, 2907.05, 2907.06, 2907.07, 2907.08, 2907.09, 2907.12, 2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.11, 2913.21, 2913.31, 2913.40, 2913.43, 2913.47, 2913.51, 2919.25, 2921.36, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.11, 2925.13, 2925.22, 2925.23, or 3716.11 of the Revised Code.

(b) A violation of an existing or former law of this state, any other state, or the United States that is substantially equivalent to any of the offenses listed in division (C)(1)(a) of this section.

(2)(a) The office of the state long-term care ombudsperson program may employ conditionally an applicant for whom a criminal records check request is required under division (B) of this section prior to obtaining the results of a criminal records check regarding the individual, provided that the state long-term care ombudsperson, ombudsperson's designee, or director of aging shall request a criminal records check regarding the individual in accordance with division (B)(1) of this section not later than five business days after the individual begins conditional employment.

(b) The office of the state long-term care ombudsperson program shall terminate the employment of an individual employed conditionally under division (C)(2)(a) of this section if the results of the criminal records check request under division (B) of this section, other than the results of any request for information from the federal bureau of investigation, are not

obtained within the period ending sixty days after the date the request is made. Regardless of when the results of the criminal records check are obtained, if the results indicate that the individual has been convicted of or pleaded guilty to any of the offenses listed or described in division (C)(1) of this section, the office shall terminate the individual's employment unless the office chooses to employ the individual pursuant to division (F) of this section. Termination of employment under this division shall be considered just cause for discharge for purposes of division (D)(2) of section 4141.29 of the Revised Code if the individual makes any attempt to deceive the office about the individual's criminal record.

(D)(1) The office of the state long-term care ombudsperson program shall pay to the bureau of criminal identification and investigation the fee prescribed pursuant to division (C)(3) of section 109.572 of the Revised Code for each criminal records check conducted pursuant to a request made under division (B) of this section.

(2) The office of the state long-term care ombudsperson program may charge an applicant a fee not exceeding the amount the office pays under division (D)(1) of this section. The office may collect a fee only if the office notifies the applicant at the time of initial application for employment of the amount of the fee.

(E) The report of any criminal records check conducted pursuant to a request made under this section is not a public record for the purposes of section 149.43 of the Revised Code and shall not be made available to any person other than the following:

(1) The individual who is the subject of the criminal records check or the individual's representative;

(2) The state long-term care ombudsperson, ombudsperson's designee, director of health, or the ombudsperson, designee, or director's representative;

(3) If the state long-term care ombudsperson designates the head or other employee of a regional long-term care ombudsperson program to request a criminal records check under this section, a representative of the office of the state long-term care ombudsperson program who is responsible for monitoring the regional program's compliance with this section;

(4) A court, hearing officer, or other necessary individual involved in a case dealing with a denial of employment of the applicant or dealing with employment or unemployment benefits of the applicant.

(F) The director of aging shall adopt rules in accordance with Chapter 119. of the Revised Code to implement this section. The rules shall specify circumstances under which the office of the state long-term care

ombudsperson program may employ a person who has been convicted of or pleaded guilty to an offense listed or described in division (C)(1) of this section but meets personal character standards set by the director.

(G) The office of the state long-term care ombudsperson program shall inform each person, at the time of initial application for a position that involves providing ombudsperson services to residents and recipients, that the person is required to provide a set of fingerprint impressions and that a criminal records check is required to be conducted if the person comes under final consideration for employment.

(H) In a tort or other civil action for damages that is brought as the result of an injury, death, or loss to person or property caused by an individual who the office of the state long-term care ombudsperson program employs in a position that involves providing ombudsperson services to residents and recipients, all of the following shall apply:

(1) If the office employed the individual in good faith and reasonable reliance on the report of a criminal records check requested under this section, the office shall not be found negligent solely because of its reliance on the report, even if the information in the report is determined later to have been incomplete or inaccurate.

(2) If the office employed the individual in good faith on a conditional basis pursuant to division (C)(2) of this section, the office shall not be found negligent solely because it employed the individual prior to receiving the report of a criminal records check requested under this section.

(3) If the office in good faith employed the individual according to the personal character standards established in rules adopted under division (F) of this section, the office shall not be found negligent solely because the individual prior to being employed had been convicted of or pleaded guilty to an offense listed or described in division (C)(1) of this section.

Sec. 173.39. (A) As used in sections 173.39 to ~~473.393~~ 173.394 of the Revised Code, "~~community-based~~:"

(1) "Community-based long-term care agency" means a person or government entity that provides community-based long-term care services under a program the department of aging administers, regardless of whether the person or government entity is certified under section 173.391 or authorized to receive payment for the services from the department under section 173.392 of the Revised Code. "Community-based long-term care agency" includes a person or government entity that provides home and community-based services to older adults through the PASSPORT program created under section 173.40 of the Revised Code.

(2) "Community-based long-term care services" has the same meaning

as in section 173.14 of the Revised Code.

(B) Except as provided in section 173.392 of the Revised Code, the department of aging may not pay a person or government entity for providing community-based long-term care services under a program the department administers unless the person or government entity is certified under section 173.391 of the Revised Code and provides the services.

Sec. 173.391. (A) The department of aging or its designee shall do all of the following in accordance with Chapter 119. of the Revised Code:

(1) Certify a person or government entity to provide community-based long-term care services under a program the department administers if the person or government entity satisfies the requirements for certification established by rules adopted under division (B) of this section;

(2) When required to do so by rules adopted under division (B) of this section, take one or more of the following disciplinary actions against a person or government entity issued a certificate under division (A)(1) of this section:

- (a) Issue a written warning;
- (b) Require the submission of a plan of correction;
- (c) Suspend referrals;
- (d) Remove clients;
- (e) Impose a fiscal sanction such as a civil monetary penalty or an order that unearned funds be repaid;
- (f) Revoke the certificate;
- (g) Impose another sanction.

(3) Hold hearings when there is a dispute between the department or its designee and a person or government entity concerning actions the department or its designee takes or does not take under division (A)(1) or (2)(c) to (g) of this section.

(B) The director of aging shall adopt rules in accordance with Chapter 119. of the Revised Code establishing certification requirements and standards for determining which type of disciplinary action to take under division (A)(2) of this section in individual situations. The rules shall establish procedures for all of the following:

(1) Ensuring that PASSPORT community-based long-term care agencies, ~~as defined in section 173.41 of the Revised Code~~, comply with ~~that~~ section 173.394 of the Revised Code;

(2) Evaluating the services provided to ensure that they are provided in a quality manner advantageous to the individual receiving the services;

(3) Determining when to take disciplinary action under division (A)(2) of this section and which disciplinary action to take.

(C) The procedures established in rules adopted under division (B)(2) of this section shall require that all of the following be considered as part of an evaluation:

- (1) The service provider's experience and financial responsibility;
- (2) The service provider's ability to comply with standards for the community-based long-term care services that the provider provides under a program the department administers;
- (3) The service provider's ability to meet the needs of the individuals served;
- (4) Any other factor the director considers relevant.

(D) The rules adopted under division (B)(3) of this section shall specify that the reasons disciplinary action may be taken under division (A)(2) of this section include good cause, including misfeasance, malfeasance, nonfeasance, confirmed abuse or neglect, financial irresponsibility, or other conduct the director determines is injurious to the health or safety of individuals being served.

Sec. ~~173.41~~ 173.394. (A) As used in this section:

(1) "Applicant" means a person who is under final consideration for employment with a PASSPORT community-based long-term care agency in a full-time, part-time, or temporary position that involves providing direct care to an ~~older adult~~ individual. "Applicant" does not include a person who provides direct care as a volunteer without receiving or expecting to receive any form of remuneration other than reimbursement for actual expenses.

(2) "Criminal records check" ~~and "older adult" have~~ has the same ~~meanings meaning~~ as in section 109.572 of the Revised Code.

~~(3) "PASSPORT agency" means a public or private entity that provides home and community based services to older adults through the PASSPORT program created under section 173.40 of the Revised Code.~~

(B)(1) Except as provided in division (I) of this section, the chief administrator of a PASSPORT community-based long-term care agency shall request that the superintendent of the bureau of criminal identification and investigation conduct a criminal records check with respect to each applicant. If an applicant for whom a criminal records check request is required under this division does not present proof of having been a resident of this state for the five-year period immediately prior to the date the criminal records check is requested or provide evidence that within that five-year period the superintendent has requested information about the applicant from the federal bureau of investigation in a criminal records check, the chief administrator shall request that the superintendent obtain information from the federal bureau of investigation as part of the criminal

records check of the applicant. Even if an applicant for whom a criminal records check request is required under this division presents proof of having been a resident of this state for the five-year period, the chief administrator may request that the superintendent include information from the federal bureau of investigation in the criminal records check.

(2) A person required by division (B)(1) of this section to request a criminal records check shall do both of the following:

(a) Provide to each applicant for whom a criminal records check request is required under that division a copy of the form prescribed pursuant to division (C)(1) of section 109.572 of the Revised Code and a standard fingerprint impression sheet prescribed pursuant to division (C)(2) of that section, and obtain the completed form and impression sheet from the applicant;

(b) Forward the completed form and impression sheet to the superintendent of the bureau of criminal identification and investigation.

(3) An applicant provided the form and fingerprint impression sheet under division (B)(2)(a) of this section who fails to complete the form or provide fingerprint impressions shall not be employed in any position for which a criminal records check is required by this section.

(C)(1) Except as provided in rules adopted by the department of aging in accordance with division (F) of this section and subject to division (C)(2) of this section, no ~~PASSPORT~~ community-based long-term care agency shall employ a person in a position that involves providing direct care to an ~~older adult~~ individual if the person has been convicted of or pleaded guilty to any of the following:

(a) A violation of section 2903.01, 2903.02, 2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 2905.01, 2905.02, 2905.11, 2905.12, 2907.02, 2907.03, 2907.05, 2907.06, 2907.07, 2907.08, 2907.09, 2907.12, 2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.11, 2913.21, 2913.31, 2913.40, 2913.43, 2913.47, 2913.51, 2919.25, 2921.36, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.11, 2925.13, 2925.22, 2925.23, or 3716.11 of the Revised Code.

(b) A violation of an existing or former law of this state, any other state, or the United States that is substantially equivalent to any of the offenses listed in division (C)(1)(a) of this section.

(2)(a) A ~~PASSPORT~~ community-based long-term care agency may employ conditionally an applicant for whom a criminal records check request is required under division (B) of this section prior to obtaining the results of a criminal records check regarding the individual, provided that

the agency shall request a criminal records check regarding the individual in accordance with division (B)(1) of this section not later than five business days after the individual begins conditional employment. In the circumstances described in division (I)(2) of this section, a ~~PASSPORT~~ community-based long-term care agency may employ conditionally an applicant who has been referred to the ~~PASSPORT~~ agency by an employment service that supplies full-time, part-time, or temporary staff for positions involving the direct care of ~~elder adults~~ individuals and for whom, pursuant to that division, a criminal records check is not required under division (B) of this section.

(b) A ~~PASSPORT~~ community-based long-term care agency that employs an individual conditionally under authority of division (C)(2)(a) of this section shall terminate the individual's employment if the results of the criminal records check request under division (B) of this section or described in division (I)(2) of this section, other than the results of any request for information from the federal bureau of investigation, are not obtained within the period ending sixty days after the date the request is made. Regardless of when the results of the criminal records check are obtained, if the results indicate that the individual has been convicted of or pleaded guilty to any of the offenses listed or described in division (C)(1) of this section, the agency shall terminate the individual's employment unless the agency chooses to employ the individual pursuant to division (F) of this section. Termination of employment under this division shall be considered just cause for discharge for purposes of division (D)(2) of section 4141.29 of the Revised Code if the individual makes any attempt to deceive the agency about the individual's criminal record.

(D)(1) Each ~~PASSPORT~~ community-based long-term care agency shall pay to the bureau of criminal identification and investigation the fee prescribed pursuant to division (C)(3) of section 109.572 of the Revised Code for each criminal records check conducted pursuant to a request made under division (B) of this section.

(2) A ~~PASSPORT~~ community-based long-term care agency may charge an applicant a fee not exceeding the amount the agency pays under division (D)(1) of this section. An agency may collect a fee only if both of the following apply:

(a) The agency notifies the person at the time of initial application for employment of the amount of the fee and that, unless the fee is paid, the person will not be considered for employment;

(b) The ~~medical assistance~~ medicaid program established under Chapter 5111. of the Revised Code does not reimburse the agency the fee it pays

under division (D)(1) of this section.

(E) The report of any criminal records check conducted pursuant to a request made under this section is not a public record for the purposes of section 149.43 of the Revised Code and shall not be made available to any person other than the following:

(1) The individual who is the subject of the criminal records check or the individual's representative;

(2) The chief administrator of the agency requesting the criminal records check or the administrator's representative;

(3) The administrator of any other facility, agency, or program that provides direct care to ~~older adults~~ individuals that is owned or operated by the same entity that owns or operates the ~~PASSPORT~~ community-based long-term care agency;

(4) The director of aging or a person authorized by the director to monitor a community-based long-term care agency's compliance with this section:

(5) A court, hearing officer, or other necessary individual involved in a case dealing with a denial of employment of the applicant or dealing with employment or unemployment benefits of the applicant;

~~(5)~~(6) Any person to whom the report is provided pursuant to, and in accordance with, division (I)(1) or (2) of this section.

(F) The department of aging shall adopt rules in accordance with Chapter 119. of the Revised Code to implement this section. The rules shall specify circumstances under which a ~~PASSPORT~~ community-based long-term care agency may employ a person who has been convicted of or pleaded guilty to an offense listed or described in division (C)(1) of this section but meets personal character standards set by the department.

(G) The chief administrator of a ~~PASSPORT~~ community-based long-term care agency shall inform each person, at the time of initial application for a position that involves providing direct care to an ~~older adult~~ individual, that the person is required to provide a set of fingerprint impressions and that a criminal records check is required to be conducted if the person comes under final consideration for employment.

(H) In a tort or other civil action for damages that is brought as the result of an injury, death, or loss to person or property caused by an individual who a ~~PASSPORT~~ community-based long-term care agency employs in a position that involves providing direct care to ~~older adults~~ individuals, all of the following shall apply:

(1) If the agency employed the individual in good faith and reasonable reliance on the report of a criminal records check requested under this

section, the agency shall not be found negligent solely because of its reliance on the report, even if the information in the report is determined later to have been incomplete or inaccurate;

(2) If the agency employed the individual in good faith on a conditional basis pursuant to division (C)(2) of this section, the agency shall not be found negligent solely because it employed the individual prior to receiving the report of a criminal records check requested under this section;

(3) If the agency in good faith employed the individual according to the personal character standards established in rules adopted under division (F) of this section, the agency shall not be found negligent solely because the individual prior to being employed had been convicted of or pleaded guilty to an offense listed or described in division (C)(1) of this section.

(I)(1) The chief administrator of a ~~PASSPORT~~ community-based long-term care agency is not required to request that the superintendent of the bureau of criminal identification and investigation conduct a criminal records check of an applicant if the applicant has been referred to the agency by an employment service that supplies full-time, part-time, or temporary staff for positions involving the direct care of ~~elder adults~~ individuals and both of the following apply:

(a) The chief administrator receives from the employment service or the applicant a report of the results of a criminal records check regarding the applicant that has been conducted by the superintendent within the one-year period immediately preceding the applicant's referral;

(b) The report of the criminal records check demonstrates that the person has not been convicted of or pleaded guilty to an offense listed or described in division (C)(1) of this section, or the report demonstrates that the person has been convicted of or pleaded guilty to one or more of those offenses, but the ~~PASSPORT~~ community-based long-term care agency chooses to employ the individual pursuant to division (F) of this section.

(2) The chief administrator of a ~~PASSPORT~~ community-based long-term care agency is not required to request that the superintendent of the bureau of criminal identification and investigation conduct a criminal records check of an applicant and may employ the applicant conditionally as described in this division, if the applicant has been referred to the agency by an employment service that supplies full-time, part-time, or temporary staff for positions involving the direct care of ~~elder adults~~ individuals and if the chief administrator receives from the employment service or the applicant a letter from the employment service that is on the letterhead of the employment service, dated, and signed by a supervisor or another designated official of the employment service and that states that the

employment service has requested the superintendent to conduct a criminal records check regarding the applicant, that the requested criminal records check will include a determination of whether the applicant has been convicted of or pleaded guilty to any offense listed or described in division (C)(1) of this section, that, as of the date set forth on the letter, the employment service had not received the results of the criminal records check, and that, when the employment service receives the results of the criminal records check, it promptly will send a copy of the results to the PASSPORT community-based long-term care agency. If a PASSPORT community-based long-term care agency employs an applicant conditionally in accordance with this division, the employment service, upon its receipt of the results of the criminal records check, promptly shall send a copy of the results to the PASSPORT community-based long-term care agency, and division (C)(2)(b) of this section applies regarding the conditional employment.

Sec. 184.20. ~~(A)~~ A member of the third frontier commission or a member of the third frontier advisory board shall not ~~do either of the following:~~

- ~~(1) Receive receive support under section 184.11 of the Revised Code;~~
- ~~(2) Receive any financial gain from an entity that is awarded support under section 184.11 of the Revised Code if that financial gain is directly related to, or is the direct result of, the awarding of such support.~~

~~(B)~~ A member who violates ~~division (A)~~ of this section shall forfeit the support ~~or financial gain~~ received and shall pay the amount forfeited to the third frontier commission.

Sec. 307.761. A board of county commissioners may maintain and operate a facility to encourage the study of and promote the sciences and natural history, or it may contract with or contribute to a nonprofit corporation to develop, maintain, and operate such a facility if the nonprofit corporation is organized, in whole or in part, for the purpose of encouraging the study of and to promote the sciences and natural history.

Sec. 319.301. (A) This section does not apply to any of the following:

- (1) Taxes levied at whatever rate is required to produce a specified amount of tax money, including a tax levied under section 5705.211 of the Revised Code, or an amount to pay debt charges;
- (2) Taxes levied within the one per cent limitation imposed by Section 2 of Article XII, Ohio Constitution;
- (3) Taxes provided for by the charter of a municipal corporation.

(B) As used in this section:

- (1) "Real property" includes real property owned by a railroad.

(2) "Carryover property" means all real property on the current year's tax list except:

(a) Land and improvements that were not taxed by the district in both the preceding year and the current year;

(b) Land and improvements that were not in the same class in both the preceding year and the current year.

(3) "Effective tax rate" means with respect to each class of property:

(a) The sum of the total taxes that would have been charged and payable for current expenses against real property in that class if each of the district's taxes were reduced for the current year under division (D)(1) of this section without regard to the application of division (E)(3) of this section divided by

(b) The taxable value of all real property in that class.

(4) "Taxes charged and payable" means the taxes charged and payable prior to any reduction required by section 319.302 of the Revised Code.

(C) The tax commissioner shall make the determinations required by this section each year, without regard to whether a taxing district has territory in a county to which section 5715.24 of the Revised Code applies for that year. Separate determinations shall be made for each of the two classes established pursuant to section 5713.041 of the Revised Code.

(D) With respect to each tax authorized to be levied by each taxing district, the tax commissioner, annually, shall do both of the following:

(1) Determine by what percentage, if any, the sums levied by such tax against the carryover property in each class would have to be reduced for the tax to levy the same number of dollars against such property in that class in the current year as were charged against such property by such tax in the preceding year subsequent to the reduction made under this section but before the reduction made under section 319.302 of the Revised Code. In the case of a tax levied for the first time that is not a renewal of an existing tax, the commissioner shall determine by what percentage the sums that would otherwise be levied by such tax against carryover property in each class would have to be reduced to equal the amount that would have been levied if the full rate thereof had been imposed against the total taxable value of such property in the preceding tax year. A tax or portion of a tax that is designated a replacement levy under section 5705.192 of the Revised Code is not a renewal of an existing tax for purposes of this division.

(2) Certify each percentage determined in division (D)(1) of this section, as adjusted under division (E) of this section, and the class of property to which that percentage applies to the auditor of each county in which the district has territory. The auditor, after complying with section 319.30 of the Revised Code, shall reduce the sum to be levied by such tax against each

parcel of real property in the district by the percentage so certified for its class. Certification shall be made by the first day of September except in the case of a tax levied for the first time, in which case certification shall be made within fifteen days of the date the county auditor submits the information necessary to make the required determination.

(E)(1) As used in division (E)(2) of this section, "pre-1982 joint vocational taxes" means, with respect to a class of property, the difference between the following amounts:

(a) The taxes charged and payable in tax year 1981 against the property in that class for the current expenses of the joint vocational school district of which the school district is a part after making all reductions under this section;

(b) The following percentage of the taxable value of all real property in that class:

- (i) In 1987, five one-hundredths of one per cent;
- (ii) In 1988, one-tenth of one per cent;
- (iii) In 1989, fifteen one-hundredths of one per cent;
- (iv) In 1990 and each subsequent year, two-tenths of one per cent.

If the amount in division (E)(1)(b) of this section exceeds the amount in division (E)(1)(a) of this section, the pre-1982 joint vocational taxes shall be zero.

As used in divisions (E)(2) and (3) of this section, "taxes charged and payable" has the same meaning as in division (B)(4) of this section and excludes any tax charged and payable in 1985 or thereafter under sections 5705.194 to 5705.197 or section 5705.213 of the Revised Code.

(2) If in the case of a school district other than a joint vocational or cooperative education school district any percentage required to be used in division (D)(2) of this section for either class of property could cause the total taxes charged and payable for current expenses to be less than two per cent of the taxable value of all real property in that class that is subject to taxation by the district, the commissioner shall determine what percentages would cause the district's total taxes charged and payable for current expenses against that class, after all reductions that would otherwise be made under this section, to equal, when combined with the pre-1982 joint vocational taxes against that class, the lesser of the following:

- (a) The sum of the rates at which those taxes are authorized to be levied;
- (b) Two per cent of the taxable value of the property in that class. The auditor shall use such percentages in making the reduction required by this section for that class.

(3)(a) If in the case of a joint vocational school district any percentage

required to be used in division (D)(2) of this section for either class of property could cause the total taxes charged and payable for current expenses for that class to be less than the designated amount, the commissioner shall determine what percentages would cause the district's total taxes charged and payable for current expenses for that class, after all reductions that would otherwise be made under this section, to equal the designated amount. The auditor shall use such percentages in making the reductions required by this section for that class.

(b) As used in division (E)(3)(a) of this section, the designated amount shall equal the taxable value of all real property in the class that is subject to taxation by the district times the lesser of the following:

(i) Two-tenths of one per cent;

(ii) The district's effective rate plus the following percentage for the year indicated:

WHEN COMPUTING THE TAXES CHARGED FOR	ADD THE FOLLOWING PERCENTAGE:
1987	0.025%
1988	0.05%
1989	0.075%
1990	0.1%
1991	0.125%
1992	0.15%
1993	0.175%
1994 and thereafter	0.2%

(F) No reduction shall be made under this section in the rate at which any tax is levied.

(G) The commissioner may order a county auditor to furnish any information ~~he~~ the commissioner needs to make the determinations required under division (D) or (E) of this section, and the auditor shall supply the information in the form and by the date specified in the order. If the auditor fails to comply with an order issued under this division, except for good cause as determined by the commissioner, the commissioner shall withhold from such county or taxing district therein fifty per cent of state revenues to local governments pursuant to section 5747.50 of the Revised Code or shall direct the department of education to withhold therefrom fifty per cent of state revenues to school districts pursuant to Chapter 3317. of the Revised Code. The commissioner shall withhold the distribution of such revenues until the county auditor has complied with this division, and the department

shall withhold the distribution of such revenues until the commissioner has notified the department that the county auditor has complied with this division.

(H) If the commissioner is unable to certify a tax reduction factor for either class of property in a taxing district located in more than one county by the last day of November because information required under division (G) of this section is unavailable, ~~he~~ the commissioner may compute and certify an estimated tax reduction factor for that district for that class. The estimated factor shall be based upon an estimate of the unavailable information. Upon receipt of the actual information for a taxing district that received an estimated tax reduction factor, the commissioner shall compute the actual tax reduction factor and use that factor to compute the taxes that should have been charged and payable against each parcel of property for the year for which the estimated reduction factor was used. The amount by which the estimated factor resulted in an overpayment or underpayment in taxes on any parcel shall be added to or subtracted from the amount due on that parcel in the ensuing tax year.

A percentage or a tax reduction factor determined or computed by the commissioner under this section shall be used solely for the purpose of reducing the sums to be levied by the tax to which it applies for the year for which it was determined or computed. It shall not be used in making any tax computations for any ensuing tax year.

(I) In making the determinations under division (D)(1) of this section, the tax commissioner shall take account of changes in the taxable value of carryover property resulting from complaints filed under section 5715.19 of the Revised Code for determinations made for the tax year in which such changes are reported to the commissioner. Such changes shall be reported to the commissioner on the first abstract of real property filed with the commissioner under section 5715.23 of the Revised Code following the date on which the complaint is finally determined by the board of revision or by a court or other authority with jurisdiction on appeal. The tax commissioner shall account for such changes in making the determinations only for the tax year in which the change in valuation is reported. Such a valuation change shall not be used to recompute the percentages determined under division (D)(1) of this section for any prior tax year.

Sec. 333.01. As used in this chapter:

(A) "County sales and use tax" means the tax levied by a county under division (A) of section 5739.021 or division (A) of section 5741.021 of the Revised Code that is returned or distributed to the county under section 5739.21 or 5741.03 of the Revised Code.

(B) "Impact facility" means a permanent structure, including all interior or exterior square footage used for educational or exhibition activities, that meets all of the following criteria:

(1) It is used for the sale of tangible personal property or services;

(2) At least ten per cent of the facility's total square footage is dedicated to educational or exhibition activities;

(3) At least fifty million dollars is invested in land, buildings, infrastructure, and equipment for the facility at the site of the facility over a period of not more than two years;

(4) An annualized average of at least one hundred fifty new full-time equivalent positions will be created and maintained at the facility;

(5) More than fifty per cent of the visitors to the facility are reasonably anticipated to live at least one hundred miles from the facility.

(C) "Qualifying investment" means a person's investment in land, buildings, infrastructure, and equipment for creating an impact facility.

(D) "Full-time equivalent positions" means the total number of hours worked at a facility in a work week, divided by forty hours per week.

Sec. 333.02. Before December 1, 2006, a board of county commissioners of a county that levies a county sales and use tax may enter into an agreement with any person that proposes to construct an impact facility in the county to provide payments to that person of up to seventy-five per cent of the county sales and use tax collected on each retail sale made by that person at the facility, for a term of up to ten years, or until the person's qualifying investment in the impact facility has been realized through the payments, whichever occurs first.

Sec. 333.03. (A) A person seeking to enter into an agreement and obtain payments under section 333.02 of the Revised Code shall provide both of the following to the board of county commissioners:

(1) A certification by the person's chief financial officer, or the equivalent if that position does not exist, that the criteria listed in division (B) of section 333.01 of the Revised Code will be met; and

(2) An application on a form or in a format acceptable to the board that describes the proposed impact facility, including the projected level of investment in and new jobs to be created at the facility, the rationale used for determining that more than fifty per cent of the facility's visitors live at least one hundred miles from the facility, the types of activities to be conducted at the facility, the projected levels of sales to occur at the facility, a calculation of the facility's square footage that will be dedicated to educational or exhibition activities, and any other information the board of county commissioners reasonably requests about the expected operations of

the facility.

(B) The board of county commissioners shall request the director of development to certify that the proposed facility meets the criteria for an impact facility listed in division (B) of section 333.01 of the Revised Code. The board of county commissioners may, but need not, make findings of fact that a proposed facility meets the criteria for an impact facility listed in division (B) of section 333.01 of the Revised Code before or after requesting the certification. If the director of development certifies a proposed facility as an impact facility under this section, and if the board makes such findings, the findings and certification are conclusive and not subject to reopening at any time.

Sec. 333.04. (A) After review of the items submitted under division (A) of section 333.03 of the Revised Code, and after receipt of the certification from the director of development under division (B) of that section, a board of county commissioners, before December 1, 2006, may enter into an agreement under section 333.02 of the Revised Code, provided that the board has determined all of the following:

(1) The proposed impact facility is economically sound;

(2) Construction of the proposed impact facility has not begun prior to the day the agreement is entered into;

(3) The impact facility will benefit the county by increasing employment opportunities and strengthening the local and regional economy; and

(4) Receiving payments from the board of county commissioners is a major factor in the person's decision to go forward with construction of the impact facility.

(B) An agreement entered into under this section shall include all of the following:

(1) A description of the impact facility that is the subject of the agreement, including the existing investment level, if any, the proposed amount of investments, the scheduled starting and completion dates for the facility, and the number and type of full-time equivalent positions to be created at the facility;

(2) The percentage of the county sales and use tax collected at the impact facility that will be used to make payments to the person entering into the agreement;

(3) The term of the payments and the first calendar quarter in which the person may apply for a payment under section 333.06 of the Revised Code;

(4) A requirement that the amount of payments made to the person during the term established under division (B)(3) of this section shall not

exceed the person's qualifying investment, and that all payments cease when that amount is reached;

(5) A requirement that the person maintain operations at the impact facility for at least the term established under division (B)(3) of this section;

(6) A requirement that the person annually certify to the board of county commissioners, on or before a date established by the board in the agreement, the level of investment in, the number of employees and type of full-time equivalent positions at, and the amount of county sales and use tax collected and remitted to the tax commissioner or treasurer of state from sales made at, the facility;

(7) A provision stating that the creation of the proposed impact facility does not involve the relocation of more than ten full-time equivalent positions and two million dollars in taxable assets to the impact facility from another facility owned by the person, or a related member of the person, that is located in another political subdivision of this state, other than the political subdivision in which the impact facility is or will be located;

(8) A provision stating that the person will not relocate more than ten full-time equivalent positions and two million dollars in taxable assets to the impact facility from another facility in another political subdivision of this state during the term of the payments without the written approval of the director of development;

(9) A detailed explanation of how the person determined that more than fifty per cent of the visitors to the facility live at least one hundred miles from the facility.

(C) For purposes of this section, the transfer of a full-time equivalent position or taxable asset from another political subdivision in this state to the political subdivision in which the impact facility is or will be located shall be considered a relocation, unless the person refills the full-time equivalent position, or replaces the taxable asset with an asset of equal or greater taxable value, within six months after the transfer. The person may not receive a payment under this chapter for any year in which more than ten relocations occurred without the written consent of the board of county commissioners.

Sec. 333.05. (A) If a person fails to meet or comply with any provision of an agreement entered into under section 333.02 of the Revised Code, the board of county commissioners may amend the agreement to reduce the percentage or term, or both, of the payments the person is entitled to receive under the agreement. The reduction shall commence in the calendar quarter immediately following the calendar quarter in which the board amends the agreement.

(B) A board of county commissioners shall submit to the department of development and to the tax commissioner a copy of each agreement entered into under section 333.02 of the Revised Code and any modifications to an agreement within thirty days after finalization or modification of the agreement.

Sec. 333.06. (A) A person who has entered into an agreement with a board of county commissioners under section 333.02 of the Revised Code shall apply for payment with the county auditor on a form prescribed by the tax commissioner within sixty days after the end of each calendar quarter during which the agreement is in effect. Upon request of the county auditor, the tax commissioner shall provide to the county auditor the applicant's sales or use tax return information or any sales or use tax audit information, including information regarding state refunds of sales or use taxes, that the county auditor needs to determine the amount of the payment that should be made to the applicant.

(B) On receipt of an application for payment under this section and review of the applicant's agreement with the board of county commissioners, the county auditor shall determine the amount of the payment the applicant shall receive as follows:

(1) If the amount of the payment is not less than that claimed on the application, the county auditor shall certify the amount to the county treasurer, who shall make a payment to the applicant from the county sales and use tax revenues returned or distributed to the county under sections 5739.21 and 5741.03 of the Revised Code. Upon request of the board of county commissioners or the tax commissioner, the county auditor shall notify the board or the commissioner, or both, of the amount certified and the date the payment will be made.

(2) If the amount of the payment is less than that claimed on the application, the county auditor shall notify the applicant and provide to the applicant the reasons why the payment is less than that claimed. If the applicant disagrees with the amount of the payment, the applicant may file an appeal with the tax commissioner pursuant to, and within the time prescribed by, section 333.07 of the Revised Code. To assist in reviewing the amount under appeal, the county auditor shall provide to the tax commissioner any information the commissioner requests.

(C) A payment made under this section or under section 333.07 of the Revised Code shall not include interest. The amount of the payment shall be subject to adjustment by the county auditor, based on any refunds of the county sales and use tax that were made to the person arising from retail sales at the impact facility, including for calendar quarters in which such

sales were made before the calendar quarter for which the person is requesting a payment under this section.

Sec. 333.07. (A) An applicant who intends to file an appeal with the tax commissioner under division (B)(2) of section 333.06 of the Revised Code shall have sixty days from the date the county auditor mails the notice under that section, as shown by the United States postal service postmark, to file with the commissioner a notice of objection and to request a hearing. The notice of objection shall state the reasons why the applicant objects to the amount of the payment to be paid to the applicant by the county auditor.

(B)(1) If an applicant who files an appeal with the tax commissioner under division (B)(2) of section 333.06 of the Revised Code does not file a notice of objection within the time limit prescribed under division (A) of this section, the tax commissioner shall take no further action and the county auditor's determination under section 333.06 of the Revised Code is final.

(2)(a) If the applicant files a notice of objection and requests a hearing within the time limit prescribed by division (A) of this section, the tax commissioner shall assign a time and place for the hearing and notify the applicant of the time and place, but the commissioner may continue the hearing from time to time as necessary. After the hearing, the commissioner may make adjustments to the payment as the commissioner finds proper, and shall issue a final determination thereon.

(b) If the applicant files a notice of objection within the time limit prescribed by division (A) of this section and does not request a hearing, but provides additional information within the time limit prescribed by division (A) of this section, the tax commissioner shall review the information, may make adjustments to the payment as the commissioner finds proper, and shall issue a final determination thereon.

(C) The tax commissioner shall serve a copy of the commissioner's final determination under this section on the applicant that filed the appeal and on the county auditor, in the manner provided in section 5703.37 of the Revised Code. The final determination may be appealed by the applicant under section 5717.02 of the Revised Code.

(D) If applicable, the county auditor shall certify to the county treasurer any payment due to a person pursuant to the tax commissioner's final determination under this section, adjusted for any changes that were made to the amount of the payment as the result of the appeal.

Sec. 340.021. (A) In an alcohol, drug addiction, and mental health service district comprised of a county with a population of two hundred fifty thousand or more on October 10, 1989, the board of county commissioners shall, within thirty days of October 10, 1989, establish an alcohol and drug

addiction services board as the entity responsible for providing alcohol and drug addiction services in the county, unless, prior to that date, the board adopts a resolution providing that the entity responsible for providing the services is a board of alcohol, drug addiction, and mental health services. If the board of county commissioners establishes an alcohol and drug addiction services board, the community mental health board established under former section 340.02 of the Revised Code shall serve as the entity responsible for providing mental health services in the county. A community mental health board has all the powers, duties, and obligations of a board of alcohol, drug addiction, and mental health services with regard to mental health services. An alcohol and drug addiction services board has all the powers, duties, and obligations of a board of alcohol, drug addiction, and mental health services with regard to alcohol and drug addiction services. Any provision of the Revised Code that refers to a board of alcohol, drug addiction, and mental health services with regard to mental health services also refers to a community mental health board and any provision that refers to a board of alcohol, drug addiction, and mental health services with regard to alcohol and drug addiction services also refers to an alcohol and drug addiction services board.

An alcohol and drug addiction services board shall consist of eighteen members, six of whom shall be appointed by the director of alcohol and drug addiction services and twelve of whom shall be appointed by the board of county commissioners. Of the members appointed by the director, one shall be a person who has received or is receiving services for alcohol or drug addiction, one shall be a parent or relative of such a person, one shall be a professional in the field of alcohol or drug addiction services, and one shall be an advocate for persons receiving treatment for alcohol or drug addiction. The membership of the board shall, as nearly as possible, reflect the composition of the population of the service district as to race and sex. Members shall be residents of the service district and shall be interested in alcohol and drug addiction services. Requirements for membership, including prohibitions against certain family and business relationships, and terms of office shall be the same as those for members of boards of alcohol, drug addiction, and mental health services.

A community mental health board shall consist of eighteen members, six of whom shall be appointed by the director of mental health and twelve of whom shall be appointed by the board of county commissioners. Of the members appointed by the director, one shall be a person who has received or is receiving mental health services, one shall be a parent or relative of such a person, one shall be a psychiatrist or a physician, and one shall be a

mental health professional. The membership of the board as nearly as possible shall reflect the composition of the population of the service district as to race and sex. Members shall be residents of the service district and shall be interested in mental health services. Requirements for membership, including prohibitions against certain family and business relationships, and terms of office shall be the same as those for members of boards of alcohol, drug addiction, and mental health services.

(B) If a board of county commissioners subject to division (A) of this section did not adopt a resolution providing for a board of alcohol, drug addiction, and mental health services, the board of county commissioners may ~~adopt a resolution providing for establish~~ such a board, ~~subject to both of~~ in accordance with the following procedures:

~~(1) The resolution shall be adopted not later than January 1, 2004.~~

~~(2) Before adopting the resolution, the board of county commissioners shall provide notice of the proposed resolution to the alcohol and drug services board and the community mental health board and shall provide both boards an opportunity to comment on the proposed resolution. Not later than January 1, 2007, the board of county commissioners shall adopt a resolution expressing its intent to establish a board of alcohol, drug addiction, and mental health services.~~

(2) After adopting a resolution under division (B)(1) of this section, the board of county commissioners shall instruct the county's community mental health board and alcohol and drug addiction services board to prepare a report on the feasibility, process, and proposed plan to establish a board of alcohol, drug addiction, and mental health services. The board of county commissioners shall specify the date by which the report must be submitted to the board for its review.

(3) After reviewing the report prepared under division (B)(2) of this section, the board may adopt a final resolution establishing a board of alcohol, drug addiction, and mental health services. A final resolution establishing such a board shall be adopted not later than July 1, 2007.

Sec. 742.57. All amounts due the Ohio police and fire pension fund from the state treasury pursuant to this chapter shall be promptly paid upon warrant of the ~~auditor of state~~ director of budget and management pursuant to a voucher approved by the ~~director of budget and management~~.

Sec. 901.23. (A) There is hereby created the farmland preservation advisory board consisting of twelve voting members. ~~Not later than sixty days after the effective date of this section,~~ appointed by the director of agriculture ~~shall appoint all of the following members to the board as follows:~~

(1) One member who is a county commissioner or a representative of a statewide organization that represents county commissioners;

(2) One member who is a township trustee or a representative of a statewide organization that represents township trustees;

(3) One representative of the Ohio state university;

(4) One representative of a national nonprofit organization dedicated to the preservation of farmland;

~~(5) One representative of the natural resources conservation service in the United States department of agriculture;~~

~~(6) One representative each of development, environmental, and planning, and soil and water conservation interests;~~

~~(7)~~(6) One farmer from each of the state's four quadrants.

~~Of the initial appointments to the board, four shall serve for a one-year term, four shall serve for a two-year term, and four shall serve for a three-year term. Thereafter, terms~~ Terms of office shall be staggered and shall be for three years, with each term ending on the same day of the same month as did the term that it succeeds. Each member shall hold office from the date of appointment until the end of the term for which the member was appointed, except that the term of any member who is a county commissioner or township trustee shall end when the member ceases to serve as a county commissioner or township trustee.

Members may be reappointed. Vacancies shall be filled in the manner provided for original appointments. Any member appointed to fill a vacancy occurring prior to the expiration date of the term for which the member was appointed shall serve for the remainder of that term. A member shall continue to serve subsequent to the expiration date of the member's term until the member's successor takes office or until a period of sixty days has elapsed, whichever occurs first. Members shall serve at the pleasure of the director.

The executive director of the office of farmland preservation in the department of agriculture or another employee of the department who is designated by the director shall serve as the nonvoting chairperson of the board. The director annually shall designate one member of the board to serve as its vice-chairperson. The board may adopt bylaws governing its operation and shall meet at a time when the director, or the director's designee, considers it appropriate in order for the board to provide advice as required under division (B) of this section.

(B) The board shall provide advice to the director regarding all of the following:

(1) The design and implementation of an agricultural easement purchase

program;

(2) The selection of applications that will be awarded matching grants under division (D) of section 901.22 of the Revised Code for the purchase of agricultural easements;

(3) The design and implementation of any other statewide farmland protection measures that the director considers appropriate.

(C) Serving as a member of the board does not constitute holding a public office or position of employment under the laws of this state and does not constitute grounds for removal of public officers or employees from their offices or positions of employment.

(D) A board member shall be reimbursed for actual and necessary expenses incurred in the discharge of duties as a board member.

Sec. 927.39. (A) As used in this section and in sections 927.40 to 927.42 of the Revised Code:

(1) "Pest" has the same meaning as in section 927.51 of the Revised Code.

(2) "Quarantined area" means an area that is quarantined by the director of agriculture under section 927.71 of the Revised Code or by the United States department of agriculture.

(B) Counties, townships, and municipal corporations may, upon the vote of the board of county commissioners, the board of township trustees, or the legislative authority of any municipal corporation, purchase or rent spraying equipment and may purchase supplies designed to combat ~~dutch elm disease and phloem necrosis, commonly known as "elmblight,"~~ a pest for which a quarantined area is established and may contract for the hire of necessary employees to operate such equipment and carry out sections 927.39 to 927.42, inclusive, of the Revised Code. Payment for such equipment or its use, supplies, and wages as are contracted for may be provided out of the general fund of such subdivision.

Any two or more counties, townships, municipal corporations, or any combination of such subdivisions, may jointly contract for the purchase or renting of such ~~spraying~~ equipment, the purchase of such supplies, and for the hiring of such employees to conduct a joint effort to combat ~~dutch elm disease and phloem necrosis~~ a pest for which a quarantined area is established; the payment for such equipment, supplies, and labor may be made jointly, in such proportions as the board of county commissioners, the board of township trustees, or the legislative authority of a municipal corporation may agree upon, out of the general fund of any such subdivision.

Sec. 927.40. The board of county commissioners, board of township

trustees, or legislative authority of a municipal corporation may authorize an agent to enter upon any lands in a quarantined area within the subdivisions for the sole purpose of inspecting such lands for the existence of ~~dutch elm disease or phloem necrosis~~ the pest for which the quarantined area has been established. Such powers of inspection may be exercised by any such subdivision, through its agent, solely to prepare a campaign within the subdivision against ~~such plant diseases~~ a pest for which a quarantined area is established.

Sec. 927.41. Upon the purchase or rental of ~~spraying~~ equipment and the purchase of supplies to combat ~~dutch elm disease and phloem necrosis~~ a pest for which a quarantined area is established, the agents of the board of county commissioners, board of township trustees, or legislative authority of a municipal corporation may contact the owners of land in the quarantined area within the subdivision, to obtain permission to enter upon such lands to ~~spray and treat trees upon such land~~ combat that pest. After obtaining such permission, such agents may enter upon such land and ~~spray and treat such trees~~ combat that pest as the owner agrees ~~shall be so treated~~, and the board of county commissioners, board of township trustees, or legislative authority of the municipal corporation may charge ~~such~~ fees for such ~~treatment~~ efforts as will cover the actual costs of ~~such treatment~~ the efforts.

In the same manner, plants that are dead or dying ~~trees infested with the carrier beetles of the dutch elm disease~~ from a pest may be removed or completely destroyed ~~by burning~~ at the cost of the landowner.

Sec. 927.42. (A) The board of county commissioners, the board of township trustees, or the legislative authority of any municipal corporation may obtain the assistance of the ~~departments~~ department of agriculture of Ohio or of the United States department of agriculture upon any problem ~~which that~~ arises in connection with combating dutch elm disease and phloem necrosis.

(B) If the board of county commissioners, the board of township trustees, or the legislative authority of a municipal corporation issues general obligation securities under division (A)(4) of section 133.12 of the Revised Code, that board of county commissioners, board of township trustees, or legislative authority, whichever is applicable, shall do both of the following:

- (1) Notify the director of agriculture of that fact;
- (2) Coordinate and comply with the protocols and directives established by the director with respect to the quarantined area or the pest for which a quarantined area is established.

Sec. 955.011. (A) When an application is made for registration of a an

~~assistance dog that is in training to become or serves as a guide or leader for a blind person or as a listener for a deaf person, that is in training to provide or provides support or assistance for a mobility impaired person, or that is in training to become or serves as a seizure assistance, seizure response, or seizure alert dog for a person with a seizure disorder, and the owner can show proof by certificate or other means that the dog is in training or has been trained for that purpose by a nonprofit special agency engaged in such work~~ an assistance dog, the owner of ~~such a guide, leader, hearing, support, seizure assistance, seizure response, or seizure alert~~ the dog shall be exempt from any fee for ~~such~~ the registration. Registration for ~~such a~~ an assistance dog in training or serving as a guide or leader for a blind person, as a listener for a deaf person, as a support dog for a mobility impaired person, or as a seizure assistance, seizure response, or seizure alert dog for a person with a seizure disorder shall be permanent and not subject to annual renewal so long as the dog is ~~in training or so serves~~ an assistance dog. Certificates and tags stamped "Ohio ~~Service~~ Assistance Dog-Permanent Registration," with registration number, shall be issued upon registration of such a dog. Any certificate and tag stamped "Ohio Guide Dog-Permanent Registration" or "Ohio Hearing Dog-Permanent Registration," with registration number, that was issued for a dog in accordance with this section as it existed prior to July 4, 1984, ~~and~~ any certificate and tag stamped "Ohio Handicapped Assistance Dog-Permanent Registration," with registration number, that was issued for a dog in accordance with this section as it existed on and after July 5, 1984, ~~and but~~ prior to ~~the effective date of this amendment~~ November 26, 2004, ~~and any certificate and tag stamped "Ohio Service Dog-Permanent Registration," with registration number, that was issued for a dog in accordance with this section as it existed on and after November 26, 2004, but prior to the effective date of this amendment~~ shall remain in effect as valid proof of the registration of the dog on and after ~~the effective date of this amendment~~ November 26, 2004. Duplicate certificates and tags for a dog registered in accordance with this section, upon proper proof of loss, shall be issued and no fee required. Each duplicate certificate and tag that is issued shall be stamped "Ohio ~~Service~~ Assistance Dog-Permanent Registration."

(B) As used in this section and in sections 955.16 and 955.43 of the Revised Code:

(1) "Mobility impaired person" means any person, regardless of age, who is subject to a physiological defect or deficiency regardless of its cause, nature, or extent that renders the person unable to move about without the aid of crutches, a wheelchair, or any other form of support, or that limits the

person's functional ability to ambulate, climb, descend, sit, rise, or to perform any related function. "Mobility impaired person" includes a person with a neurological or psychological disability that limits the person's functional ability to ambulate, climb, descend, sit, rise, or perform any related function. "Mobility impaired person" also includes a person with a seizure disorder.

(2) "Blind" means either of the following:

(a) Vision twenty/two hundred or less in the better eye with proper correction;

(b) Field defect in the better eye with proper correction ~~which~~ that contracts the peripheral field so that the diameter of the visual field subtends an angle no greater than twenty degrees.

(3) "Assistance dog" means a guide dog, hearing dog, or service dog that has been trained by a nonprofit special agency.

(4) "Guide dog" means a dog that has been trained or is in training to assist a blind person.

(5) "Hearing dog" means a dog that has been trained or is in training to assist a deaf or hearing-impaired person.

(6) "Service dog" means a dog that has been trained or is in training to assist a mobility impaired person.

Sec. 955.16. (A) Dogs that have been seized by the county dog warden and impounded shall be kept, housed, and fed for three days for the purpose of redemption, as provided by section 955.18 of the Revised Code, unless any of the following applies:

(1) Immediate humane destruction of the dog is necessary because of obvious disease or injury. If the diseased or injured dog is registered, as determined from the current year's registration list maintained by the warden and the county auditor of the county where the dog is registered, the necessity of destroying the dog shall be certified by a licensed veterinarian or a registered veterinary technician. If the dog is not registered, the decision to destroy it shall be made by the warden.

(2) The dog is currently registered on the registration list maintained by the warden and the auditor of the county where the dog is registered and the attempts to notify the owner, keeper, or harborer under section 955.12 of the Revised Code have failed, in which case the dog shall be kept, housed, and fed for fourteen days for the purpose of redemption.

(3) The warden has contacted the owner, keeper, or harborer under section 955.12 of the Revised Code, and the owner, keeper, or harborer has requested that the dog remain in the pound or animal shelter until the owner, harborer, or keeper redeems the dog. The time for such redemption shall be

not more than forty-eight hours following the end of the appropriate redemption period.

At any time after such periods of redemption, any dog not redeemed shall be donated to any nonprofit special agency that is engaged in the training of any type of assistance dogs ~~to serve as guide or leader dogs for blind persons, hearing dogs for deaf persons, or support dogs for mobility impaired persons~~ and that requests that the dog be donated to it. Any dog not redeemed that is not requested by such an agency may be sold, except that no dog sold to a person other than a nonprofit teaching or research institution or organization of the type described in division (B) of this section shall be discharged from the pound or animal shelter until the animal has been registered and furnished with a valid registration tag.

(B) Any dog that is not redeemed within the applicable period as specified in this section or section 955.12 of the Revised Code from the time notice is mailed to its owner, keeper, or harborer or is posted at the pound or animal shelter, as required by section 955.12 of the Revised Code, and that is not required to be donated to a nonprofit special agency engaged in the training of ~~guide, leader, hearing, or support~~ any type of assistance dogs may, upon payment to the dog warden or poundkeeper of the sum of three dollars, be sold to any nonprofit Ohio institution or organization that is certified by the Ohio public health council as being engaged in teaching or research concerning the prevention and treatment of diseases of human beings or animals. Any dog that is donated to a nonprofit special agency engaged in the training of ~~guide, leader, hearing, or support~~ any type of assistance dogs; in accordance with division (A) of this section and any dog that is sold to any nonprofit teaching or research institution or organization shall be discharged from the pound or animal shelter without registration and may be kept by the agency or by the institution or organization without registration so long as the dog is being trained, or is being used for teaching and research purposes.

Any institution or organization certified by the Ohio public health council that obtains dogs for teaching and research purposes pursuant to this section shall, at all reasonable times, make the dogs available for inspection by agents of the Ohio humane society, appointed pursuant to section 1717.04 of the Revised Code, and agents of county humane societies, appointed pursuant to section 1717.06 of the Revised Code, in order that the agents may prevent the perpetration of any act of cruelty, as defined in section 1717.01 of the Revised Code, to the dogs.

(C) Any dog that the dog warden or poundkeeper is unable to dispose of, in the manner provided by this section and section 955.18 of the Revised

Code, may be humanely destroyed, except that no dog shall be destroyed until twenty-four hours after it has been offered to a nonprofit teaching or research institution or organization, as provided in this section, that has made a request for dogs to the dog warden or poundkeeper.

(D) An owner of a dog that is wearing a valid registration tag who presents the dog to the dog warden or poundkeeper may specify in writing that the dog shall not be offered to a nonprofit teaching or research institution or organization, as provided in this section.

(E) A record of all dogs impounded, the disposition of the same, the owner's name and address, if known, and a statement of costs assessed against the dogs shall be kept by the poundkeeper, and ~~he~~ the poundkeeper shall furnish a transcript thereof to the county treasurer quarterly.

A record of all dogs received and the source that supplied them shall be kept, for a period of three years from the date of acquiring the dogs, by all institutions or organizations engaged in teaching or research concerning the prevention and treatment of diseases of human beings or animals.

(F) No person shall destroy any dog by the use of a high altitude decompression chamber or by any method other than a method that immediately and painlessly renders the dog initially unconscious and subsequently dead.

Sec. 955.43. (A) When either a blind, deaf or hearing impaired, or mobility impaired person or a trainer of an assistance dog is accompanied by a an assistance dog ~~that serves as or is in training to become a guide, leader, listener, or support dog for the person, and the person can show proof by certificate or other means that the dog leading the person, listening for the person, or providing support or assistance for the person has been or is being trained for that purpose by a nonprofit special agency engaged in such work,~~ the person or the trainer, as applicable, is entitled to the full and equal accommodations, advantages, facilities, and privileges of all public conveyances, hotels, lodging places, all places of public accommodation, amusement, or resort, all institutions of education, and other places to which the general public is invited, and may take the dog into such conveyances and places, subject only to the conditions and limitations applicable to all persons not so accompanied, except that:

(1) The dog shall not occupy a seat in any public conveyance.

(2) The dog shall be upon a leash while using the facilities of a common carrier.

(3) Any dog in training to become ~~a guide, leader, listener, or support~~ an assistance dog shall be covered by a liability insurance policy provided by the nonprofit special agency engaged in such work protecting members of

the public against personal injury or property damage caused by the dog.

(B) No person shall deprive a blind, deaf or hearing impaired, or mobility impaired person or a trainer of an assistance dog who is accompanied by an assistance dog of any of the advantages, facilities, or privileges provided in division (A) of this section, nor charge the ~~blind, deaf, or mobility impaired person or trainer~~ a fee or charge for the dog.

(C) As used in this section, "institutions of education" means:

(1) Any state university or college as defined in section 3345.32 of the Revised Code;

(2) Any private college or university that holds a certificate of authorization issued by the Ohio board of regents pursuant to Chapter 1713. of the Revised Code;

(3) Any elementary or secondary school operated by a board of education;

(4) Any chartered or nonchartered nonpublic elementary or secondary school;

(5) Any school issued a certificate of registration by the state board of career colleges and schools.

Sec. 1309.102. (A) As used in this chapter, unless the context requires otherwise:

(1) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost.

(2)(a) "Account," except as used in "account for," means a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit or charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state.

(b) "Account" includes health-care insurance receivables.

(c) "Account" does not include (i) rights to payment evidenced by chattel paper or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v) letter-of-credit rights or letters of credit, or (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information

contained on or for use with the card.

(3) "Account debtor" means a person who is obligated on an account, chattel paper, or general intangible. "Account debtor" does not include a person who is obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

(4) "Accounting," except as used in "accounting for," means a record:

(a) Authenticated by a secured party;

(b) Indicating the aggregate unpaid secured obligations as of a date not more than thirty-five days earlier or thirty-five days later than the date of the record; and

(c) Identifying the components of the obligations in reasonable detail.

(5) "Agricultural lien" means an interest, other than a security interest, in farm products:

(a) That secures payment or performance of an obligation for:

(i) Goods or services furnished in connection with a debtor's farming operation; or

(ii) Rent on real property leased by a debtor in connection with its farming operation.

(b) That is created by statute in favor of a person who:

(i) In the ordinary course of business, furnished goods or services to a debtor in connection with the debtor's farming operation; or

(ii) Leased real property to a debtor in connection with the debtor's farming operation; and

(c) Whose effectiveness does not depend on the person's possession of the personal property.

(6) "As-extracted collateral" means:

(a) Oil, gas, or other minerals that are subject to a security interest that:

(i) Is created by a debtor having an interest in the minerals before extraction; and

(ii) Attaches to the minerals as extracted; or

(b) Accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.

(7) "Authenticate" means:

(a) To sign; or

(b) To execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify the person and adopt or accept a record.

(8) "Bank" means an organization that is engaged in the business of banking. "Bank" includes savings banks, savings and loan associations, credit unions, and trust companies.

(9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.

(10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.

(11)(a) "Chattel paper" means a record that evidences both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods.

As used in division (A)(11)(a) of this section, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods.

(b) If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

(c) "Chattel paper" does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(12) "Collateral" means the property subject to a security interest or agricultural lien, including:

(a) Proceeds to which a security interest attaches;

(b) Accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(c) Goods that are the subject of a consignment.

(13) "Commercial tort claim" means a claim arising in tort with respect to which:

(a) The claimant is an organization; or

(b) The claimant is an individual, and the claim:

(i) Arose in the course of the claimant's business or profession; and

(ii) Does not include damages arising out of personal injury to or the death of an individual.

(14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

(15) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another

contract if the contract or option is:

(a) Traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to the federal commodities laws; or

(b) Traded on a foreign commodity board of trade, exchange, or market and is carried on the books of a commodity intermediary for a commodity customer.

(16) "Commodity customer" means a person for whom a commodity intermediary carries a commodity contract on its books.

(17) "Commodity intermediary" means a person that:

(a) Is registered as a futures commission merchant under the federal commodities laws; or

(b) In the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to the federal commodities laws.

(18) "Communicate" means:

(a) To send a written or other tangible record;

(b) To transmit a record by any means agreed upon by the persons sending and receiving the record; or

(c) In the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.

(19) "Consignee" means a merchant to whom goods are delivered in a consignment.

(20) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:

(a) The merchant:

(i) Deals in goods of that kind under a name other than the name of the person making delivery;

(ii) Is not an auctioneer; and

(iii) Is not generally known by its creditors to be substantially engaged in selling the goods of others;

(b) With respect to each delivery, the aggregate value of the goods is one thousand dollars or more at the time of delivery.

(c) The goods are not consumer goods immediately before delivery; and

(d) The transaction does not create a security interest that secures an obligation.

(21) "Consignor" means a person that delivers goods to a consignee in a consignment.

(22) "Consumer debtor" means a debtor in a consumer transaction.

(23) "Consumer goods" means goods that are used or bought for use

primarily for personal, family, or household purposes.

(24) "Consumer-goods transaction" means a consumer transaction in which:

(a) An individual incurs an obligation primarily for personal, family, or household purposes; and

(b) A security interest in consumer goods secures the obligation.

(25) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes.

(26) "Consumer transaction" means a transaction in which: (a) an individual incurs an obligation primarily for personal, family, or household purposes, (b) a security interest secures the obligation, and (c) the collateral is held or acquired primarily for personal, family, or household purposes. "Consumer transaction" includes consumer-goods transactions.

(27) "Continuation statement" means an amendment of a financing statement that:

(a) Identifies, by its file number, the initial financing statement to which it relates; and

(b) Indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(28) "Debtor" means:

(a) A person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;

(b) A seller of accounts, chattel paper, payment intangibles, or promissory notes; or

(c) A consignee.

(29) "Deposit account" means a demand, time, savings, passbook, or similar account maintained with a bank but does not include investment property or accounts evidenced by an instrument.

(30) "Document" means a document of title or a receipt of the type described in division (B) of section 1307.06 of the Revised Code.

(31) "Electronic chattel paper" means chattel paper evidenced by a record consisting of information stored in an electronic medium.

(32) "Encumbrance" means a right, other than an ownership interest, in real property. "Encumbrance" includes mortgages and other liens on real property.

(33) "Equipment" means goods other than inventory, farm products, or consumer goods.

(34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and that are:

- (a) Crops grown, growing, or to be grown, including:
 - (i) Crops produced on trees, vines, and bushes; and
 - (ii) Aquatic goods produced in aquacultural operations;
- (b) Livestock, born or unborn, including aquatic goods produced in aquacultural operations;
- (c) Supplies used or produced in a farming operation; or
- (d) Products of crops or livestock in their unmanufactured states.
- (35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.
- (36) "File number" means the number assigned to an initial financing statement under division (A) of section 1309.519 of the Revised Code.
- (37) "Filing office" means an office designated in section 1309.501 of the Revised Code as the place to file a financing statement.
- (38) "Filing-office rule" means a rule adopted under section 1309.526 of the Revised Code.
- (39) "Financing statement" means a record composed of an initial financing statement and any filed record or records relating to the initial financing statement. For the purposes of this chapter, financing statements filed for recording with the secretary of state shall not be required to include social security or employer identification numbers.
- (40) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying divisions (A) and (B) of section 1309.502 of the Revised Code. "Fixture filing" includes the filing of a financing statement covering goods of a transmitting utility that are or are to become fixtures.
- (41) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law.
- (42) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. "General intangible" includes payment intangibles and software.
- (43) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.
- (44)(a) "Goods" means all things that are movable when a security interest attaches. "Goods" includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes.

(b) "Goods" also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (i) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods.

(c) "Goods" does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. "Goods" does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

(45) "Governmental unit" means a subdivision, agency, department, county, parish, municipal corporation, or other unit of the government of the United States, a state, or a foreign country. "Governmental unit" includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

(46) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance that is a right to payment of a monetary obligation for health-care goods or services provided.

(47)(a) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment.

(b) "Instrument" does not include (i) investment property, (ii) letters of credit, or (iii) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(48) "Inventory" means goods, other than farm products, that:

(a) Are leased by a person as lessor;

(b) Are held by a person for sale or lease or to be furnished under a contract of service;

(c) Are furnished by a person under a contract of service; or

(d) Consist of raw materials, work in process, or materials used or consumed in a business.

(49) "Investment property" means a security, whether certificated or uncertificated, a security entitlement, a securities account, a commodity contract, or a commodity account.

(50) "Jurisdiction of organization," with respect to a registered organization, means the jurisdiction under whose law the organization is organized.

(51) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. "Letter-of-credit right" does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(52) "Lien creditor" means:

(a) A creditor who has acquired a lien on the property involved by attachment, levy or the like;

(b) An assignee for benefit of creditors from the time of assignment;

(c) A trustee in bankruptcy from the date of the filing of the petition; or

(d) A receiver in equity from the time of appointment.

(53) "Manufactured home" means a structure, transportable in one or more sections, that, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and that is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure. "Manufactured home" includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States secretary of housing and urban development and complies with the standards established under Title 42 of the United States Code.

(54) "Manufactured-home transaction" means a secured transaction:

(a) That creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or

(b) In which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

(55) "Mortgage" means a consensual interest in real property, including fixtures, that secures payment or performance of an obligation.

(56) "New debtor" means a person that becomes bound as debtor under division (D) of section 1309.203 of the Revised Code by a security agreement previously entered into by another person.

(57)(a) "New value" means (i) money, (ii) money's worth in property, services, or new credit, or (iii) release by a transferee of an interest in property previously transferred to the transferee.

(b) "New value" does not include an obligation substituted for another

obligation.

(58) "Noncash proceeds" means proceeds other than cash proceeds.

(59)(a) "Obligor" means a person who, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, (i) owes payment or other performance of the obligation, (ii) has provided property other than the collateral to secure payment or other performance of the obligation, or (iii) is otherwise accountable in whole or in part for payment or other performance of the obligation.

(b) "Obligor" does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor," except as used in division (C) of section 1309.310 of the Revised Code, means a person who, as debtor, entered into a security agreement to which a new debtor has become bound under division (D) of section 1309.203 of the Revised Code.

(61) "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation.

(62) "Person related to," with respect to an individual, means:

(a) The spouse of the individual;

(b) A brother, brother-in-law, sister, or sister-in-law of the individual;

(c) An ancestor or lineal descendant of the individual or the individual's spouse; or

(d) Any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(63) "Person related to," with respect to an organization, means:

(a) A person directly or indirectly controlling, controlled by, or under common control with the organization;

(b) An officer or director of, or a person performing similar functions with respect to, the organization;

(c) An officer or director of, or a person performing similar functions with respect to, a person described in division (A)(63)(a) of this section;

(d) The spouse of an individual described in division (A)(63)(a), (b), or (c) of this section; or

(e) An individual who is related by blood or marriage to an individual described in division (A)(63)(a), (b), (c), or (d) of this section and shares the same home with the individual.

(64) "Proceeds," except as used in division (B) of section 1309.609 of the Revised Code, means the following property:

(a) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;

(b) Whatever is collected on, or distributed on account of, collateral;

(c) Rights arising out of collateral;

(d) To the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to the collateral; or

(e) To the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to the collateral.

(65) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

(66) "Proposal" means a record authenticated by a secured party that includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to sections 1309.620, 1309.621, and 1309.622 of the Revised Code.

(67) "Public-finance transaction" means a secured transaction in connection with which:

(a) Debt securities are issued;

(b) All or a portion of the securities issued have an initial stated maturity of at least twenty years; and

(c) The debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

(68) "Pursuant to commitment," with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation.

(69) "Record," except as used in "for record," "of record," "record or legal title," and "record owner," means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(70) "Registered organization" means an organization organized solely under the law of a single state or the United States and as to which the state or the United States must maintain a public record showing the organization to have been organized.

(71) "Secondary obligor" means an obligor to the extent that:

(a) The obligor's obligation is secondary; or

(b) The obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either.

(72) "Secured party" means:

(a) A person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;

(b) A person that holds an agricultural lien;

(c) A consignor;

(d) A person to whom accounts, chattel paper, payment intangibles, or promissory notes have been sold;

(e) A trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or

(f) A person who holds a security interest arising under section 1302.42, 1302.49, 1302.85, 1304.20, 1305.18, or 1310.54 of the Revised Code.

(73) "Security agreement" means an agreement that creates or provides for a security interest.

(74) "Send," in connection with a record or notification, means:

(a) To deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or

(b) To cause the record or notification to be received within the time that it would have been received if properly sent under division (A)(74)(a) of this section.

(75) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. "Software" does not include a computer program that is included in the definition of goods.

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

(77) "Supporting obligation" means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property.

(78) "Tangible chattel paper" means chattel paper evidenced by a record consisting of information that is inscribed on a tangible medium.

(79) "Termination statement" means an amendment of a financing

statement that:

(a) Identifies, by its file number, the initial financing statement to which it relates; and

(b) Indicates either that it is a termination statement or that the identified financing statement is no longer effective.

(80) "Transmitting utility" means a person primarily engaged in the business of:

(a) Operating a railroad, subway, street railway, or trolley bus;

(b) Transmitting communications electrically, electromagnetically, or by light;

(c) Transmitting goods by pipeline or sewer; or

(d) Transmitting or producing and transmitting electricity, steam, gas, or water.

(B) Other definitions applying to this chapter are:

(1) "Applicant" has the same meaning as in section 1305.01 of the Revised Code.

(2) "Beneficiary" has the same meaning as in section 1305.01 of the Revised Code.

(3) "Broker" has the same meaning as in section 1308.01 of the Revised Code.

(4) "Certificated security" has the same meaning as in section 1308.01 of the Revised Code.

(5) "Check" has the same meaning as in section 1303.03 of the Revised Code.

(6) "Clearing corporation" has the same meaning as in section 1308.01 of the Revised Code.

(7) "Contract for sale" has the same meaning as in section 1302.01 of the Revised Code.

(8) "Customer" has the same meaning as in section 1304.01 of the Revised Code.

(9) "Entitlement holder" has the same meaning as in section 1308.01 of the Revised Code.

(10) "Financial asset" has the same meaning as in section 1308.01 of the Revised Code.

(11) "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code.

(12) "Issuer," with respect to a letter of credit or letter-of-credit right, has the same meaning as in section 1305.01 of the Revised Code.

(13) "Issuer," with respect to a security, has the same meaning as in section 1308.08 of the Revised Code.

(14) "Lease," "lease agreement," "lease contract," "leasehold interest," "lessee," "lessee in ordinary course of business," "lessor," and "lessor's residual interest" have the same meanings as in section 1310.01 of the Revised Code.

(15) "Letter of credit" has the same meaning as in section 1305.01 of the Revised Code.

(16) "Merchant" has the same meaning as in section 1302.01 of the Revised Code.

(17) "Negotiable instrument" has the same meaning as in section 1303.03 of the Revised Code.

(18) "Nominated person" has the same meaning as in section 1305.01 of the Revised Code.

(19) "Note" has the same meaning as in section 1303.03 of the Revised Code.

(20) "Proceeds of a letter of credit" has the same meaning as in section 1305.13 of the Revised Code.

(21) "Prove" has the same meaning as in section 1303.01 of the Revised Code.

(22) "Sale" has the same meaning as in division (A)(11) of section 1302.01 of the Revised Code.

(23) "Securities account" has the same meaning as in section 1308.51 of the Revised Code.

(24) "Securities intermediary," "security," "security certificate," "security entitlement," and "uncertificated security" have the same meanings as in section 1308.01 of the Revised Code.

(C) The terms and principles of construction and interpretations set forth in sections 1301.01 to 1301.14 of the Revised Code are applicable to this chapter.

Sec. 1309.520. (A) A filing office shall refuse to accept a record for filing for a reason specified in division (B) of section 1309.516 of the Revised Code and may refuse to accept a record for filing only for a reason specified in that division. However, the secretary of state's office shall redact social security and employer identification numbers from filings posted on its web site.

(B) If a filing office refuses to accept a record for filing, it shall communicate to the person who presented the record the fact of and reason for the refusal and the date and time the record would have been filed had the filing office accepted it. The communication must be made at the time and in the manner prescribed by the applicable filing-office rule but, in the case of a filing office described in division (A)(2) of section 1309.501 of the

Revised Code, in no event more than two business days after the filing office receives the record.

(C) A filed financing statement that satisfies divisions (A) and (B) of section 1309.502 of the Revised Code is effective, even if the filing office is required to refuse to accept it for filing under division (A) of this section. However, section 1309.338 of the Revised Code applies to a filed financing statement that provides information described in division (B)(5) of section 1309.516 of the Revised Code that is incorrect at the time the financing statement is filed.

(D) If a record communicated to a filing office provides information that relates to more than one debtor, sections 1309.501 to 1309.527 of the Revised Code apply as to each debtor separately.

Sec. 1309.521. (A) A filing office that accepts written records may not refuse to accept a written initial financing statement in the following form and format except for a reason prescribed in division (B) of section 1309.516 of the Revised Code:

UCC FINANCING STATEMENT

Follow instructions (front and back) carefully.

A. Name and phone of contact at filer (optional)

.....

B. Send acknowledgment to: (name and address)

.....

.....

The above space is for filing office use only.

1. DEBTOR'S EXACT FULL LEGAL NAME

(Insert only one debtor name [1a or 1b]. Do not abbreviate or combine names.)

1a. Organization's name

or

1b. Individual's last name First name

Middle name Suffix

1c. Mailing address

City State Postal code Country

~~1d. Tax ID Number: SSN or EIN~~

Additional information regarding organization debtor

~~1e. Type of organization~~

~~1f. Jurisdiction of organization~~

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME

(Insert only one debtor name [2a or 2b]. Do not abbreviate or combine names.)

- 2a. Organization's name
- or
- 2b. Individual's last name First name
- Middle name Suffix
- 2c. Mailing address
- City State Postal code Country
- ~~2d. Tax ID Number: SSN or EIN~~
- Additional information regarding organization debtor
- ~~2e~~2d. Type of organization
- ~~2f~~2e. Jurisdiction of organization
- 3. SECURED PARTY'S NAME (or name of total assignee of assignor)
- S/P). Insert only one secured party name (3a or 3b).
- 3a. Organization's name
- or
- 3b. Individual's last name First name
- Middle name Suffix
- 3c. Mailing address
- City State Postal code Country
- 4. This FINANCING STATEMENT covers the following collateral:
-
-
-
-
- 5. ALTERNATIVE DESIGNATION (if applicable):
- Lessee/lessor Consignee/consignor Bailee/bailor
- Seller/buyer Ag. lien Non-UCC filing
- 6. This FINANCING STATEMENT is to be filed [for record]
- (or
- recorded) in the REAL ESTATE RECORDS. Attach addendum
-
- [if applicable].
- 7. Check to REQUEST SEARCH REPORT(S) on debtor(s)
- [ADDITIONAL FEE] [optional]
- All debtors Debtor 1 Debtor 2
- 8. OPTIONAL FILER REFERENCE DATA
-
-

Follow instructions (front and back) carefully.

9. NAME OF FIRST DEBTOR (1a OR 1b) ON RELATED FINANCING STATEMENT

9a. Organization's name

or

9b. Individual's last name First name

Middle name Suffix

10. MISCELLANEOUS

.....
.....
.....

The above space is for filing office use only.

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME (Insert only one name [11a or 11b]. Do not abbreviate or combine names.)

11a. Organization's name

or

11b. Individual's last name First name

Middle name Suffix

11c. Mailing address

City State Postal code Country

~~11d. Tax ID Number: SSN or EIN~~

Additional information regarding organization debtor

~~11d.~~ 11d. Type of organization

~~11e.~~ 11e. Jurisdiction of organization

12. [] ADDITIONAL SECURED PARTY'S or [] ASSIGNOR S/P'S NAME

(Insert only one name [12a or 12b].)

12a. Organization's name

or

12b. Individual's last name First name

Middle name Suffix

12c. Mailing address

City State Postal code Country

13. This FINANCING STATEMENT covers [] timber to be cut or [] as-extracted collateral, or is filed as a [] fixture filing.

14. DESCRIPTION OF REAL ESTATE:

.....
.....
.....
.....

15. Name and address of a RECORD OWNER of above-described real estate (if debtor does not have a record interest):

.....
.....
.....

16. Additional collateral description:

.....
.....
.....

17. Check only if applicable and check only one box. Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's estate

- 18. Check only if applicable and check only one box.
- Debtor is a transmitting utility
- Filed in connection with a manufactured-home transaction - effective 30 years
- Filed in connection with a public-finance transaction - effective 30 years

(B) A filing office that accepts written records may not refuse to accept a written record in the following form and format except for a reason prescribed in division (B) of section 1309.516 of the Revised Code:

UCC FINANCING STATEMENT AMENDMENT

Follow instructions (front and back) carefully.

A. Name and phone of contact at filer (optional)

.....

B. Send acknowledgment to: (name and address)

.....

.....
The above space is for filing office use only.
.....

1a. INITIAL FINANCING STATEMENT FILE NUMBER

.....

- 1b. This financing statement amendment is to be filed [for record] (or recorded) in the real estate records.
- 2. TERMINATION: Effectiveness of the financing statement identified above is terminated with respect to security interest(s) of the secured party authorizing this termination statement.
- 3. CONTINUATION: Effectiveness of the financing statement identified above with respect to security interest(s) of the secured

party authorizing this continuation statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This amendment affects Debtor or Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address. Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.

DELETE name. Give record name to be deleted in item 6a or 6b.

ADD name. Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. Organization's name

or

6b. Individual's last name First name

Middle name Suffix

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. Organization's name

or

7b. Individual's last name First name

Middle name Suffix

7c. Mailing address

City State Postal code Country

~~7d. Tax ID Number: SSN or EIN~~

Additional information regarding organization debtor

~~7e~~7d. Type of organization

~~7f~~7e. Jurisdiction of organization

8. AMENDMENT (COLLATERAL CHANGE). Check only one box.

Describe collateral deleted or added, or give entire

restated collateral description, or describe collateral

assigned.

.....
.....
.....

.....
9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT

(name of assignor, if this is an assignment). If this is an amendment authorized by a debtor that adds collateral or adds the authorizing debtor, or if this is a termination authorized by a debtor, check here [] and enter name of debtor authorizing this amendment.

9a. Organization's name

or

9b. Individual's last name First name

Middle name Suffix

10. OPTIONAL FILER REFERENCE DATA

.....
UCC FINANCING STATEMENT AMENDMENT ADDENDUM

Follow instructions (front and back) carefully.

11. INITIAL FINANCING STATEMENT FILE NUMBER (same as item 1a

on amendment form)

12. NAME OF PARTY

AUTHORIZING

THIS AMENDMENT (same as item

9

on amendment form)

12a. Organization's name

.....

or

12b. Individual's last name

.....

First name

Middle name Suffix ...

The above space is for filing office use only.

13. Use this space for additional information.

.....

.....

.....

.....
Sec. 1317.07. No retail installment contract authorized by section 1317.03 of the Revised Code that is executed in connection with any retail installment sale shall evidence any indebtedness in excess of the time balance fixed in the written instrument in compliance with section 1317.04

of the Revised Code, but it may evidence in addition any agreements of the parties for the payment of delinquent charges, as provided for in section 1317.06 of the Revised Code, taxes, and any lawful fee actually paid out, or to be paid out, by the retail seller to any public officer for filing, recording, or releasing any instrument securing the payment of the obligation owed on any retail installment contract. No retail seller, directly or indirectly, shall charge, contract for, or receive from any retail buyer, any further or other amount for examination, service, brokerage, commission, expense, fee, or other thing of value. A documentary service charge customarily and presently being paid on May 9, 1949, in a particular business and area may be charged if the charge does not exceed ~~one~~ two hundred fifty dollars per sale.

No retail seller shall use multiple agreements with respect to a single item or related items purchased at the same time, with intent to obtain a higher charge than would otherwise be permitted by Chapter 1317. of the Revised Code or to avoid disclosure of an annual percentage rate, nor by use of such agreements make any charge greater than that which would be permitted by Chapter 1317. of the Revised Code had a single agreement been used.

Sec. 1321.02. No person shall engage in the business of lending money, credit, or choses in action in amounts of five thousand dollars or less, or exact, contract for, or receive, directly or indirectly, on or in connection with any such loan, any interest and charges that in the aggregate are greater than the interest and charges that the lender would be permitted to charge for a loan of money if the lender were not a licensee, without first having obtained a license from the division of financial institutions under sections 1321.01 to 1321.19 of the Revised Code.

Sections 1321.01 to 1321.19 of the Revised Code do not apply to any person doing business under and as permitted by any law of this state, another state, or the United States relating to banks, savings banks, savings societies, trust companies, credit unions, savings and loan associations substantially all the business of which is confined to loans on real estate mortgages and evidences of their own indebtedness; to registrants conducting business pursuant to sections 1321.51 to 1321.60 of the Revised Code; to licensees conducting business pursuant to sections 1321.71 to 1321.83 of the Revised Code; ~~or~~ to licensees doing business pursuant to sections 1315.35 to 1315.44 of the Revised Code; or to any entity who is licensed pursuant to Title XXXIX of the Revised Code, who makes advances or loans to any person who is licensed to sell insurance pursuant to that Title, and who is authorized in writing by that entity to sell insurance.

No person engaged in the business of selling tangible goods or services related thereto may receive or retain a license under sections 1321.01 to 1321.19 of the Revised Code for such place of business.

The first paragraph of this section applies to any person, who by any device, subterfuge, or pretense, charges, contracts for, or receives greater interest, consideration, or charges than that authorized by this section for any such loan or use of money or for any such loan, use, or sale of credit, or who for a fee or any manner of compensation arranges or offers to find or arrange for another person to make any such loan, use, or sale of credit. This section does not preclude the acquiring, directly or indirectly, by purchase or discount, of a bona fide obligation for goods or services when such obligation is payable directly to the person who provided the goods or services.

Any contract of loan in the making or collection of which an act is done by the lender that violates this section is void and the lender has no right to collect, receive, or retain any principal, interest, or charges.

Sec. 1333.11. As used in sections 1333.11 to 1333.21 of the Revised Code:

(A) "Cost to the retailer" means the invoice cost of cigarettes to the retailer, or the replacement cost of cigarettes to the retailer within thirty days prior to the date of sale, in the quantity last purchased, whichever is lower, less all trade discounts except customary discounts for cash, to which shall be added the cost of doing business by the retailer as evidenced by the standards and the methods of accounting regularly employed by the retailer in the retailer's allocation of overhead costs and expenses, paid or incurred. "Cost to the retailer" must include, without limitation, labor, including salaries of executives and officers, rent, depreciation, selling costs, maintenance of equipment, delivery costs, all types of licenses, insurance, advertising, and taxes, exclusive of county cigarette taxes paid or payable on the cigarettes. Where the sale to the retailer is on a cash and carry basis, the cartage to the retail outlet, if performed or paid for by the retailer, shall be added to the invoice cost of the cigarettes to the retailer. In the absence of proof of a lesser or higher cost by the retailer, the cartage cost shall be three-fourths of one per cent of the invoice cost of the cigarettes to the retailer, not including the amount added thereto by the wholesaler for the face value of state and county cigarette tax stamps affixed to each package of cigarettes.

(B) In the absence of proof of a lesser or higher cost of doing business by the retailer making the sale, the cost of doing business to the retailer shall be eight per cent of the invoice cost of the cigarettes to the retailer exclusive

of the face value of county cigarette taxes paid on the cigarettes or of the replacement cost of the cigarettes to the retailer within thirty days prior to the date of sale in the quantity last purchased exclusive of the face value of county cigarette taxes paid on the cigarettes, whichever is lower, less all trade discounts except customary discounts for cash.

(C) "Cost to the wholesaler" means the invoice cost of the cigarettes to the wholesaler, or the replacement cost of the cigarettes to the wholesaler within thirty days prior to the date of sale, in the quantity last purchased, whichever is lower, less all trade discounts except customary discounts for cash, to which shall be added a wholesaler's markup to cover in part the cost of doing business, which wholesaler's markup, in the absence of proof of a lesser or higher cost of doing business by the wholesaler as evidenced by the standards and methods of accounting regularly employed by the wholesaler in the wholesaler's allocation of overhead costs and expenses, paid or incurred, including without limitation, labor, salaries of executives and officers, rent, depreciation, selling costs, maintenance of equipment, delivery, delivery costs, all types of licenses, taxes, insurance, and advertising, shall be three and five-tenths per cent of such invoice cost of the cigarettes to the wholesaler, to which shall be added the full face value of state and county cigarette tax stamps affixed by the wholesaler to each package of cigarettes, or of the replacement cost of the cigarettes to the wholesaler within thirty days prior to the date of sale in the quantity last purchased, whichever is lower, less all trade discounts except customary discounts for cash. Where the sale by the wholesaler to the retailer is on a cash and carry basis, the wholesaler may, in the absence of proof of a lesser or higher cost, allow to the retailer an amount not to exceed three-fourths of one per cent of the "cost to the wholesaler" excluding the amount added thereto for the face value of state and county cigarette tax stamps affixed to each package of cigarettes.

(D) Any person licensed to sell cigarettes as both a wholesaler and a retailer, who does sell cigarettes at retail, shall, in determining "cost to the retailer", first compute "cost to the wholesaler" as provided in division (C) of this section; that "cost to the wholesaler" shall then be used in lieu of the lower of either invoice cost or replacement cost less all trade discounts except customary discounts for cash in computing "cost to the retailer" as provided in divisions (A) and (B) of this section.

(E) In all advertisements, offers for sale, or sales involving two or more items at a combined price and in all advertisements, offers for sale, or sales involving the giving of any concession of any kind, whether it be coupons or otherwise, the retailer's or wholesaler's selling price shall not be below the

"cost to the retailer" or the "cost to wholesaler", respectively, of all articles, products, commodities, and concessions included in such transactions.

(F)(1) "Sell at retail," "sales at retail," and "retail sales" include any transfer of title to tangible personal property for a valuable consideration made, in the ordinary course of trade or usual prosecution of the seller's business, to the purchaser for consumption or use.

(2) "Sell at wholesale," "sales at wholesale," and "wholesale sales" include any such transfer of title to tangible personal property for the purpose of resale.

(G) "Retailer" includes any person who is permitted to sell cigarettes at retail within this state under section 5743.15 of the Revised Code.

(H) "Wholesaler" includes any person who is permitted to sell cigarettes at wholesale within this state under that section.

(I) "Person" includes individuals, corporations, partnerships, associations, joint-stock companies, business trusts, unincorporated organizations, receivers, or trustees.

(J) "County cigarette taxes" means the taxes levied under section 5743.021, 5743.024, or 5743.026 of the Revised Code.

Sec. 1333.82. As used in sections 1333.82 to 1333.87 of the Revised Code:

(A) "Alcoholic beverages" means beer and wine as defined in section 4301.01 of the Revised Code.

(B) "Manufacturer" means a person, whether located in this state or elsewhere, ~~who~~ that manufactures or supplies alcoholic beverages to distributors in this state.

(C) "Distributor" means a person ~~who~~ that sells or distributes alcoholic beverages to retail permit holders in ~~the~~ this state, but does not include the state or any of its political subdivisions.

(D) "Franchise" means a contract or any other legal device used to establish a contractual relationship between a manufacturer and a distributor.

(E) "Good faith" means the duty of any party to any franchise, and all officers, employees, or agents of any party to any franchise, to act in a fair and equitable manner toward each other so as to guarantee each party freedom from coercion or intimidation; except that recommendation, endorsement, exposition, persuasion, urging, or argument shall not be considered to constitute a lack of good faith or coercion.

(F) "Brand," as applied to wine, means a wine different from any other wine in respect to type, brand, trade name, or container size.

(G) "Sales area or territory" means an exclusive geographic area or

territory that is assigned to a particular A or B permit holder and that either has one or more political subdivisions as its boundaries or consists of an area of land with readily identifiable geographic boundaries. "Sales area or territory" does not include, however, any particular retail location in an exclusive geographic area or territory that is had been assigned to another A or B permit holder before April 9, 2001.

Sec. 1523.02. If the governor approves the plans, specifications, and estimates authorized by section 1523.01 of the Revised Code, the chief of the division of water shall thereupon proceed, as provided in sections 1523.02 to 1523.13 of the Revised Code, to construct the improvements or to make alterations in or to enlarge those already existing, in such manner and form as is shown by such plans and specifications. In order to provide the funds for such construction, alteration, or enlargement, the chief shall issue and sell bonds of the state, not in excess of the estimated cost of such improvements. The bonds shall be issued in denominations of not less than one hundred dollars payable as a whole or in series on or before fifty years from the date thereof, with interest not to exceed the rate provided in section 9.95 of the Revised Code, payable either annually or semiannually.

The bonds shall show on their face the purpose for which issued and shall create no liability upon or be considered an indebtedness of the state, but both the principal and interest shall be paid solely out of the proceeds arising from the improvements constructed, altered, or enlarged by the chief, or from the proceeds of the sale or foreclosure of the lien securing the bonds on such improvement or such part thereof as is constructed from the money realized from the sale of the bonds.

The form of the bonds shall be approved by the attorney general, and they shall be signed by the governor and attested by the director of natural resources and the chief. The bonds may be issued as coupon bonds, payable to bearer only, or upon demand of the owner or holder thereof as registered bonds.

Such bonds shall be sold by the chief to the highest bidder therefor, but for not less than the par value thereof, with accrued interest thereon, after thirty days' notice in at least two newspapers of general circulation in the county where such improvements are to be constructed, altered, or enlarged, setting forth the nature, amount, rate of interest, and length of time the bonds have to run, with the time and place of sale.

The treasurer of state shall be the treasurer of the fund realized from the sale of such bonds, and the auditor of state shall be the auditor of such fund. The proceeds of such sale shall be turned over to the treasurer of state and shall be deposited by ~~him~~ the treasurer of state in a solvent bank, located

either in Columbus or in the county in which such improvements are located. Such proceeds shall be kept by such bank in a fund to be known as the water conservation improvement fund. Such fund shall be used to acquire the necessary real estate and to construct such new improvements and for no other purpose, except that the treasurer of state may pay the interest on the bonds during the period of condemnation and the construction, alteration, or enlargement of such improvements out of the proceeds arising from the sale of the bonds for a term not exceeding three years from the date on which the bonds are issued. The bank shall give bond to the state in such amount as the treasurer of state considers advisable, and with surety to ~~his~~ the satisfaction of the treasurer of state, for the benefit of the holders of the bonds, and for the benefit of any contractors performing labor or furnishing material for such improvements, as provided by law, conditioned that it will safely keep the money and will make no payments or disbursements therefrom except as provided in sections 1523.01 to 1523.13 of the Revised Code.

The treasurer of state shall hold such fund as trustee for the holders of the bonds and for all persons performing labor or furnishing material for the construction, alteration, or enlargement of any improvement made under such sections. Such funds shall not be turned into the state treasury, but shall be deposited and disbursed by the treasurer of state as provided in such sections. The interest coupons attached to such bonds shall bear the signature of the treasurer of state, executed by ~~him~~ the treasurer of state or printed or lithographed thereon.

Both the interest and principal of such bonds shall be made payable at the office of the treasurer of state in Columbus, and shall be paid by the treasurer of state, without warrant ~~of the auditor of state~~ or authority of the director of budget and management, to the owner or holder of such bonds upon presentation by the owner or holder of matured interest coupons or bonds.

Sec. 1901.31. The clerk and deputy clerks of a municipal court shall be selected, be compensated, give bond, and have powers and duties as follows:

(A) There shall be a clerk of the court who is appointed or elected as follows:

(1)(a) Except in the Akron, Barberton, Cuyahoga Falls, Toledo, Hamilton county, Portage county, and Wayne county municipal courts, if the population of the territory equals or exceeds one hundred thousand at the regular municipal election immediately preceding the expiration of the term of the present clerk, the clerk shall be nominated and elected by the

qualified electors of the territory in the manner that is provided for the nomination and election of judges in section 1901.07 of the Revised Code.

The clerk so elected shall hold office for a term of six years, which term shall commence on the first day of January following the clerk's election and continue until the clerk's successor is elected and qualified.

(b) In the Hamilton county municipal court, the clerk of courts of Hamilton county shall be the clerk of the municipal court and may appoint an assistant clerk who shall receive the compensation, payable out of the treasury of Hamilton county in semimonthly installments, that the board of county commissioners prescribes. The clerk of courts of Hamilton county, acting as the clerk of the Hamilton county municipal court and assuming the duties of that office, shall receive compensation at one-fourth the rate that is prescribed for the clerks of courts of common pleas as determined in accordance with the population of the county and the rates set forth in sections 325.08 and 325.18 of the Revised Code. This compensation shall be paid from the county treasury in semimonthly installments and is in addition to the annual compensation that is received for the performance of the duties of the clerk of courts of Hamilton county, as provided in sections 325.08 and 325.18 of the Revised Code.

(c) In the Portage county and Wayne county municipal courts, the clerks of courts of Portage county and Wayne county shall be the clerks, respectively, of the Portage county and Wayne county municipal courts and may appoint a chief deputy clerk for each branch that is established pursuant to section 1901.311 of the Revised Code and assistant clerks as the judges of the municipal court determine are necessary, all of whom shall receive the compensation that the legislative authority prescribes. The clerks of courts of Portage county and Wayne county, acting as the clerks of the Portage county and Wayne county municipal courts and assuming the duties of these offices, shall receive compensation payable from the county treasury in semimonthly installments at one-fourth the rate that is prescribed for the clerks of courts of common pleas as determined in accordance with the population of the county and the rates set forth in sections 325.08 and 325.18 of the Revised Code.

(d) Except as otherwise provided in division (A)(1)(d) of this section, in the Akron municipal court, candidates for election to the office of clerk of the court shall be nominated by primary election. The primary election shall be held on the day specified in the charter of the city of Akron for the nomination of municipal officers. Notwithstanding any contrary provision of section 3513.05 or 3513.257 of the Revised Code, the declarations of candidacy and petitions of partisan candidates and the nominating petitions

of independent candidates for the office of clerk of the Akron municipal court shall be signed by at least fifty qualified electors of the territory of the court.

The candidates shall file a declaration of candidacy and petition, or a nominating petition, whichever is applicable, not later than four p.m. of the seventy-fifth day before the day of the primary election, in the form prescribed by section 3513.07 or 3513.261 of the Revised Code. The declaration of candidacy and petition, or the nominating petition, shall conform to the applicable requirements of section 3513.05 or 3513.257 of the Revised Code.

If no valid declaration of candidacy and petition is filed by any person for nomination as a candidate of a particular political party for election to the office of clerk of the Akron municipal court, a primary election shall not be held for the purpose of nominating a candidate of that party for election to that office. If only one person files a valid declaration of candidacy and petition for nomination as a candidate of a particular political party for election to that office, a primary election shall not be held for the purpose of nominating a candidate of that party for election to that office, and the candidate shall be issued a certificate of nomination in the manner set forth in section 3513.02 of the Revised Code.

Declarations of candidacy and petitions, nominating petitions, and certificates of nomination for the office of clerk of the Akron municipal court shall contain a designation of the term for which the candidate seeks election. At the following regular municipal election, all candidates for the office shall be submitted to the qualified electors of the territory of the court in the manner that is provided in section 1901.07 of the Revised Code for the election of the judges of the court. The clerk so elected shall hold office for a term of six years, which term shall commence on the first day of January following the clerk's election and continue until the clerk's successor is elected and qualified.

(e) Except as otherwise provided in division (A)(1)(e) of this section, in the Barberton municipal court, candidates for election to the office of clerk of the court shall be nominated by primary election. The primary election shall be held on the day specified in the charter of the city of Barberton for the nomination of municipal officers. Notwithstanding any contrary provision of section 3513.05 or 3513.257 of the Revised Code, the declarations of candidacy and petitions of partisan candidates and the nominating petitions of independent candidates for the office of clerk of the Barberton municipal court shall be signed by at least fifty qualified electors of the territory of the court.

The candidates shall file a declaration of candidacy and petition, or a nominating petition, whichever is applicable, not later than four p.m. of the seventy-fifth day before the day of the primary election, in the form prescribed by section 3513.07 or 3513.261 of the Revised Code. The declaration of candidacy and petition, or the nominating petition, shall conform to the applicable requirements of section 3513.05 or 3513.257 of the Revised Code.

If no valid declaration of candidacy and petition is filed by any person for nomination as a candidate of a particular political party for election to the office of clerk of the Barberton municipal court, a primary election shall not be held for the purpose of nominating a candidate of that party for election to that office. If only one person files a valid declaration of candidacy and petition for nomination as a candidate of a particular political party for election to that office, a primary election shall not be held for the purpose of nominating a candidate of that party for election to that office, and the candidate shall be issued a certificate of nomination in the manner set forth in section 3513.02 of the Revised Code.

Declarations of candidacy and petitions, nominating petitions, and certificates of nomination for the office of clerk of the Barberton municipal court shall contain a designation of the term for which the candidate seeks election. At the following regular municipal election, all candidates for the office shall be submitted to the qualified electors of the territory of the court in the manner that is provided in section 1901.07 of the Revised Code for the election of the judges of the court. The clerk so elected shall hold office for a term of six years, which term shall commence on the first day of January following the clerk's election and continue until the clerk's successor is elected and qualified.

(f) Except as otherwise provided in division (A)(1)(f) of this section, in the Cuyahoga Falls municipal court, candidates for election to the office of clerk of the court shall be nominated by primary election. The primary election shall be held on the day specified in the charter of the city of Cuyahoga Falls for the nomination of municipal officers. Notwithstanding any contrary provision of section 3513.05 or 3513.257 of the Revised Code, the declarations of candidacy and petitions of partisan candidates and the nominating petitions of independent candidates for the office of clerk of the Cuyahoga Falls municipal court shall be signed by at least fifty qualified electors of the territory of the court.

The candidates shall file a declaration of candidacy and petition, or a nominating petition, whichever is applicable, not later than four p.m. of the seventy-fifth day before the day of the primary election, in the form

prescribed by section 3513.07 or 3513.261 of the Revised Code. The declaration of candidacy and petition, or the nominating petition, shall conform to the applicable requirements of section 3513.05 or 3513.257 of the Revised Code.

If no valid declaration of candidacy and petition is filed by any person for nomination as a candidate of a particular political party for election to the office of clerk of the Cuyahoga Falls municipal court, a primary election shall not be held for the purpose of nominating a candidate of that party for election to that office. If only one person files a valid declaration of candidacy and petition for nomination as a candidate of a particular political party for election to that office, a primary election shall not be held for the purpose of nominating a candidate of that party for election to that office, and the candidate shall be issued a certificate of nomination in the manner set forth in section 3513.02 of the Revised Code.

Declarations of candidacy and petitions, nominating petitions, and certificates of nomination for the office of clerk of the Cuyahoga Falls municipal court shall contain a designation of the term for which the candidate seeks election. At the following regular municipal election, all candidates for the office shall be submitted to the qualified electors of the territory of the court in the manner that is provided in section 1901.07 of the Revised Code for the election of the judges of the court. The clerk so elected shall hold office for a term of six years, which term shall commence on the first day of January following the clerk's election and continue until the clerk's successor is elected and qualified.

(g) Except as otherwise provided in division (A)(1)(g) of this section, in the Toledo municipal court, candidates for election to the office of clerk of the court shall be nominated by primary election. The primary election shall be held on the day specified in the charter of the city of Toledo for the nomination of municipal officers. Notwithstanding any contrary provision of section 3513.05 or 3513.257 of the Revised Code, the declarations of candidacy and petitions of partisan candidates and the nominating petitions of independent candidates for the office of clerk of the Toledo municipal court shall be signed by at least fifty qualified electors of the territory of the court.

The candidates shall file a declaration of candidacy and petition, or a nominating petition, whichever is applicable, not later than four p.m. of the seventy-fifth day before the day of the primary election, in the form prescribed by section 3513.07 or 3513.261 of the Revised Code. The declaration of candidacy and petition, or the nominating petition, shall conform to the applicable requirements of section 3513.05 or 3513.257 of

the Revised Code.

If no valid declaration of candidacy and petition is filed by any person for nomination as a candidate of a particular political party for election to the office of clerk of the Toledo municipal court, a primary election shall not be held for the purpose of nominating a candidate of that party for election to that office. If only one person files a valid declaration of candidacy and petition for nomination as a candidate of a particular political party for election to that office, a primary election shall not be held for the purpose of nominating a candidate of that party for election to that office, and the candidate shall be issued a certificate of nomination in the manner set forth in section 3513.02 of the Revised Code.

Declarations of candidacy and petitions, nominating petitions, and certificates of nomination for the office of clerk of the Toledo municipal court shall contain a designation of the term for which the candidate seeks election. At the following regular municipal election, all candidates for the office shall be submitted to the qualified electors of the territory of the court in the manner that is provided in section 1901.07 of the Revised Code for the election of the judges of the court. The clerk so elected shall hold office for a term of six years, which term shall commence on the first day of January following the clerk's election and continue until the clerk's successor is elected and qualified.

(2)(a) Except for the Alliance, Auglaize county, Brown county, Columbiana county, Lorain, Massillon, and Youngstown municipal courts, in a municipal court for which the population of the territory is less than one hundred thousand, the clerk shall be appointed by the court, and the clerk shall hold office until the clerk's successor is appointed and qualified.

(b) In the Alliance, Lorain, Massillon, and Youngstown municipal courts, the clerk shall be elected for a term of office as described in division (A)(1)(a) of this section.

(c) In the Auglaize county and Brown county municipal courts, the clerks of courts of Auglaize county and Brown county shall be the clerks, respectively, of the Auglaize county and Brown county municipal courts and may appoint a chief deputy clerk for each branch that is established pursuant to section 1901.311 of the Revised Code, and assistant clerks as the judge of the court determines are necessary, all of whom shall receive the compensation that the legislative authority prescribes. The clerks of courts of Auglaize county and Brown county, acting as the clerks of the Auglaize county and Brown county municipal courts and assuming the duties of these offices, shall receive compensation payable from the county treasury in semimonthly installments at one-fourth the rate that is prescribed for the

clerks of courts of common pleas as determined in accordance with the population of the county and the rates set forth in sections 325.08 and 325.18 of the Revised Code.

(d) In the Columbiana county municipal court, the clerk of courts of Columbiana county shall be the clerk of the municipal court, may appoint a chief deputy clerk for each branch office that is established pursuant to section 1901.311 of the Revised Code, and may appoint any assistant clerks that the judges of the court determine are necessary. All of the chief deputy clerks and assistant clerks shall receive the compensation that the legislative authority prescribes. The clerk of courts of Columbiana county, acting as the clerk of the Columbiana county municipal court and assuming the duties of that office, shall receive in either biweekly installments or semimonthly installments, as determined by the payroll administrator, compensation payable from the county treasury ~~in semimonthly installments~~ at one-fourth the rate that is prescribed for the clerks of courts of common pleas as determined in accordance with the population of the county and the rates set forth in sections 325.08 and 325.18 of the Revised Code.

(3) During the temporary absence of the clerk due to illness, vacation, or other proper cause, the court may appoint a temporary clerk, who shall be paid the same compensation, have the same authority, and perform the same duties as the clerk.

(B) Except in the Hamilton county, Portage county, and Wayne county municipal courts, if a vacancy occurs in the office of the clerk of the Alliance, Lorain, Massillon, or Youngstown municipal court or occurs in the office of the clerk of a municipal court for which the population of the territory equals or exceeds one hundred thousand because the clerk ceases to hold the office before the end of the clerk's term or because a clerk-elect fails to take office, the vacancy shall be filled, until a successor is elected and qualified, by a person chosen by the residents of the territory of the court who are members of the county central committee of the political party by which the last occupant of that office or the clerk-elect was nominated. Not less than five nor more than fifteen days after a vacancy occurs, those members of that county central committee shall meet to make an appointment to fill the vacancy. At least four days before the date of the meeting, the chairperson or a secretary of the county central committee shall notify each such member of that county central committee by first class mail of the date, time, and place of the meeting and its purpose. A majority of all such members of that county central committee constitutes a quorum, and a majority of the quorum is required to make the appointment. If the office so vacated was occupied or was to be occupied by a person not nominated at a

primary election, or if the appointment was not made by the committee members in accordance with this division, the court shall make an appointment to fill the vacancy. A successor shall be elected to fill the office for the unexpired term at the first municipal election that is held more than one hundred twenty days after the vacancy occurred.

(C)(1) In a municipal court, other than the Auglaize county, the Brown county, the Columbiana county, and the Lorain municipal courts, for which the population of the territory is less than one hundred thousand, the clerk of the municipal court shall receive the annual compensation that the presiding judge of the court prescribes, if the revenue of the court for the preceding calendar year, as certified by the auditor or chief fiscal officer of the municipal corporation in which the court is located or, in the case of a county-operated municipal court, the county auditor, is equal to or greater than the expenditures, including any debt charges, for the operation of the court payable under this chapter from the city treasury or, in the case of a county-operated municipal court, the county treasury for that calendar year, as also certified by the auditor or chief fiscal officer. If the revenue of a municipal court, other than the Auglaize county, the Brown county, the Columbiana county, and the Lorain municipal courts, for which the population of the territory is less than one hundred thousand for the preceding calendar year as so certified is not equal to or greater than those expenditures for the operation of the court for that calendar year as so certified, the clerk of a municipal court shall receive the annual compensation that the legislative authority prescribes. As used in this division, "revenue" means the total of all costs and fees that are collected and paid to the city treasury or, in a county-operated municipal court, the county treasury by the clerk of the municipal court under division (F) of this section and all interest received and paid to the city treasury or, in a county-operated municipal court, the county treasury in relation to the costs and fees under division (G) of this section.

(2) In a municipal court, other than the Hamilton county, Portage county, and Wayne county municipal courts, for which the population of the territory is one hundred thousand or more, and in the Lorain municipal court, the clerk of the municipal court shall receive annual compensation in a sum equal to eighty-five per cent of the salary of a judge of the court.

(3) The compensation of a clerk described in division (C)(1) or (2) of this section is payable in semimonthly installments from the same sources and in the same manner as provided in section 1901.11 of the Revised Code.

(D) Before entering upon the duties of the clerk's office, the clerk of a municipal court shall give bond of not less than six thousand dollars to be

determined by the judges of the court, conditioned upon the faithful performance of the clerk's duties.

(E) The clerk of a municipal court may do all of the following: administer oaths, take affidavits, and issue executions upon any judgment rendered in the court, including a judgment for unpaid costs; issue, sign, and attach the seal of the court to all writs, process, subpoenas, and papers issuing out of the court; and approve all bonds, sureties, recognizances, and undertakings fixed by any judge of the court or by law. The clerk may refuse to accept for filing any pleading or paper submitted for filing by a person who has been found to be a vexatious litigator under section 2323.52 of the Revised Code and who has failed to obtain leave to proceed under that section. The clerk shall do all of the following: file and safely keep all journals, records, books, and papers belonging or appertaining to the court; record the proceedings of the court; perform all other duties that the judges of the court may prescribe; and keep a book showing all receipts and disbursements, which book shall be open for public inspection at all times.

The clerk shall prepare and maintain a general index, a docket, and other records that the court, by rule, requires, all of which shall be the public records of the court. In the docket, the clerk shall enter, at the time of the commencement of an action, the names of the parties in full, the names of the counsel, and the nature of the proceedings. Under proper dates, the clerk shall note the filing of the complaint, issuing of summons or other process, returns, and any subsequent pleadings. The clerk also shall enter all reports, verdicts, orders, judgments, and proceedings of the court, clearly specifying the relief granted or orders made in each action. The court may order an extended record of any of the above to be made and entered, under the proper action heading, upon the docket at the request of any party to the case, the expense of which record may be taxed as costs in the case or may be required to be prepaid by the party demanding the record, upon order of the court.

(F) The clerk of a municipal court shall receive, collect, and issue receipts for all costs, fees, fines, bail, and other moneys payable to the office or to any officer of the court. The clerk shall each month disburse to the proper persons or officers, and take receipts for, all costs, fees, fines, bail, and other moneys that the clerk collects. Subject to sections 3375.50 and 4511.193 of the Revised Code and to any other section of the Revised Code that requires a specific manner of disbursement of any moneys received by a municipal court and except for the Hamilton county, Lawrence county, and Ottawa county municipal courts, the clerk shall pay all fines received for violation of municipal ordinances into the treasury of the municipal

corporation the ordinance of which was violated and shall pay all fines received for violation of township resolutions adopted pursuant to Chapter 504. of the Revised Code into the treasury of the township the resolution of which was violated. Subject to sections 1901.024 and 4511.193 of the Revised Code, in the Hamilton county, Lawrence county, and Ottawa county municipal courts, the clerk shall pay fifty per cent of the fines received for violation of municipal ordinances and fifty per cent of the fines received for violation of township resolutions adopted pursuant to Chapter 504. of the Revised Code into the treasury of the county. Subject to sections 3375.50, 3375.53, 4511.19, and 5503.04 of the Revised Code and to any other section of the Revised Code that requires a specific manner of disbursement of any moneys received by a municipal court, the clerk shall pay all fines collected for the violation of state laws into the county treasury. Except in a county-operated municipal court, the clerk shall pay all costs and fees the disbursement of which is not otherwise provided for in the Revised Code into the city treasury. The clerk of a county-operated municipal court shall pay the costs and fees the disbursement of which is not otherwise provided for in the Revised Code into the county treasury. Moneys deposited as security for costs shall be retained pending the litigation. The clerk shall keep a separate account of all receipts and disbursements in civil and criminal cases, which shall be a permanent public record of the office. On the expiration of the term of the clerk, the clerk shall deliver the records to the clerk's successor. The clerk shall have other powers and duties as are prescribed by rule or order of the court.

(G) All moneys paid into a municipal court shall be noted on the record of the case in which they are paid and shall be deposited in a state or national bank, or a domestic savings and loan association, as defined in section 1151.01 of the Revised Code, that is selected by the clerk. Any interest received upon the deposits shall be paid into the city treasury, except that, in a county-operated municipal court, the interest shall be paid into the treasury of the county in which the court is located.

On the first Monday in January of each year, the clerk shall make a list of the titles of all cases in the court that were finally determined more than one year past in which there remains unclaimed in the possession of the clerk any funds, or any part of a deposit for security of costs not consumed by the costs in the case. The clerk shall give notice of the moneys to the parties who are entitled to the moneys or to their attorneys of record. All the moneys remaining unclaimed on the first day of April of each year shall be paid by the clerk to the city treasurer, except that, in a county-operated municipal court, the moneys shall be paid to the treasurer of the county in

which the court is located. The treasurer shall pay any part of the moneys at any time to the person who has the right to the moneys upon proper certification of the clerk.

(H) Deputy clerks may be appointed by the clerk and shall receive the compensation, payable in either biweekly installments or semimonthly installments, as determined by the payroll administrator, out of the city treasury, that the clerk may prescribe, except that the compensation of any deputy clerk of a county-operated municipal court shall be paid out of the treasury of the county in which the court is located. Each deputy clerk shall take an oath of office before entering upon the duties of the deputy clerk's office and, when so qualified, may perform the duties appertaining to the office of the clerk. The clerk may require any of the deputy clerks to give bond of not less than three thousand dollars, conditioned for the faithful performance of the deputy clerk's duties.

(I) For the purposes of this section, whenever the population of the territory of a municipal court falls below one hundred thousand but not below ninety thousand, and the population of the territory prior to the most recent regular federal census exceeded one hundred thousand, the legislative authority of the municipal corporation may declare, by resolution, that the territory shall be considered to have a population of at least one hundred thousand.

(J) The clerk or a deputy clerk shall be in attendance at all sessions of the municipal court, although not necessarily in the courtroom, and may administer oaths to witnesses and jurors and receive verdicts.

Sec. 1901.311. A municipal court may establish one or more branch offices and may appoint a special deputy clerk to administer each branch office. Each special deputy clerk shall take an oath of office before entering upon the duties of his office, and, when so qualified, may perform any one or more of the duties appertaining to the office of clerk, as the court prescribes. Special deputy clerks appointed by the court pursuant to this section shall receive such compensation payable in either biweekly installments or semimonthly installments, as determined by the payroll administrator, out of the city treasury as the court may prescribe, except that the compensation of any special deputy clerk of a county-operated municipal court shall be payable out of the treasury of the county in which the court is located. The court may require any of the special deputy clerks to give bond of not less than three thousand dollars, conditioned for the faithful performance of his duties.

Sec. 1901.32. (A) The bailiffs and deputy bailiffs of a municipal court shall be provided for, and their duties are, as follows:

(1) Except for the Hamilton county municipal court, the court shall appoint a bailiff who shall receive the annual compensation that the court prescribes payable in either biweekly installments or semimonthly installments, as determined by the payroll administrator, from the same sources and in the same manner as provided in section 1901.11 of the Revised Code. The court may provide that the chief of police of the municipal corporation or a member of the police force be appointed by the court to be the bailiff of the court. Before entering upon ~~his~~ the duties of office, the bailiff shall take an oath to faithfully perform the duties of the office and shall give a bond of not less than three thousand dollars, as the legislative authority prescribes, conditioned for the faithful performance ~~of his~~ the duties ~~as~~ of chief bailiff.

(2) Except for the Hamilton county municipal court, deputy bailiffs may be appointed by the court. Deputy bailiffs shall receive the compensation payable in semimonthly installments out of the city treasury that the court prescribes, except that the compensation of deputy bailiffs in a county-operated municipal court shall be paid out of the treasury of the county in which the court is located. Each deputy bailiff shall give a bond in an amount not less than one thousand dollars, and, when so qualified, ~~he~~ may perform the duties pertaining to the office of chief bailiff of the court.

(3) The bailiff and all deputy bailiffs of the Hamilton county municipal court shall be appointed by the clerk and shall receive the compensation payable in semimonthly installments out of the treasury of Hamilton county that the clerk prescribes. Each judge of the Hamilton county municipal court may appoint a courtroom bailiff, each of whom shall receive the compensation payable in semimonthly installments out of the treasury of Hamilton county that the court prescribes.

(4) The legislative authority may purchase motor vehicles for the use of the bailiffs and deputy bailiffs as the court determines they need to perform the duties of their office. All expenses, maintenance, and upkeep of the vehicles shall be paid by the legislative authority upon approval by the court. Any allowances, costs, and expenses for the operation of private motor vehicles by bailiffs and deputy bailiffs for official duties, including the cost of oil, gasoline, and maintenance, shall be prescribed by the court and, subject to the approval of the legislative authority, shall be paid from the city treasury, except that the allowances, costs, and expenses for the bailiffs and deputy bailiffs of a county-operated municipal court shall be paid from the treasury of the county in which the court is located.

(5) Every police officer of any municipal corporation and police constable of a township within the territory of the court is ex officio a

deputy bailiff of the court in and for the municipal corporation or township ~~within in~~ which ~~he is~~ commissioned as a police officer or police constable, and shall perform any duties in respect to cases within ~~his~~ the officer or constable's jurisdiction that are required ~~of him~~ by a judge of the court, or by the clerk or a bailiff or deputy bailiff of the court, without additional compensation.

(6) The bailiff and deputy bailiffs shall perform for the court services similar to those performed by the sheriff for the court of common pleas and shall perform any other duties that are requested by rule of court.

The bailiff or deputy bailiff may administer oaths to witnesses and jurors and receive verdicts in the same manner and form and to the same extent as the clerk or deputy clerks of the court. The bailiff may approve all undertakings and bonds given in actions of replevin and all redelivery bonds in attachments.

(B) In the Cleveland municipal court, the chief clerks and all deputy clerks are in the classified civil service of the city of Cleveland. The clerk, the chief deputy clerks, the probation officers, one private secretary, one personal stenographer to the clerk, and one personal bailiff to each judge are in the unclassified civil service of the city of Cleveland. Upon demand of the clerk, the civil service commission of the city of Cleveland shall certify a list of those eligible for the position of deputy clerk. From the list, the clerk shall designate chief clerks and the number of deputy clerks that the legislative authority determines are necessary.

Except as otherwise provided in this division, the bailiff, chief deputy bailiffs, and all deputy bailiffs of the Cleveland municipal court appointed after January 1, 1968, and the chief housing specialist, housing specialists, and housing division referees of the housing division of the Cleveland municipal court appointed under section 1901.331 of the Revised Code are in the unclassified civil service of the city of Cleveland. All deputy bailiffs of the housing division of the Cleveland municipal court appointed pursuant to that section are in the classified civil service of the city of Cleveland. Upon the demand of the judge of the housing division of the Cleveland municipal court, the civil service commission of the city of Cleveland shall certify a list of those eligible for the position of deputy bailiff of the housing division. From the list, the judge of the housing division shall designate the number of deputy bailiffs that ~~he~~ the judge determines are necessary.

The chief deputy clerks, the chief clerks, and all other deputy clerks of the Cleveland municipal court shall receive the compensation that the clerk prescribes. Except as provided in division (A)(4)(a) of section 1901.331 of the Revised Code with respect to officers and employees of the housing

division of the Cleveland municipal court, the bailiff, all deputy bailiffs, and assignment room personnel of the Cleveland municipal court shall receive the compensation that the court prescribes.

Any appointee under sections 1901.01 to 1901.37 of the Revised Code may be dismissed or discharged by the same power that appointed ~~him~~ the appointee. In the case of the removal of any civil service appointee under those sections, an appeal may be taken from the decision of the civil service commission to the court of common pleas of Cuyahoga county to determine the sufficiency of the cause of removal. The appeal shall be taken within ten days of the finding of the commission.

In the Cleveland municipal court, the presiding judge may appoint on a full-time, per diem, or contractual basis any official court reporters for the civil branch of the court that the business of the court requires. The compensation of official court reporters shall be determined by the presiding judge of the court. The compensation shall be payable from the city treasury and from the treasury of Cuyahoga county in the same proportion as designated in section 1901.11 of the Revised Code for the payment of compensation of municipal judges. In every trial in which the services of a court reporter so appointed are requested by the judge, any party, or the attorney for any party, there shall be taxed for each day's services of the court reporter a fee in the same amount as may be taxed for similar services in the court of common pleas under section 2301.21 of the Revised Code, to be collected as other costs in the case. The fees so collected shall be paid quarterly by the clerk into the city treasury and the treasury of Cuyahoga county in the same proportion as the compensation for the court reporters is paid from the city and county treasuries and shall be credited to the general funds of the city and county treasuries.

(C) In the Hamilton county municipal court, all employees, including the bailiff, deputy bailiff, and courtroom bailiffs, are in the unclassified civil service.

Sec. 1901.33. (A) The judge or judges of a municipal court may appoint one or more interpreters, one or more mental health professionals, one or more probation officers, an assignment commissioner, deputy assignment commissioners, and other court aides on a full-time, part-time, hourly, or other basis. Each appointee shall receive the compensation out of the city treasury that the legislative authority prescribes in either biweekly installments or semimonthly installments, as determined by the payroll administrator, except that in a county-operated municipal court they shall receive the compensation out of the treasury of the county in which the court is located that the board of county commissioners prescribes. Probation

officers have all the powers of regular police officers and shall perform any duties that are designated by the judge or judges of the court. Assignment commissioners shall assign cases for trial and perform any other duties that the court directs.

The judge or judges may appoint one or more typists, stenographers, statistical clerks, and official court reporters, each of whom shall be paid the compensation out of the city treasury that the legislative authority prescribes, except that in a county-operated municipal court they shall be paid the compensation out of the treasury of the county in which the court is located that the board of county commissioners prescribes.

(B) If a municipal court appoints one or more probation officers, those officers shall constitute the municipal court department of probation unless the court designates other employees as the department of probation for the court.

(C) The chief probation officer may grant permission to a probation officer to carry firearms when required in the discharge of the probation officer's official duties if the probation officer has successfully completed a basic firearm training program that is approved by the executive director of the Ohio peace officer training commission. A probation officer who has been granted permission to carry a firearm in the discharge of the probation officer's official duties annually shall successfully complete a firearms requalification program in accordance with section 109.801 of the Revised Code.

(D) The judge or judges of a municipal court in which the clerk of the court is elected as provided in division (A)(1)(a) or (d) or (A)(2)(b) of section 1901.31 of the Revised Code may appoint an administrative assistant. The administrative assistant shall have charge of personnel related matters of the court and shall perform any other administrative duties assigned by the court. The administrative assistant shall receive the compensation out of the city treasury that the court prescribes, except that, in a county-operated municipal court, the administrative assistant shall receive the compensation out of the treasury of the county in which the court is located that the court prescribes.

Sec. 2151.357. (A)(1) In the manner prescribed by division (C)(1) or (2) of section 3313.64 of the Revised Code, as applicable, the court, at the time of making any order that removes a child from the child's own home or that vests legal or permanent custody of the child in a person other than the child's parent or a government agency, shall determine the school district that is to bear the cost of educating the child. The court shall make the determination a part of the order that provides for the child's placement or

commitment. That school district shall bear the cost of educating the child unless and until the court modifies its order pursuant to division (A)(2) of this section.

(2) If, while the child is in the custody of a person other than the child's parent or a government agency, the department of education notifies the court that the place of residence of the child's parent has changed since the court issued its initial order, the court may modify its order to name a different school district to bear the cost of educating the child. The department may submit the notice to the court upon receipt, from the school district initially ordered to bear the cost of educating the child, of evidence acceptable to the department that the residence of the child's parent has changed since the court issued its initial order. In the notice to the court, the department shall recommend to the court whether a different district should be ordered to bear the cost of educating the child and, if so, which district should be so ordered. The department shall recommend to the court the district in which the child's parent currently resides or, if the parent's residence is not known, the district in which the parent's last known residence is located. If the department cannot determine any Ohio district in which the parent currently resides or has resided, the school district designated in the initial court order shall continue to bear the cost of educating the child.

The court may consider the content of a notice by the department of education under division (A)(2) of this section as conclusive evidence as to which school district should bear the cost of educating the child and may amend its order accordingly.

(B) Whenever a child is placed in a detention facility established under section 2152.41 of the Revised Code or a juvenile facility established under section 2151.65 of the Revised Code, the child's school district as determined by the court shall pay the cost of educating the child based on the per capita cost of the educational facility within the detention home or juvenile facility.

(C) Whenever a child is placed by the court in a private institution, school, or residential treatment center or any other private facility, the state shall pay to the court a subsidy to help defray the expense of educating the child in an amount equal to the product of the daily per capita educational cost of the private facility, as determined pursuant to this section, and the number of days the child resides at the private facility, provided that the subsidy shall not exceed twenty-five hundred dollars per year per child. The daily per capita educational cost of a private facility shall be determined by dividing the actual program cost of the private facility or twenty-five

hundred dollars, whichever is less, by three hundred sixty-five days or by three hundred sixty-six days for years that include February twenty-ninth. The state shall pay seventy-five per cent of the total subsidy for each year quarterly to the court. The state may adjust the remaining twenty-five per cent of the total subsidy to be paid to the court for each year to an amount that is less than twenty-five per cent of the total subsidy for that year based upon the availability of funds appropriated to the department of education for the purpose of subsidizing courts that place a child in a private institution, school, or residential treatment center or any other private facility and shall pay that adjusted amount to the court at the end of the year.

Sec. 2152.44. (A) As soon as practical after the organization of the joint board of county commissioners as provided by section 2152.41 of the Revised Code, the joint board shall appoint a board of not less than five trustees. The board shall hold office until the first annual meeting after the choice of an established site and buildings, or after the selection and purchase of a building site. At that time, the joint board of county commissioners shall appoint a board of not less than five trustees, one of whom shall hold office for a term of one year, one for a term of two years, one for a term of three years, half of the remaining number for a term of four years, and the remainder for a term of five years. Annually thereafter, the joint board of county commissioners shall appoint one or more trustees, each of whom shall hold office for a term of five years, to succeed the trustee or trustees whose term of office expires. A trustee may be appointed to successive terms. Any person appointed as a trustee shall be recommended and approved by the juvenile court judge or judges of the county of which the person resides.

At least one trustee shall reside in each county in the district. In districts composed of two counties, each county shall be entitled to not less than two trustees. In districts composed of more than four counties, the number of trustees shall be sufficiently increased, provided that there shall always be an uneven number of trustees on the board. The county in which a district detention facility is located shall have not less than two trustees, who, in the interim period between the regular meetings of the trustees, shall act as an executive committee in the discharge of all business pertaining to the facility.

The joint board of county commissioners may remove any trustee for good cause. The trustee appointed to fill any vacancy shall hold the office for the unexpired term of the predecessor trustee.

(B) The annual meeting of the board of trustees shall be held on the first Tuesday in May in each year.

A majority of the board constitutes a quorum. Other board meetings shall be held at least quarterly. The juvenile court judge of each county of the district, or the judge's designee, shall attend the meetings. The members of the board shall receive no compensation for their services, except their actual and necessary expenses. The treasurer shall pay the member's traveling expenses when properly certified.

(C) When the board of trustees does not choose an established institution in one of the counties of the district, it may select a suitable site for the erection of a district detention facility. The site must be easily accessible, conducive to health, economy in purchasing or in building, and the general interest of the facility and its residents, and be as near as practicable to the geographical center of the district.

In the interim between the selection and purchase of a site, and the erection and occupancy of the district detention facility, the joint board of county commissioners provided under section ~~2151.41~~ 2152.41 of the Revised Code may delegate to the board of trustees any powers and duties that, in its judgment, will be of general interest or aid to the institution. The joint board of county commissioners may appropriate a trustees' fund, to be expended by the trustees for contracts, purchases, or other necessary expenses of the facility. The trustees shall make a complete settlement with the joint board of county commissioners once each six months, or quarterly if required, and shall make to the board of county commissioners and to the juvenile court of each of the counties a full report of the condition of the facility and residents.

(D) The choice of an established site and buildings, or the purchase of a site, stock, implements, and general farm equipment, should there be a farm, the erection of buildings, and the completion and furnishing of the district detention facility for occupancy, shall be in the hands of the joint board of county commissioners organized under section 2152.41 of the Revised Code. The joint board of county commissioners may delegate all or a portion of these duties to the board of trustees, under any restrictions that the joint board of county commissioners imposes.

When an established site and buildings are used for a district detention facility, the joint board of county commissioners shall cause the value of that site and those buildings to be properly appraised. This appraisal value, or in case of the purchase of a site, the purchase price and the cost of all improvements thereto, shall be paid by the counties comprising the district, in proportion to the taxable property of each county, as shown by its tax duplicate.

(E) Once a district is established, the trustees shall operate, maintain,

and manage the facility as provided in sections 2152.41 to 2152.43 of the Revised Code and, on and after the effective date of this amendment and notwithstanding any provision of the Revised Code to the contrary, may adopt bylaws regarding the daily operation, maintenance, and management of the facility. No bylaw adopted pursuant to this division may supersede any provision of the Revised Code.

Sec. 2305.2341. (A) The medical liability insurance reimbursement program is hereby established. Free clinics, including the clinics' staff and volunteer health care professionals and volunteer health care workers, may participate in the medical liability insurance reimbursement program established by this section. The coverage provided under the program shall be limited to claims that arise out of the diagnosis, treatment, and care of patients of free clinics, as defined in division (D)(1) of this section.

(B) A free clinic is eligible to receive reimbursement under the medical liability insurance reimbursement program for the premiums that the clinic pays for medical liability insurance coverage for the clinic, its staff, and volunteer health care professionals and health care workers. Free clinics shall register with the department of health by the thirty-first day of January of each year in order to participate in and to obtain reimbursement under the program. Free clinics shall provide all of the following to the department of health at the time of registration:

(1) A statement of the number of volunteer and paid health care professionals and health care workers providing health care services at the free clinic at that time;

(2) A statement of the number of health care services rendered by the free clinic during the previous fiscal year;

(3) A signed form acknowledging that the free clinic agrees to follow its medical liability insurer's risk management and loss prevention policies;

(4) A copy of the medical liability insurance policy purchased by the free clinic, or the policy's declaration page, and documentation of the premiums paid by the clinic.

(C) The department of health shall reimburse free clinics participating in the professional liability insurance reimbursement program for up to eighty per cent of the premiums that the free clinic pays for medical liability insurance coverage up to twenty thousand dollars. Appropriations to the department of health may be made from the general fund of the state for this purpose.

(D) As used in this section:

(1) "Free clinic" means a nonprofit organization exempt from federal income taxation under section 501(c)(3) of the "Internal Revenue Code of

1986," as amended, or a program component of a nonprofit organization, whose primary mission is to provide health care services for free or for a minimal administrative fee to individuals with limited resources. A free clinic facilitates the delivery of health care services through the use of volunteer health care professionals and voluntary care networks. For this purpose, a free clinic shall comply with all of the following:

(a) If a free clinic does request a minimal administrative fee, a free clinic shall not deny an individual access to its health care services based on an individual's ability to pay the fee.

(b) A free clinic shall not bill a patient for health care services rendered.

(c) Free clinics shall not perform operations, as defined by divisions (A)(9) and (F)(1)(b) of section 2305.234 of the Revised Code.

A clinic is not a free clinic if the clinic bills medicaid, medicare, or other third-party payers for health care services rendered at the clinic, and receives twenty-five per cent or more of the clinic's annual revenue from the third-party payments.

(2) "Health care professional" and "health care worker" have the same meanings as in section 2305.234 of the Revised Code.

Sec. 2503.20. When requested by the supreme court, the reporter of the supreme court shall attend its sessions and consultations and shall report and prepare its decisions for publication under its direction. The reporter shall prepare for publication and edit, tabulate, and index those opinions and decisions of any court of appeals furnished ~~him~~ the reporter for publication by any such court, and such opinions and decisions of any of the inferior courts, as may be designated by ~~him~~ the reporter and approved by the chief justice of the supreme court. No cases in any court of appeals shall be reported for publication except those selected by that court of appeals, or by a majority of the judges thereof.

The supreme court may appoint assistants necessary to carry on the work of the reporter's office. The court shall fix the compensation of each assistant, which compensation shall be paid out of the state treasury upon the warrant of the ~~auditor of state~~ director of budget and management.

Whenever a case is reported for publication, the syllabus of such case shall be prepared by the judge delivering the opinion, and approved by a majority of the members of the court. Such report may be per curiam, or if an opinion is reported, such opinion shall be written in as concise form as may be consistent with a clear presentation of the law of the case. Opinions for permanent publication in book form shall be furnished to the reporter and to no other person. All such cases shall be reported in accordance with this section before they are recognized by and receive the official sanction

of any court.

Sec. 2913.01. As used in this chapter, unless the context requires that a term be given a different meaning:

(A) "Deception" means knowingly deceiving another or causing another to be deceived by any false or misleading representation, by withholding information, by preventing another from acquiring information, or by any other conduct, act, or omission that creates, confirms, or perpetuates a false impression in another, including a false impression as to law, value, state of mind, or other objective or subjective fact.

(B) "Defraud" means to knowingly obtain, by deception, some benefit for oneself or another, or to knowingly cause, by deception, some detriment to another.

(C) "Deprive" means to do any of the following:

(1) Withhold property of another permanently, or for a period that appropriates a substantial portion of its value or use, or with purpose to restore it only upon payment of a reward or other consideration;

(2) Dispose of property so as to make it unlikely that the owner will recover it;

(3) Accept, use, or appropriate money, property, or services, with purpose not to give proper consideration in return for the money, property, or services, and without reasonable justification or excuse for not giving proper consideration.

(D) "Owner" means, unless the context requires a different meaning, any person, other than the actor, who is the owner of, who has possession or control of, or who has any license or interest in property or services, even though the ownership, possession, control, license, or interest is unlawful.

(E) "Services" include labor, personal services, professional services, public utility services including wireless service as defined in division (F)(1) of section 4931.40 of the Revised Code, common carrier services, and food, drink, transportation, entertainment, and cable television services and, for purposes of section 2913.04 of the Revised Code, include cable services as defined in that section.

(F) "Writing" means any computer software, document, letter, memorandum, note, paper, plate, data, film, or other thing having in or upon it any written, typewritten, or printed matter, and any token, stamp, seal, credit card, badge, trademark, label, or other symbol of value, right, privilege, license, or identification.

(G) "Forge" means to fabricate or create, in whole or in part and by any means, any spurious writing, or to make, execute, alter, complete, reproduce, or otherwise purport to authenticate any writing, when the

writing in fact is not authenticated by that conduct.

(H) "Utter" means to issue, publish, transfer, use, put or send into circulation, deliver, or display.

(I) "Coin machine" means any mechanical or electronic device designed to do both of the following:

(1) Receive a coin, bill, or token made for that purpose;

(2) In return for the insertion or deposit of a coin, bill, or token, automatically dispense property, provide a service, or grant a license.

(J) "Slug" means an object that, by virtue of its size, shape, composition, or other quality, is capable of being inserted or deposited in a coin machine as an improper substitute for a genuine coin, bill, or token made for that purpose.

(K) "Theft offense" means any of the following:

(1) A violation of section 2911.01, 2911.02, 2911.11, 2911.12, 2911.13, 2911.31, 2911.32, 2913.02, 2913.03, 2913.04, 2913.041, 2913.05, 2913.06, 2913.11, 2913.21, 2913.31, 2913.32, 2913.33, 2913.34, 2913.40, 2913.42, 2913.43, 2913.44, 2913.45, 2913.47, former section 2913.47 or 2913.48, or section 2913.51, 2915.05, or 2921.41 of the Revised Code;

(2) A violation of an existing or former municipal ordinance or law of this or any other state, or of the United States, substantially equivalent to any section listed in division (K)(1) of this section or a violation of section 2913.41, 2913.81, or 2915.06 of the Revised Code as it existed prior to July 1, 1996;

(3) An offense under an existing or former municipal ordinance or law of this or any other state, or of the United States, involving robbery, burglary, breaking and entering, theft, embezzlement, wrongful conversion, forgery, counterfeiting, deceit, or fraud;

(4) A conspiracy or attempt to commit, or complicity in committing, any offense under division (K)(1), (2), or (3) of this section.

(L) "Computer services" includes, but is not limited to, the use of a computer system, computer network, computer program, data that is prepared for computer use, or data that is contained within a computer system or computer network.

(M) "Computer" means an electronic device that performs logical, arithmetic, and memory functions by the manipulation of electronic or magnetic impulses. "Computer" includes, but is not limited to, all input, output, processing, storage, computer program, or communication facilities that are connected, or related, in a computer system or network to an electronic device of that nature.

(N) "Computer system" means a computer and related devices, whether

connected or unconnected, including, but not limited to, data input, output, and storage devices, data communications links, and computer programs and data that make the system capable of performing specified special purpose data processing tasks.

(O) "Computer network" means a set of related and remotely connected computers and communication facilities that includes more than one computer system that has the capability to transmit among the connected computers and communication facilities through the use of computer facilities.

(P) "Computer program" means an ordered set of data representing coded instructions or statements that, when executed by a computer, cause the computer to process data.

(Q) "Computer software" means computer programs, procedures, and other documentation associated with the operation of a computer system.

(R) "Data" means a representation of information, knowledge, facts, concepts, or instructions that are being or have been prepared in a formalized manner and that are intended for use in a computer, computer system, or computer network. For purposes of section 2913.47 of the Revised Code, "data" has the additional meaning set forth in division (A) of that section.

(S) "Cable television service" means any services provided by or through the facilities of any cable television system or other similar closed circuit coaxial cable communications system, or any microwave or similar transmission service used in connection with any cable television system or other similar closed circuit coaxial cable communications system.

(T) "Gain access" means to approach, instruct, communicate with, store data in, retrieve data from, or otherwise make use of any resources of a computer, computer system, or computer network, or any cable service or cable system both as defined in section 2913.04 of the Revised Code.

(U) "Credit card" includes, but is not limited to, a card, code, device, or other means of access to a customer's account for the purpose of obtaining money, property, labor, or services on credit, or for initiating an electronic fund transfer at a point-of-sale terminal, an automated teller machine, or a cash dispensing machine. It also includes a county procurement card issued under section 301.29 of the Revised Code.

(V) "Electronic fund transfer" has the same meaning as in 92 Stat. 3728, 15 U.S.C.A. 1693a, as amended.

(W) "Rented property" means personal property in which the right of possession and use of the property is for a short and possibly indeterminate term in return for consideration; the rentee generally controls the duration of

possession of the property, within any applicable minimum or maximum term; and the amount of consideration generally is determined by the duration of possession of the property.

(X) "Telecommunication" means the origination, emission, dissemination, transmission, or reception of data, images, signals, sounds, or other intelligence or equivalence of intelligence of any nature over any communications system by any method, including, but not limited to, a fiber optic, electronic, magnetic, optical, digital, or analog method.

(Y) "Telecommunications device" means any instrument, equipment, machine, or other device that facilitates telecommunication, including, but not limited to, a computer, computer network, computer chip, computer circuit, scanner, telephone, cellular telephone, pager, personal communications device, transponder, receiver, radio, modem, or device that enables the use of a modem.

(Z) "Telecommunications service" means the providing, allowing, facilitating, or generating of any form of telecommunication through the use of a telecommunications device over a telecommunications system.

(AA) "Counterfeit telecommunications device" means a telecommunications device that, alone or with another telecommunications device, has been altered, constructed, manufactured, or programmed to acquire, intercept, receive, or otherwise facilitate the use of a telecommunications service or information service without the authority or consent of the provider of the telecommunications service or information service. "Counterfeit telecommunications device" includes, but is not limited to, a clone telephone, clone microchip, tumbler telephone, or tumbler microchip; a wireless scanning device capable of acquiring, intercepting, receiving, or otherwise facilitating the use of telecommunications service or information service without immediate detection; or a device, equipment, hardware, or software designed for, or capable of, altering or changing the electronic serial number in a wireless telephone.

(BB)(1) "Information service" means, subject to division (BB)(2) of this section, the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, including, but not limited to, electronic publishing.

(2) "Information service" does not include any use of a capability of a type described in division (BB)(1) of this section for the management, control, or operation of a telecommunications system or the management of a telecommunications service.

(CC) "Elderly person" means a person who is sixty-five years of age or older.

(DD) "Disabled adult" means a person who is eighteen years of age or older and has some impairment of body or mind that makes the person unable to work at any substantially remunerative employment that the person otherwise would be able to perform and that will, with reasonable probability, continue for a period of at least twelve months without any present indication of recovery from the impairment, or who is eighteen years of age or older and has been certified as permanently and totally disabled by an agency of this state or the United States that has the function of so classifying persons.

(EE) "Firearm" and "dangerous ordnance" have the same meanings as in section 2923.11 of the Revised Code.

(FF) "Motor vehicle" has the same meaning as in section 4501.01 of the Revised Code.

(GG) "Dangerous drug" has the same meaning as in section 4729.01 of the Revised Code.

(HH) "Drug abuse offense" has the same meaning as in section 2925.01 of the Revised Code.

(II)(1) "Computer hacking" means any of the following:

(a) Gaining access or attempting to gain access to all or part of a computer, computer system, or a computer network without express or implied authorization with the intent to defraud or with intent to commit a crime;

(b) Misusing computer or network services including, but not limited to, mail transfer programs, file transfer programs, proxy servers, and web servers by performing functions not authorized by the owner of the computer, computer system, or computer network or other person authorized to give consent. As used in this division, "misuse of computer and network services" includes, but is not limited to, the unauthorized use of any of the following:

(i) Mail transfer programs to send mail to persons other than the authorized users of that computer or computer network;

(ii) File transfer program proxy services or proxy servers to access other computers, computer systems, or computer networks;

(iii) Web servers to redirect users to other web pages or web servers.

(c)(i) Subject to division (II)(1)(c)(ii) of this section, using a group of computer programs commonly known as "port scanners" or "probes" to intentionally access any computer, computer system, or computer network without the permission of the owner of the computer, computer system, or

computer network or other person authorized to give consent. The group of computer programs referred to in this division includes, but is not limited to, those computer programs that use a computer network to access a computer, computer system, or another computer network to determine any of the following: the presence or types of computers or computer systems on a network; the computer network's facilities and capabilities; the availability of computer or network services; the presence or versions of computer software including, but not limited to, operating systems, computer services, or computer contaminants; the presence of a known computer software deficiency that can be used to gain unauthorized access to a computer, computer system, or computer network; or any other information about a computer, computer system, or computer network not necessary for the normal and lawful operation of the computer initiating the access.

(ii) The group of computer programs referred to in division (II)(1)(c)(i) of this section does not include standard computer software used for the normal operation, administration, management, and test of a computer, computer system, or computer network including, but not limited to, domain name services, mail transfer services, and other operating system services, computer programs commonly called "ping," "tcpdump," and "traceroute" and other network monitoring and management computer software, and computer programs commonly known as "nslookup" and "whois" and other systems administration computer software.

(d) The intentional use of a computer, computer system, or a computer network in a manner that exceeds any right or permission granted by the owner of the computer, computer system, or computer network or other person authorized to give consent.

(2) "Computer hacking" does not include the introduction of a computer contaminant, as defined in section 2909.02 of the Revised Code, into a computer, computer system, computer program, or computer network.

(JJ) "Police dog or horse" ~~and "service dog"~~ have has the same ~~meanings~~ meaning as in section 2921.321 of the Revised Code.

(KK) "Anhydrous ammonia" is a compound formed by the combination of two gaseous elements, nitrogen and hydrogen, in the manner described in this division. Anhydrous ammonia is one part nitrogen to three parts hydrogen (NH₃). Anhydrous ammonia by weight is fourteen parts nitrogen to three parts hydrogen, which is approximately eighty-two per cent nitrogen to eighteen per cent hydrogen.

(LL) "Assistance dog" has the same meaning as in section 955.011 of the Revised Code.

Sec. 2913.02. (A) No person, with purpose to deprive the owner of

property or services, shall knowingly obtain or exert control over either the property or services in any of the following ways:

(1) Without the consent of the owner or person authorized to give consent;

(2) Beyond the scope of the express or implied consent of the owner or person authorized to give consent;

(3) By deception;

(4) By threat;

(5) By intimidation.

(B)(1) Whoever violates this section is guilty of theft.

(2) Except as otherwise provided in this division or division (B)(3), (4), (5), (6), (7), or (8) of this section, a violation of this section is petty theft, a misdemeanor of the first degree. If the value of the property or services stolen is five hundred dollars or more and is less than five thousand dollars or if the property stolen is any of the property listed in section 2913.71 of the Revised Code, a violation of this section is theft, a felony of the fifth degree. If the value of the property or services stolen is five thousand dollars or more and is less than one hundred thousand dollars, a violation of this section is grand theft, a felony of the fourth degree. If the value of the property or services stolen is one hundred thousand dollars or more and is less than five hundred thousand dollars, a violation of this section is aggravated theft, a felony of the third degree. If the value of the property or services is five hundred thousand dollars or more and is less than one million dollars, a violation of this section is aggravated theft, a felony of the second degree. If the value of the property or services stolen is one million dollars or more, a violation of this section is aggravated theft of one million dollars or more, a felony of the first degree.

(3) Except as otherwise provided in division (B)(4), (5), (6), (7), or (8) of this section, if the victim of the offense is an elderly person or disabled adult, a violation of this section is theft from an elderly person or disabled adult, and division (B)(3) of this section applies. Except as otherwise provided in this division, theft from an elderly person or disabled adult is a felony of the fifth degree. If the value of the property or services stolen is five hundred dollars or more and is less than five thousand dollars, theft from an elderly person or disabled adult is a felony of the fourth degree. If the value of the property or services stolen is five thousand dollars or more and is less than twenty-five thousand dollars, theft from an elderly person or disabled adult is a felony of the third degree. If the value of the property or services stolen is twenty-five thousand dollars or more and is less than one hundred thousand dollars, theft from an elderly person or disabled adult is a

felony of the second degree. If the value of the property or services stolen is one hundred thousand dollars or more, theft from an elderly person or disabled adult is a felony of the first degree.

(4) If the property stolen is a firearm or dangerous ordnance, a violation of this section is grand theft, a felony of the third degree, and there is a presumption in favor of the court imposing a prison term for the offense. The offender shall serve the prison term consecutively to any other prison term or mandatory prison term previously or subsequently imposed upon the offender.

(5) If the property stolen is a motor vehicle, a violation of this section is grand theft of a motor vehicle, a felony of the fourth degree.

(6) If the property stolen is any dangerous drug, a violation of this section is theft of drugs, a felony of the fourth degree, or, if the offender previously has been convicted of a felony drug abuse offense, a felony of the third degree.

(7) If the property stolen is a police dog or horse or ~~a service~~ an assistance dog and the offender knows or should know that the property stolen is a police dog or horse or ~~service~~ an assistance dog, a violation of this section is theft of a police dog or horse or ~~service~~ an assistance dog, a felony of the third degree.

(8) If the property stolen is anhydrous ammonia, a violation of this section is theft of anhydrous ammonia, a felony of the third degree.

(9) In addition to the penalties described in division (B)(2) of this section, if the offender committed the violation by causing a motor vehicle to leave the premises of an establishment at which gasoline is offered for retail sale without the offender making full payment for gasoline that was dispensed into the fuel tank of the motor vehicle or into another container, the court may do one of the following:

(a) Unless division (B)(9)(b) of this section applies, suspend for not more than six months the offender's driver's license, probationary driver's license, commercial driver's license, temporary instruction permit, or nonresident operating privilege;

(b) If the offender's driver's license, probationary driver's license, commercial driver's license, temporary instruction permit, or nonresident operating privilege has previously been suspended pursuant to division (B)(9)(a) of this section, impose a class seven suspension of the offender's license, permit, or privilege from the range specified in division (A)(7) of section 4510.02 of the Revised Code, provided that the suspension shall be for at least six months.

(C) The sentencing court that suspends an offender's license, permit, or

nonresident operating privilege under division (B)(9) of this section may grant the offender limited driving privileges during the period of the suspension in accordance with Chapter 4510. of the Revised Code.

Sec. 2921.321. (A) No person shall knowingly cause, or attempt to cause, physical harm to a police dog or horse in either of the following circumstances:

(1) The police dog or horse is assisting a law enforcement officer in the performance of the officer's official duties at the time the physical harm is caused or attempted.

(2) The police dog or horse is not assisting a law enforcement officer in the performance of the officer's official duties at the time the physical harm is caused or attempted, but the offender has actual knowledge that the dog or horse is a police dog or horse.

(B) No person shall recklessly do any of the following:

(1) Taunt, torment, or strike a police dog or horse;

(2) Throw an object or substance at a police dog or horse;

(3) Interfere with or obstruct a police dog or horse, or interfere with or obstruct a law enforcement officer who is being assisted by a police dog or horse, in a manner that does any of the following:

(a) Inhibits or restricts the law enforcement officer's control of the police dog or horse;

(b) Deprives the law enforcement officer of control of the police dog or horse;

(c) Releases the police dog or horse from its area of control;

(d) Enters the area of control of the police dog or horse without the consent of the law enforcement officer, including placing food or any other object or substance into that area;

(e) Inhibits or restricts the ability of the police dog or horse to assist a law enforcement officer.

(4) Engage in any conduct that is likely to cause serious physical injury or death to a police dog or horse;

(5) If the person is the owner, keeper, or harbinger of a dog, fail to reasonably restrain the dog from taunting, tormenting, chasing, approaching in a menacing fashion or apparent attitude of attack, or attempting to bite or otherwise endanger a police dog or horse that at the time of the conduct is assisting a law enforcement officer in the performance of the officer's duties or that the person knows is a police dog or horse.

(C) No person shall knowingly cause, or attempt to cause, physical harm to a ~~service~~ an assistance dog in either of the following circumstances:

(1) The ~~service~~ dog is assisting or serving a blind, deaf or hearing

impaired, or mobility impaired person ~~or person with a seizure disorder~~ at the time the physical harm is caused or attempted.

(2) The ~~service~~ dog is not assisting or serving a blind, deaf or hearing impaired, or mobility impaired person ~~or person with a seizure disorder~~ at the time the physical harm is caused or attempted, but the offender has actual knowledge that the dog is ~~a service~~ an assistance dog.

(D) No person shall recklessly do any of the following:

(1) Taunt, torment, or strike ~~a service~~ an assistance dog;

(2) Throw an object or substance at ~~a service~~ an assistance dog;

(3) Interfere with or obstruct ~~a service~~ an assistance dog, or interfere with or obstruct a blind, deaf or hearing impaired, or mobility impaired person ~~or person with a seizure disorder~~ who is being assisted or served by a ~~service~~ an assistance dog, in a manner that does any of the following:

(a) Inhibits or restricts the assisted or served person's control of the ~~service~~ dog;

(b) Deprives the assisted or served person of control of the ~~service~~ dog;

(c) Releases the ~~service~~ dog from its area of control;

(d) Enters the area of control of the ~~service~~ dog without the consent of the assisted or served person, including placing food or any other object or substance into that area;

(e) Inhibits or restricts the ability of the ~~service~~ dog to assist the assisted or served person.

(4) Engage in any conduct that is likely to cause serious physical injury or death to ~~a service~~ an assistance dog;

(5) If the person is the owner, keeper, or harbinger of a dog, fail to reasonably restrain the dog from taunting, tormenting, chasing, approaching in a menacing fashion or apparent attitude of attack, or attempting to bite or otherwise endanger ~~a service~~ an assistance dog that at the time of the conduct is assisting or serving a blind, deaf or hearing impaired, or mobility impaired person ~~or person with a seizure disorder~~ or that the person knows is ~~a service~~ an assistance dog.

(E)(1) Whoever violates division (A) of this section is guilty of assaulting a police dog or horse. Except as otherwise provided in this division, assaulting a police dog or horse is a misdemeanor of the second degree. If the violation results in the death of the police dog or horse, assaulting a police dog or horse is a felony of the third degree. If the violation results in serious physical harm to the police dog or horse other than its death, assaulting a police dog or horse is a felony of the fourth degree. If the violation results in physical harm to the police dog or horse other than death or serious physical harm, assaulting a police dog or horse is

a misdemeanor of the first degree.

(2) Whoever violates division (B) of this section is guilty of harassing a police dog or horse. Except as otherwise provided in this division, harassing a police dog or horse is a misdemeanor of the second degree. If the violation results in the death of the police dog or horse, harassing a police dog or horse is a felony of the third degree. If the violation results in serious physical harm to the police dog or horse, but does not result in its death, harassing a police dog or horse, is a felony of the fourth degree. If the violation results in physical harm to the police dog or horse, but does not result in its death or in serious physical harm to it, harassing a police dog or horse is a misdemeanor of the first degree.

(3) Whoever violates division (C) of this section is guilty of assaulting a ~~service~~ an assistance dog. Except as otherwise provided in this division, assaulting ~~a service~~ an assistance dog is a misdemeanor of the second degree. If the violation results in the death of the ~~service~~ assistance dog, assaulting ~~a service~~ an assistance dog is a felony of the third degree. If the violation results in serious physical harm to the ~~service~~ assistance dog other than its death, assaulting ~~a service~~ an assistance dog is a felony of the fourth degree. If the violation results in physical harm to the ~~service~~ assistance dog other than death or serious physical harm, assaulting ~~a service~~ an assistance dog is a misdemeanor of the first degree.

(4) Whoever violates division (D) of this section is guilty of harassing a ~~service~~ an assistance dog. Except as otherwise provided in this division, harassing ~~a service~~ an assistance dog is a misdemeanor of the second degree. If the violation results in the death of the ~~service~~ assistance dog, harassing a ~~service~~ an assistance dog is a felony of the third degree. If the violation results in serious physical harm to the ~~service~~ assistance dog, but does not result in its death, harassing ~~a service~~ an assistance dog is a felony of the fourth degree. If the violation results in physical harm to the ~~service~~ assistance dog, but does not result in its death or in serious physical harm to it, harassing ~~a service~~ an assistance dog is a misdemeanor of the first degree.

(5) In addition to any other sanction or penalty imposed for the offense under this section, Chapter 2929., or any other provision of the Revised Code, whoever violates division (A), (B), (C), or (D) of this section is responsible for the payment of all of the following:

(a) Any veterinary bill or bill for medication incurred as a result of the violation by the police department regarding a violation of division (A) or (B) of this section or by the blind, deaf or hearing impaired, or mobility impaired person ~~or person with a seizure disorder~~ assisted or served by the ~~service~~ assistance dog regarding a violation of division (C) or (D) of this

section;

(b) The cost of any damaged equipment that results from the violation;

(c) If the violation did not result in the death of the police dog or horse or the ~~service~~ assistance dog that was the subject of the violation and if, as a result of that dog or horse being the subject of the violation, the dog or horse needs further training or retraining to be able to continue in the capacity of a police dog or horse or ~~a service~~ an assistance dog, the cost of any further training or retraining of that dog or horse by a law enforcement officer or by the blind, deaf or hearing impaired, or mobility impaired person ~~or person with a seizure disorder~~ assisted or served by the ~~service~~ assistance dog;

(d) If the violation resulted in the death of the police dog or horse or the ~~service~~ assistance dog that was the subject of the violation or resulted in serious physical harm to that dog or horse to the extent that the dog or horse needs to be replaced on either a temporary or a permanent basis, the cost of replacing that dog or horse and of any further training of a new police dog or horse or a new ~~service~~ assistance dog by a law enforcement officer or by the blind, deaf or hearing impaired, or mobility impaired person ~~or person with a seizure disorder~~ assisted or served by the ~~service~~ assistance dog, which replacement or training is required because of the death of or the serious physical harm to the dog or horse that was the subject of the violation.

(F) This section does not apply to a licensed veterinarian whose conduct is in accordance with Chapter 4741. of the Revised Code.

(G) This section only applies to an offender who knows or should know at the time of the violation that the police dog or horse or ~~service~~ assistance dog that is the subject of a violation under this section is a police dog or horse or ~~service~~ an assistance dog.

(H) As used in this section:

(1) "Physical harm" means any injury, illness, or other physiological impairment, regardless of its gravity or duration.

(2) "Police dog or horse" means a dog or horse that has been trained, and may be used, to assist law enforcement officers in the performance of their official duties.

(3) "Serious physical harm" means any of the following:

(a) Any physical harm that carries a substantial risk of death;

(b) Any physical harm that causes permanent maiming or that involves some temporary, substantial maiming;

(c) Any physical harm that causes acute pain of a duration that results in substantial suffering.

(4) "Service Assistance dog," ~~means a dog that serves as a guide or leader for a blind person, serves as a listener for a deaf person, provides~~

~~support or assistance for a mobility impaired person, or serves as a seizure assistance, seizure response, or seizure alert dog for a person with any seizure disorder.~~

(5) ~~Blind~~ "blind," and "mobility impaired person" have the same meanings as in section 955.011 of the Revised Code.

Sec. 2923.46. (A) If property is seized pursuant to section 2923.44 or 2923.45 of the Revised Code, it is considered to be in the custody of the head of the law enforcement agency that seized it, and the head of that agency may do any of the following with respect to that property prior to its disposition in accordance with division (A)(4) or (B) of this section:

(1) Place the property under seal;

(2) Remove the property to a place that the head of that agency designates;

(3) Request the issuance of a court order that requires any other appropriate municipal corporation, county, township, park district created pursuant to section 511.18 or 1545.01 of the Revised Code, or state law enforcement officer or other officer to take custody of the property and, if practicable, remove it to an appropriate location for eventual disposition in accordance with division (B) of this section;

(4)(a) Seek forfeiture of the property pursuant to federal law. If the head of that agency seeks its forfeiture pursuant to federal law, the law enforcement agency shall deposit, use, and account for proceeds from a sale of the property upon its forfeiture, proceeds from another disposition of the property upon its forfeiture, or forfeited moneys it receives, in accordance with the applicable federal law and otherwise shall comply with that law.

(b) If the state highway patrol seized the property and if the superintendent of the state highway patrol seeks its forfeiture pursuant to federal law, the appropriate governmental officials shall deposit ~~into the highway patrol federal contraband, forfeiture, and other fund~~ all interest or other earnings derived from the investment of the proceeds from a sale of the property upon its forfeiture, the proceeds from another disposition of the property upon its forfeiture, or the forfeited moneys into the highway patrol justice contraband fund or the highway patrol treasury contraband fund, as applicable. The state highway patrol shall use and account for that interest or other earnings in accordance with the applicable federal law.

(c) Division (B) of this section and divisions (D)(1) to (3) of section 2933.43 of the Revised Code do not apply to proceeds or forfeited moneys received pursuant to federal law or to the interest or other earnings that are derived from the investment of proceeds or forfeited moneys received pursuant to federal law and that are described in division (A)(4)(b) of this

section.

(B) In addition to complying with any requirements imposed by a court pursuant to section 2923.44 or 2923.45 of the Revised Code, and the requirements imposed by those sections, in relation to the disposition of property forfeited to the state under either of those sections, the prosecuting attorney who is responsible for its disposition shall dispose of the property as follows:

(1) Any vehicle that was used in a violation of section 2923.42 of the Revised Code or in an act of a juvenile that is a violation of section 2923.42 of the Revised Code shall be given to the law enforcement agency of the municipal corporation or county in which the offense or act occurred if that agency desires to have the vehicle, except that, if the offense or act occurred in a township or in a park district created pursuant to section 511.18 or 1545.01 of the Revised Code and a law enforcement officer employed by the township or the park district was involved in the seizure of the vehicle, the vehicle may be given to the law enforcement agency of that township or park district if that agency desires to have the vehicle, and except that, if the state highway patrol made the seizure of the vehicle, the vehicle may be given to the state highway patrol if it desires to have the vehicle.

(2) Drugs shall be disposed of pursuant to section 3719.11 of the Revised Code or placed in the custody of the secretary of the treasury of the United States for disposal or use for medical or scientific purposes under applicable federal law.

(3) Firearms and dangerous ordnance suitable for police work may be given to a law enforcement agency for that purpose. Firearms suitable for sporting use, or as museum pieces or collectors' items, may be disposed of by sale pursuant to division (B)(7) of this section. Other firearms and dangerous ordnance shall be destroyed by a law enforcement agency or shall be sent to the bureau of criminal identification and investigation for destruction by it.

(4) Computers, computer networks, computer systems, and computer software suitable for police work may be given to a law enforcement agency for that purpose. Other computers, computer networks, computer systems, and computer software shall be disposed of by sale pursuant to division (B)(7) of this section or disposed of in another manner that the court that issued the order of forfeiture considers proper under the circumstances.

(5) Obscene materials shall be destroyed.

(6) Beer, intoxicating liquor, and alcohol shall be disposed of in accordance with division (D)(4) of section 2933.41 of the Revised Code.

(7) In the case of property not described in divisions (B)(1) to (6) of this

section and of property described in those divisions but not disposed of pursuant to them, the property shall be sold in accordance with division (B)(7) of this section or, in the case of forfeited moneys, disposed of in accordance with division (B)(7) of this section. If the property is to be sold, the prosecuting attorney shall cause a notice of the proposed sale of the property to be given in accordance with law, and the property shall be sold, without appraisal, at a public auction to the highest bidder for cash. The proceeds of a sale and forfeited moneys shall be applied in the following order:

(a) First, to the payment of the costs incurred in connection with the seizure of, storage of, maintenance of, and provision of security for the property, the forfeiture proceeding or civil action, and, if any, the sale;

(b) Second, the remaining proceeds or forfeited moneys after compliance with division (B)(7)(a) of this section, to the payment of the value of any legal right, title, or interest in the property that is possessed by a person who, pursuant to division (F) of section 2923.44 of the Revised Code or division (E) of section 2923.45 of the Revised Code, established the validity of and consequently preserved that legal right, title, or interest, including, but not limited to, any mortgage, perfected or other security interest, or other lien in the property. The value of these rights, titles, or interests shall be paid according to their record or other order of priority.

(c) Third, the remaining proceeds or forfeited moneys after compliance with divisions (B)(7)(a) and (b) of this section, as follows:

(i) If the forfeiture was ordered in a juvenile court, ten per cent to one or more alcohol and drug addiction treatment programs that are certified by the department of alcohol and drug addiction services under section 3793.06 of the Revised Code and that are specified in the order of forfeiture. A juvenile court shall not specify an alcohol or drug addiction treatment program in the order of forfeiture unless the program is a certified alcohol and drug addiction treatment program and, except as provided in division (B)(7)(c)(i) of this section, unless the program is located in the county in which the court that orders the forfeiture is located or in a contiguous county. If no certified alcohol and drug addiction treatment program is located in any of those counties, the juvenile court may specify in the order a certified alcohol and drug addiction treatment program located anywhere within this state.

(ii) If the forfeiture was ordered in a juvenile court, ninety per cent, and if the forfeiture was ordered in a court other than a juvenile court, one hundred per cent to appropriate funds in accordance with divisions (D)(1)(c) and (2) of section 2933.43 of the Revised Code. The remaining proceeds or forfeited moneys so deposited shall be used only for the purposes authorized

by those divisions and division (D)(3)(a)(ii) of that section.

(C)(1) Sections 2923.44 to 2923.47 of the Revised Code do not preclude a financial institution that possessed a valid mortgage, security interest, or lien that is not satisfied prior to a sale under division (B)(7) of this section or following a sale by application of division (B)(7)(b) of this section, from commencing a civil action in any appropriate court in this or another state to obtain a deficiency judgment against the debtor if the financial institution otherwise would have been entitled to do so in this or another state.

(2) Any law enforcement agency that obtains any vehicle pursuant to division (B)(1) of this section shall take the vehicle subject to the outstanding amount of any security interest or lien that attaches to the vehicle.

(3) Nothing in this section impairs a mortgage, security interest, lien, or other interest of a financial institution in property that was the subject of a forfeiture order under section 2923.44 or 2923.45 of the Revised Code and that was sold or otherwise disposed of in a manner that does not conform to the requirements of division (B) of this section, or any right of a financial institution of that nature to commence a civil action in any appropriate court in this or another state to obtain a deficiency judgment against the debtor.

(4) Following the sale under division (B)(7) of this section of any property that is required to be titled or registered under the law of this state, the prosecuting attorney responsible for the disposition of the property shall cause the state to issue an appropriate certificate of title or registration to the purchaser of the property. If, in a disposition of property pursuant to division (B) of this section, the state or a political subdivision is given any property that is required to be titled or registered under the law of this state, the prosecuting attorney responsible for the disposition of the property shall cause the state to issue an appropriate certificate of title or registration to itself or to the political subdivision.

(D) Property that has been forfeited to the state pursuant to an order of criminal forfeiture under section 2923.44 of the Revised Code or an order of civil forfeiture under section 2923.45 of the Revised Code shall not be available for use to pay any fine imposed upon a person who is convicted of or pleads guilty to a violation of section 2923.42 of the Revised Code or upon a juvenile who is found by a juvenile court to be a delinquent child for an act that is a violation of section 2923.42 of the Revised Code.

(E) Sections 2923.44 to 2923.47 of the Revised Code do not prohibit a law enforcement officer from seeking the forfeiture of contraband associated with a violation of section 2923.42 of the Revised Code pursuant to section 2933.43 of the Revised Code.

Sec. 2925.44. (A) If property is seized pursuant to section 2925.42 or 2925.43 of the Revised Code, it is deemed to be in the custody of the head of the law enforcement agency that seized it, and the head of that agency may do any of the following with respect to that property prior to its disposition in accordance with division (A)(4) or (B) of this section:

(1) Place the property under seal;

(2) Remove the property to a place that the head of that agency designates;

(3) Request the issuance of a court order that requires any other appropriate municipal corporation, county, township, park district created pursuant to section 511.18 or 1545.01 of the Revised Code, or state law enforcement officer or other officer to take custody of the property and, if practicable, remove it to an appropriate location for eventual disposition in accordance with division (B) of this section;

(4)(a) Seek forfeiture of the property pursuant to federal law. If the head of that agency seeks its forfeiture pursuant to federal law, the law enforcement agency shall deposit, use, and account for proceeds from a sale of the property upon its forfeiture, proceeds from another disposition of the property upon its forfeiture, or forfeited moneys it receives, in accordance with the applicable federal law and otherwise shall comply with that law.

(b) If the state highway patrol seized the property and if the superintendent of the state highway patrol seeks its forfeiture pursuant to federal law, the appropriate governmental officials shall deposit ~~into the highway patrol federal contraband, forfeiture, and other fund~~ all interest or other earnings derived from the investment of the proceeds from a sale of the property upon its forfeiture, the proceeds from another disposition of the property upon its forfeiture, or the forfeited moneys into the highway patrol justice contraband fund or the highway patrol treasury contraband fund, as applicable. The state highway patrol shall use and account for that interest or other earnings in accordance with the applicable federal law.

(c) If the investigative unit of the department of public safety seized the property and if the director of public safety seeks its forfeiture pursuant to federal law, the appropriate governmental officials shall deposit into the department of public safety investigative unit federal equitable share account fund all interest or other earnings derived from the investment of the proceeds from a sale of the property upon its forfeiture, the proceeds from another disposition of the property upon its forfeiture, or the forfeited moneys. The department shall use and account for that interest or other earnings in accordance with the applicable federal law.

(d) If the enforcement division of the department of taxation seized the

property and if the tax commissioner seeks its forfeiture pursuant to federal law, the appropriate governmental officials shall deposit into the department of taxation enforcement fund all interest or other earnings derived from the investment of the proceeds from a sale of the property upon its forfeiture, the proceeds from another disposition of the property upon its forfeiture, or the forfeited moneys. The department shall use and account for that interest or other earnings in accordance with the applicable federal law.

(e) Division (B) of this section and divisions (D)(1) to (3) of section 2933.43 of the Revised Code do not apply to proceeds or forfeited moneys received pursuant to federal law or to the interest or other earnings that are derived from the investment of proceeds or forfeited moneys received pursuant to federal law and that are described in division (A)(4)(b) or (d) of this section.

(B) In addition to complying with any requirements imposed by a court pursuant to section 2925.42 or 2925.43 of the Revised Code, and the requirements imposed by those sections, in relation to the disposition of property forfeited to the state under either of those sections, the prosecuting attorney who is responsible for its disposition shall dispose of the property as follows:

(1) Any vehicle, as defined in section 4501.01 of the Revised Code, that was used in a felony drug abuse offense or in an act that, if committed by an adult, would be a felony drug abuse offense shall be given to the law enforcement agency of the municipal corporation or county in which the offense occurred if that agency desires to have the vehicle, except that, if the offense occurred in a township or in a park district created pursuant to section 511.18 or 1545.01 of the Revised Code and a law enforcement officer employed by the township or the park district was involved in the seizure of the vehicle, the vehicle may be given to the law enforcement agency of that township or park district if that agency desires to have the vehicle, and except that, if the state highway patrol made the seizure of the vehicle, the vehicle may be given to the state highway patrol if it desires to have the vehicle.

(2) Any drug paraphernalia that was used, possessed, sold, or manufactured in a violation of section 2925.14 of the Revised Code that would be a felony drug abuse offense or in a violation of that section committed by a juvenile that, if committed by an adult, would be a felony drug abuse offense, may be given to the law enforcement agency of the municipal corporation or county in which the offense occurred if that agency desires to have and can use the drug paraphernalia, except that, if the offense occurred in a township or in a park district created pursuant to section

511.18 or 1545.01 of the Revised Code and a law enforcement officer employed by the township or the park district was involved in the seizure of the drug paraphernalia, the drug paraphernalia may be given to the law enforcement agency of that township or park district if that agency desires to have and can use the drug paraphernalia. If the drug paraphernalia is not so given, it shall be disposed of by sale pursuant to division (B)(8) of this section or disposed of in another manner that the court that issued the order of forfeiture considers proper under the circumstances.

(3) Drugs shall be disposed of pursuant to section 3719.11 of the Revised Code or placed in the custody of the secretary of the treasury of the United States for disposal or use for medical or scientific purposes under applicable federal law.

(4) Firearms and dangerous ordnance suitable for police work may be given to a law enforcement agency for that purpose. Firearms suitable for sporting use, or as museum pieces or collectors' items, may be disposed of by sale pursuant to division (B)(8) of this section. Other firearms and dangerous ordnance shall be destroyed by a law enforcement agency or shall be sent to the bureau of criminal identification and investigation for destruction by it. As used in this division, "firearms" and "dangerous ordnance" have the same meanings as in section 2923.11 of the Revised Code.

(5) Computers, computer networks, computer systems, and computer software suitable for police work may be given to a law enforcement agency for that purpose. Other computers, computer networks, computer systems, and computer software shall be disposed of by sale pursuant to division (B)(8) of this section or disposed of in another manner that the court that issued the order of forfeiture considers proper under the circumstances. As used in this division, "computers," "computer networks," "computer systems," and "computer software" have the same meanings as in section 2913.01 of the Revised Code.

(6) Obscene materials shall be destroyed.

(7) Beer, intoxicating liquor, and alcohol shall be disposed of in accordance with division (D)(4) of section 2933.41 of the Revised Code.

(8) In the case of property not described in divisions (B)(1) to (7) of this section and of property described in those divisions but not disposed of pursuant to them, the property shall be sold in accordance with division (B)(8) of this section or, in the case of forfeited moneys, disposed of in accordance with division (B)(8) of this section. If the property is to be sold, the prosecuting attorney shall cause a notice of the proposed sale of the property to be given in accordance with law, and the property shall be sold,

without appraisal, at a public auction to the highest bidder for cash. The proceeds of a sale and forfeited moneys shall be applied in the following order:

(a) First, to the payment of the costs incurred in connection with the seizure of, storage of, maintenance of, and provision of security for the property, the forfeiture proceeding or civil action, and, if any, the sale;

(b) Second, the remaining proceeds or forfeited moneys after compliance with division (B)(8)(a) of this section, to the payment of the value of any legal right, title, or interest in the property that is possessed by a person who, pursuant to division (F) of section 2925.42 of the Revised Code or division (E) of section 2925.43 of the Revised Code, established the validity of and consequently preserved that legal right, title, or interest, including, but not limited to, any mortgage, perfected or other security interest, or other lien in the property. The value of these rights, titles, or interests shall be paid according to their record or other order of priority.

(c) Third, the remaining proceeds or forfeited moneys after compliance with divisions (B)(8)(a) and (b) of this section, as follows:

(i) If the forfeiture was ordered in a juvenile court, ten per cent to one or more alcohol and drug addiction treatment programs that are certified by the department of alcohol and drug addiction services under section 3793.06 of the Revised Code and that are specified in the order of forfeiture. A juvenile court shall not specify an alcohol or drug addiction treatment program in the order of forfeiture unless the program is a certified alcohol and drug addiction treatment program and, except as provided in division (B)(8)(c)(i) of this section, unless the program is located in the county in which the court that orders the forfeiture is located or in a contiguous county. If no certified alcohol and drug addiction treatment program is located in any of those counties, the juvenile court may specify in the order a certified alcohol and drug addiction treatment program located anywhere within this state.

(ii) If the forfeiture was ordered in a juvenile court, ninety per cent, and if the forfeiture was ordered in a court other than a juvenile court, one hundred per cent to appropriate funds in accordance with divisions (D)(1)(c) and (2) of section 2933.43 of the Revised Code. The remaining proceeds or forfeited moneys so deposited shall be used only for the purposes authorized by those divisions and division (D)(3)(a)(ii) of that section.

(C)(1) Sections 2925.41 to 2925.45 of the Revised Code do not preclude a financial institution that possessed a valid mortgage, security interest, or lien that is not satisfied prior to a sale under division (B)(8) of this section or following a sale by application of division (B)(8)(b) of this section, from commencing a civil action in any appropriate court in this or another state to

obtain a deficiency judgment against the debtor if the financial institution otherwise would have been entitled to do so in this or another state.

(2) Any law enforcement agency that obtains any vehicle pursuant to division (B)(1) of this section shall take the vehicle subject to the outstanding amount of any security interest or lien that attaches to the vehicle.

(3) Nothing in this section impairs a mortgage, security interest, lien, or other interest of a financial institution in property that was the subject of a forfeiture order under section 2925.42 or 2925.43 of the Revised Code and that was sold or otherwise disposed of in a manner that does not conform to the requirements of division (B) of this section, or any right of a financial institution of that nature to commence a civil action in any appropriate court in this or another state to obtain a deficiency judgment against the debtor.

(4) Following the sale under division (B)(8) of this section of any property that is required to be titled or registered under the law of this state, the prosecuting attorney responsible for the disposition of the property shall cause the state to issue an appropriate certificate of title or registration to the purchaser of the property. Additionally, if, in a disposition of property pursuant to division (B) of this section, the state or a political subdivision is given any property that is required to be titled or registered under the law of this state, the prosecuting attorney responsible for the disposition of the property shall cause the state to issue an appropriate certificate of title or registration to itself or to the political subdivision.

(D) Property that has been forfeited to the state pursuant to an order of criminal forfeiture under section 2925.42 of the Revised Code or an order of civil forfeiture under section 2925.43 of the Revised Code shall not be available for use to pay any fine imposed upon a person who is convicted of or pleads guilty to a felony drug abuse offense or upon any juvenile who is found by a juvenile court to be a delinquent child for an act that, if committed by an adult, would be a felony drug abuse offense.

(E) Sections 2925.41 to 2925.45 of the Revised Code do not prohibit a law enforcement officer from seeking the forfeiture of contraband associated with a felony drug abuse offense pursuant to section 2933.43 of the Revised Code.

Sec. 2933.43. (A)(1) Except as provided in this division or in section 2913.34 or sections 2923.44 to 2923.47 or 2925.41 to 2925.45 of the Revised Code, a law enforcement officer shall seize any contraband that has been, is being, or is intended to be used in violation of division (A) of section 2933.42 of the Revised Code. A law enforcement officer shall seize contraband that is a watercraft, motor vehicle, or aircraft and that has been,

is being, or is intended to be used in violation of division (A) of section 2933.42 of the Revised Code only if the watercraft, motor vehicle, or aircraft is contraband because of its relationship to an underlying criminal offense that is a felony.

Additionally, a law enforcement officer shall seize any watercraft, motor vehicle, aircraft, or other personal property that is classified as contraband under division (B) of section 2933.42 of the Revised Code if the underlying offense involved in the violation of division (A) of that section that resulted in the watercraft, motor vehicle, aircraft, or personal property being classified as contraband, is a felony.

(2) If a law enforcement officer seizes property that is titled or registered under law, including a motor vehicle, pursuant to division (A)(1) of this section, the officer or the officer's employing law enforcement agency shall notify the owner of the seizure. The notification shall be given to the owner at the owner's last known address within seventy-two hours after the seizure, and may be given orally by any means, including telephone, or by certified mail, return receipt requested.

If the officer or the officer's agency is unable to provide the notice required by this division despite reasonable, good faith efforts to do so, the exercise of the reasonable, good faith efforts constitutes fulfillment of the notice requirement imposed by this division.

(B)(1) A motor vehicle seized pursuant to division (A)(1) of this section and the contents of the vehicle may be retained for a reasonable period of time, not to exceed seventy-two hours, for the purpose of inspection, investigation, and the gathering of evidence of any offense or illegal use.

At any time prior to the expiration of the seventy-two-hour period, the law enforcement agency that seized the motor vehicle may petition the court of common pleas of the county that has jurisdiction over the underlying criminal case or administrative proceeding involved in the forfeiture for an extension of the seventy-two-hour period if the motor vehicle or its contents are needed as evidence or if additional time is needed for the inspection, investigation, or gathering of evidence. Upon the filing of such a petition, the court immediately shall schedule a hearing to be held at a time as soon as possible after the filing, but in no event at a time later than the end of the next business day subsequent to the day on which the petition was filed, and upon scheduling the hearing, immediately shall notify the owner of the vehicle, at the address at which notification of the seizure was provided under division (A) of this section, of the date, time, and place of the hearing. If the court, at the hearing, determines that the vehicle or its contents, or both, are needed as evidence or that additional time is needed for the

inspection, investigation, or gathering of evidence, the court may grant the petition and issue an order authorizing the retention of the vehicle or its contents, or both, for an extended period as specified by the court in its order. An order extending a period of retention issued under this division may be renewed.

If no petition for the extension of the initial seventy-two-hour period has been filed, prior to the expiration of that period, under this division, if the vehicle was not in the custody and control of the owner at the time of its seizure, and if, at the end of that seventy-two-hour period, the owner of the vehicle has not been charged with an offense or administrative violation that includes the use of the vehicle as an element and has not been charged with any other offense or administrative violation in the actual commission of which the motor vehicle was used, the vehicle and its contents shall be released to its owner or the owner's agent, provided that the law enforcement agency that seized the vehicle may require proof of ownership of the vehicle, proof of ownership or legal possession of the contents, and an affidavit of the owner that the owner neither knew of nor expressly or impliedly consented to the use of the vehicle that resulted in its forfeiture as conditions precedent to release. If a petition for the extension of the initial seventy-two-hour period has been filed, prior to the expiration of that period, under this division but the court does not grant the petition, if the vehicle was not in the custody and control of the owner at the time of its seizure, and if, at the end of that seventy-two-hour period, the owner of the vehicle has not been charged with an offense or administrative violation that includes the use of the vehicle as an element and has not been charged with any other offense or administrative violation in the actual commission of which the motor vehicle was used, the vehicle and its contents shall be released to its owner or the owner's agent, provided that the court may require the proof and affidavit described in the preceding sentence as conditions precedent to release. If the initial seventy-two-hour period has been extended under this division, the vehicle and its contents to which the extension applies may be retained in accordance with the extension order. If, at the end of that extended period, the owner of the vehicle has not been charged with an offense or administrative violation that includes the use of the vehicle as an element and has not been charged with any other offense or administrative violation in the actual commission of which the motor vehicle was used, and if the vehicle was not in the custody and control of the owner at the time of its seizure, the vehicle and its contents shall be released to its owner or the owner's agent, provided that the court may require the proof and affidavit described in the third preceding sentence as conditions

precedent to release. In cases in which the court may require proof and affidavits as conditions precedent to release, the court also may require the posting of a bond, with sufficient sureties approved by the court, in an amount equal to the value of the property to be released, as determined by the court, and conditioned upon the return of the property to the court if it is forfeited under this section, as a further condition to release. If, at the end of the initial seventy-two-hour period or at the end of any extended period granted under this section, the owner has been charged with an offense or administrative violation that includes the use of the vehicle as an element or has been charged with another offense or administrative violation in the actual commission of which the motor vehicle was used, or if the vehicle was in the custody and control of the owner at the time of its seizure, the vehicle and its contents shall be retained pending disposition of the charge, provided that upon the filing of a motion for release by the owner, if the court determines that the motor vehicle or its contents, or both, are not needed as evidence in the underlying criminal case or administrative proceeding, the court may permit the release of the property that is not needed as evidence to the owner; as a condition precedent to a release of that nature, the court may require the owner to execute a bond with the court. Any bond so required shall be in an amount equal to the value of the property to be released, as determined by the court, shall have sufficient sureties approved by the court, and shall be conditioned upon the return of the property to the court to which it is forfeited under this section.

The final disposition of a motor vehicle seized pursuant to division (A)(1) of this section shall be determined in accordance with division (C) of this section.

(2) Pending a hearing pursuant to division (C) of this section, and subject to divisions (B)(1) and (C) of this section, any property lawfully seized pursuant to division (A) of this section because it was contraband of a type described in division (A)(13)(b), (d), (e), (f), (g), (h), (i), or (j) of section 2901.01 of the Revised Code shall not be subject to replevin or other action in any court and shall not be subject to release upon request of the owner, and no judgment shall be enforced against the property. Pending the hearing, and subject to divisions (B)(1) and (C) of this section, the property shall be kept in the custody of the law enforcement agency responsible for its seizure.

Pending a hearing pursuant to division (C) of this section, and notwithstanding any provisions of division (B)(1) or (C) of this section to the contrary, any property lawfully seized pursuant to division (A) of this section because it was contraband of a type described in division (A)(13)(a)

or (c) of section 2901.01 of the Revised Code shall not be subject to replevin or other action in any court and shall not be subject to release upon request of the owner, and no judgment shall be enforced against the property. Pending the hearing, and notwithstanding any provisions of division (B)(1) or (C) of this section to the contrary, the property shall be kept in the custody of the law enforcement agency responsible for its seizure.

A law enforcement agency that seizes property under division (A) of this section because it was contraband of any type described in division (A)(13) of section 2901.01 or division (B) of section 2933.42 of the Revised Code shall maintain an accurate record of each item of property so seized, which record shall include the date on which each item was seized, the manner and date of its disposition, and if applicable, the name of the person who received the item; however, the record shall not identify or enable the identification of the individual officer who seized the item. The record of property of that nature that no longer is needed as evidence shall be open to public inspection during the agency's regular business hours. Each law enforcement agency that, during any calendar year, seizes property under division (A) of this section because it was contraband shall prepare a report covering the calendar year that cumulates all of the information contained in all of the records kept by the agency pursuant to this division for that calendar year, and shall send a copy of the cumulative report, no later than the first day of March in the calendar year following the calendar year covered by the report, to the attorney general. Each report received by the attorney general is a public record open for inspection under section 149.43 of the Revised Code. Not later than the fifteenth day of April in the calendar year in which the reports are received, the attorney general shall send to the president of the senate and the speaker of the house of representatives a written notification that does all of the following:

(a) Indicates that the attorney general has received from law enforcement agencies reports of the type described in this division that cover the previous calendar year and indicates that the reports were received under this division;

(b) Indicates that the reports are open for inspection under section 149.43 of the Revised Code;

(c) Indicates that the attorney general will provide a copy of any or all of the reports to the president of the senate or the speaker of the house of representatives upon request.

(C) The prosecuting attorney, village solicitor, city director of law, or similar chief legal officer who has responsibility for the prosecution of the underlying criminal case or administrative proceeding, or the attorney

general if the attorney general has that responsibility, shall file a petition for the forfeiture, to the seizing law enforcement agency of the contraband seized pursuant to division (A) of this section. The petition shall be filed in the court that has jurisdiction over the underlying criminal case or administrative proceeding involved in the forfeiture. If the property was seized on the basis of both a criminal violation and an administrative regulation violation, the petition shall be filed by the officer and in the court that is appropriate in relation to the criminal case.

The petitioner shall conduct or cause to be conducted a search of the appropriate public records that relate to the seized property for the purpose of determining, and shall make or cause to be made reasonably diligent inquiries for the purpose of determining, any person having an ownership or security interest in the property. The petitioner then shall give notice of the forfeiture proceedings by personal service or by certified mail, return receipt requested, to any persons known, because of the conduct of the search, the making of the inquiries, or otherwise, to have an ownership or security interest in the property, and shall publish notice of the proceedings once each week for two consecutive weeks in a newspaper of general circulation in the county in which the seizure occurred. The notices shall be personally served, mailed, and first published at least four weeks before the hearing. They shall describe the property seized; state the date and place of seizure; name the law enforcement agency that seized the property and, if applicable, that is holding the property; list the time, date, and place of the hearing; and state that any person having an ownership or security interest in the property may contest the forfeiture.

If the property seized was determined by the seizing law enforcement officer to be contraband because of its relationship to an underlying criminal offense or administrative violation, no forfeiture hearing shall be held under this section unless the person pleads guilty to or is convicted of the commission of, or an attempt or conspiracy to commit, the offense or a different offense arising out of the same facts and circumstances or unless the person admits or is adjudicated to have committed the administrative violation or a different violation arising out of the same facts and circumstances; a forfeiture hearing shall be held in a case of that nature no later than forty-five days after the conviction or the admission or adjudication of the violation, unless the time for the hearing is extended by the court for good cause shown. The owner of any property seized because of its relationship to an underlying criminal offense or administrative violation may request the court to release the property to the owner. Upon receipt of a request of that nature, if the court determines that the property is

not needed as evidence in the underlying criminal case or administrative proceeding, the court may permit the release of the property to the owner. As a condition precedent to a release of that nature, the court may require the owner to execute a bond with the court. Any bond so required shall have sufficient sureties approved by the court, shall be in a sum equal to the value of the property, as determined by the court, and shall be conditioned upon the return of the property to the court if the property is forfeited under this section. Any property seized because of its relationship to an underlying criminal offense or administrative violation shall be returned to its owner if charges are not filed in relation to that underlying offense or violation within thirty days after the seizure, if charges of that nature are filed and subsequently are dismissed, or if charges of that nature are filed and the person charged does not plead guilty to and is not convicted of the offense or does not admit and is not found to have committed the violation.

If the property seized was determined by the seizing law enforcement officer to be contraband other than because of a relationship to an underlying criminal offense or administrative violation, the forfeiture hearing under this section shall be held no later than forty-five days after the seizure, unless the time for the hearing is extended by the court for good cause shown.

Where possible, a court holding a forfeiture hearing under this section shall follow the Rules of Civil Procedure. When a hearing is conducted under this section, property shall be forfeited upon a showing, by a preponderance of the evidence, by the petitioner that the person from which the property was seized was in violation of division (A) of section 2933.42 of the Revised Code. If that showing is made, the court shall issue an order of forfeiture. If an order of forfeiture is issued in relation to contraband that was released to the owner or the owner's agent pursuant to this division or division (B)(1) of this section, the order shall require the owner to deliver the property, by a specified date, to the law enforcement agency that employed the law enforcement officer who made the seizure of the property, and the court shall deliver a copy of the order to the owner or send a copy of it by certified mail, return receipt requested, to the owner at the address to which notice of the seizure was given under division (A)(2) of this section. Except as otherwise provided in this division, all rights, interest, and title to the forfeited contraband vests in the state, effective from the date of seizure.

No property shall be forfeited pursuant to this division if the owner of the property establishes, by a preponderance of the evidence, that the owner neither knew, nor should have known after a reasonable inquiry, that the property was used, or was likely to be used, in a crime or administrative

violation. No bona fide security interest shall be forfeited pursuant to this division if the holder of the interest establishes, by a preponderance of the evidence, that the holder of the interest neither knew, nor should have known after a reasonable inquiry, that the property was used, or likely to be used, in a crime or administrative violation, that the holder of the interest did not expressly or impliedly consent to the use of the property in a crime or administrative violation, and that the security interest was perfected pursuant to law prior to the seizure. If the holder of the interest satisfies the court that these requirements are met, the interest shall be preserved by the court. In a case of that nature, the court shall either order that the agency to which the property is forfeited reimburse the holder of the interest to the extent of the preserved interest or order that the holder be paid for the interest from the proceeds of any sale pursuant to division (D) of this section.

(D)(1) Contraband ordered forfeited pursuant to this section shall be disposed of pursuant to divisions (D)(1) to (7) of section 2933.41 of the Revised Code or, if the contraband is not described in those divisions, may be used, with the approval of the court, by the law enforcement agency that has custody of the contraband pursuant to division (D)(8) of that section. In the case of contraband not described in any of those divisions and of contraband not disposed of pursuant to any of those divisions, the contraband shall be sold in accordance with this division or, in the case of forfeited moneys, disposed of in accordance with this division. If the contraband is to be sold, the prosecuting attorney shall cause a notice of the proposed sale of the contraband to be given in accordance with law, and the property shall be sold, without appraisal, at a public auction to the highest bidder for cash. The proceeds of a sale and forfeited moneys shall be applied in the following order:

(a) First, to the payment of the costs incurred in connection with the seizure of, storage of, maintenance of, and provision of security for the contraband, the forfeiture proceeding, and, if any, the sale;

(b) Second, the remaining proceeds or forfeited moneys after compliance with division (D)(1)(a) of this section, to the payment of the balance due on any security interest preserved pursuant to division (C) of this section;

(c) Third, the remaining proceeds or forfeited moneys after compliance with divisions (D)(1)(a) and (b) of this section, as follows:

(i) If the forfeiture was ordered in a juvenile court, ten per cent to one or more alcohol and drug addiction treatment programs that are certified by the department of alcohol and drug addiction services under section 3793.06 of

the Revised Code and that are specified in the order of forfeiture. A juvenile court shall not certify an alcohol or drug addiction treatment program in the order of forfeiture unless the program is a certified alcohol and drug addiction treatment program and, except as provided in division (D)(1)(c)(i) of this section, unless the program is located in the county in which the court that orders the forfeiture is located or in a contiguous county. If no certified alcohol and drug addiction treatment program is located in any of those counties, the juvenile court may specify in the order a certified alcohol and drug addiction treatment program located anywhere within this state.

(ii) If the forfeiture was ordered in a juvenile court, ninety per cent, and if the forfeiture was ordered in a court other than a juvenile court, one hundred per cent to the law enforcement trust fund of the prosecuting attorney and to the law enforcement trust fund of the county sheriff if the county sheriff made the seizure, to the law enforcement trust fund of a municipal corporation if its police department made the seizure, to the law enforcement trust fund of a township if the seizure was made by a township police department, township police district police force, or office of a township constable, to the law enforcement trust fund of a park district created pursuant to section 511.18 or 1545.01 of the Revised Code if the seizure was made by the park district police force or law enforcement department, to the highway patrol state contraband, forfeiture, and other fund if the state highway patrol made the seizure, to the department of public safety investigative unit contraband, forfeiture, and other fund if the investigative unit of the department of public safety made the seizure, to the department of taxation enforcement fund if the department of taxation made the seizure, to the board of pharmacy drug law enforcement fund created by division (B)(1) of section 4729.65 of the Revised Code if the board made the seizure, or to the treasurer of state for deposit into the peace officer training commission fund if a state law enforcement agency, other than the state highway patrol, the investigative unit of the department of public safety, the enforcement division of the department of taxation, or the state board of pharmacy, made the seizure. The prosecuting attorney may decline to accept any of the remaining proceeds or forfeited moneys, and, if the prosecuting attorney so declines, the remaining proceeds or forfeited moneys shall be applied to the fund described in this division that relates to the law enforcement agency that made the seizure.

A law enforcement trust fund shall be established by the prosecuting attorney of each county who intends to receive any remaining proceeds or forfeited moneys pursuant to this division, by the sheriff of each county, by the legislative authority of each municipal corporation, by the board of

township trustees of each township that has a township police department, township police district police force, or office of the constable, and by the board of park commissioners of each park district created pursuant to section 511.18 or 1545.01 of the Revised Code that has a park district police force or law enforcement department, for the purposes of this division. There is hereby created in the state treasury the highway patrol state contraband, forfeiture, and other fund, the department of public safety investigative unit contraband, forfeiture, and other fund, the department of taxation enforcement fund, and the peace officer training commission fund, for the purposes described in this division.

Proceeds or forfeited moneys distributed to any municipal corporation, township, or park district law enforcement trust fund shall be allocated from the fund by the legislative authority only to the police department of the municipal corporation, by the board of township trustees only to the township police department, township police district police force, or office of the constable, and by the board of park commissioners only to the park district police force or law enforcement department.

Additionally, no proceeds or forfeited moneys shall be allocated to or used by the state highway patrol, the department of public safety, the department of taxation, the state board of pharmacy, or a county sheriff, prosecuting attorney, municipal corporation police department, township police department, township police district police force, office of the constable, or park district police force or law enforcement department unless the state highway patrol, department of public safety, department of taxation, state board of pharmacy, sheriff, prosecuting attorney, municipal corporation police department, township police department, township police district police force, office of the constable, or park district police force or law enforcement department has adopted a written internal control policy under division (D)(3) of this section that addresses the use of moneys received from the highway patrol state contraband, forfeiture, and other fund, the department of public safety investigative unit contraband, forfeiture, and other fund, the department of taxation enforcement fund, the board of pharmacy drug law enforcement fund, or the appropriate law enforcement trust fund.

The highway patrol state contraband, forfeiture, and other fund, the department of public safety investigative unit contraband, forfeiture, and other fund, the department of taxation enforcement fund, and a law enforcement trust fund shall be expended only in accordance with the written internal control policy so adopted by the recipient, and, subject to the requirements specified in division (D)(3)(a)(ii) of this section, only to

pay the costs of protracted or complex investigations or prosecutions, to provide reasonable technical training or expertise, to provide matching funds to obtain federal grants to aid law enforcement, in the support of DARE programs or other programs designed to educate adults or children with respect to the dangers associated with the use of drugs of abuse, to pay the costs of emergency action taken under section 3745.13 of the Revised Code relative to the operation of an illegal methamphetamine laboratory if the forfeited property or money involved was that of a person responsible for the operation of the laboratory, or for other law enforcement purposes that the superintendent of the state highway patrol, department of public safety, department of taxation, prosecuting attorney, county sheriff, legislative authority, board of township trustees, or board of park commissioners determines to be appropriate. The board of pharmacy drug law enforcement fund shall be expended only in accordance with the written internal control policy so adopted by the board and only in accordance with section 4729.65 of the Revised Code, except that it also may be expended to pay the costs of emergency action taken under section 3745.13 of the Revised Code relative to the operation of an illegal methamphetamine laboratory if the forfeited property or money involved was that of a person responsible for the operation of the laboratory. The highway patrol state contraband, forfeiture, and other fund, the department of public safety investigative unit contraband, forfeiture, and other fund, the department of taxation enforcement fund, the board of pharmacy drug law enforcement fund, and a law enforcement trust fund shall not be used to meet the operating costs of the state highway patrol, of the investigative unit of the department of public safety, of the department of taxation enforcement division, of the state board of pharmacy, of any political subdivision, or of any office of a prosecuting attorney or county sheriff that are unrelated to law enforcement.

Proceeds and forfeited moneys that are paid into the state treasury to be deposited into the peace officer training commission fund shall be used by the commission only to pay the costs of peace officer training.

Any sheriff or prosecuting attorney who receives proceeds or forfeited moneys pursuant to this division during any calendar year shall file a report with the county auditor, no later than the thirty-first day of January of the next calendar year, verifying that the proceeds and forfeited moneys were expended only for the purposes authorized by this division and division (D)(3)(a)(ii) of this section and specifying the amounts expended for each authorized purpose. Any municipal corporation police department that is allocated proceeds or forfeited moneys from a municipal corporation law

enforcement trust fund pursuant to this division during any calendar year shall file a report with the legislative authority of the municipal corporation, no later than the thirty-first day of January of the next calendar year, verifying that the proceeds and forfeited moneys were expended only for the purposes authorized by this division and division (D)(3)(a)(ii) of this section and specifying the amounts expended for each authorized purpose. Any township police department, township police district police force, or office of the constable that is allocated proceeds or forfeited moneys from a township law enforcement trust fund pursuant to this division during any calendar year shall file a report with the board of township trustees of the township, no later than the thirty-first day of January of the next calendar year, verifying that the proceeds and forfeited moneys were expended only for the purposes authorized by this division and division (D)(3)(a)(ii) of this section and specifying the amounts expended for each authorized purpose. Any park district police force or law enforcement department that is allocated proceeds or forfeited moneys from a park district law enforcement trust fund pursuant to this division during any calendar year shall file a report with the board of park commissioners of the park district, no later than the thirty-first day of January of the next calendar year, verifying that the proceeds and forfeited moneys were expended only for the purposes authorized by this division and division (D)(3)(a)(ii) of this section and specifying the amounts expended for each authorized purpose. The superintendent of the state highway patrol shall file a report with the attorney general, no later than the thirty-first day of January of each calendar year, verifying that proceeds and forfeited moneys paid into the highway patrol state contraband, forfeiture, and other fund pursuant to this division during the prior calendar year were used by the state highway patrol during the prior calendar year only for the purposes authorized by this division and specifying the amounts expended for each authorized purpose. The executive director of the state board of pharmacy shall file a report with the attorney general, no later than the thirty-first day of January of each calendar year, verifying that proceeds and forfeited moneys paid into the board of pharmacy drug law enforcement fund during the prior calendar year were used only in accordance with section 4729.65 of the Revised Code and specifying the amounts expended for each authorized purpose. The peace officer training commission shall file a report with the attorney general, no later than the thirty-first day of January of each calendar year, verifying that proceeds and forfeited moneys paid into the peace officer training commission fund pursuant to this division during the prior calendar year were used by the commission during the prior calendar year only to pay the

costs of peace officer training and specifying the amount used for that purpose.

The tax commissioner shall file a report with the attorney general, not later than the thirty-first day of January of each calendar year, verifying that proceeds and forfeited moneys paid into the department of taxation enforcement fund pursuant to this division during the prior calendar year were used by the enforcement division during the prior calendar year to pay only the costs of enforcing the tax laws and specifying the amount used for that purpose.

(2) If more than one law enforcement agency is substantially involved in the seizure of contraband that is forfeited pursuant to this section, the court ordering the forfeiture shall equitably divide the proceeds or forfeited moneys, after calculating any distribution to the law enforcement trust fund of the prosecuting attorney pursuant to division (D)(1)(c) of this section, among any county sheriff whose office is determined by the court to be substantially involved in the seizure, any legislative authority of a municipal corporation whose police department is determined by the court to be substantially involved in the seizure, any board of township trustees whose law enforcement agency is determined by the court to be substantially involved in the seizure, any board of park commissioners of a park district whose police force or law enforcement department is determined by the court to be substantially involved in the seizure, the state board of pharmacy if it is determined by the court to be substantially involved in the seizure, the investigative unit of the department of public safety if it is determined by the court to be substantially involved in the seizure, the enforcement division of the department of taxation if it is determined by the court to be substantially involved in the seizure and the state highway patrol if it is determined by the court to be substantially involved in the seizure. The proceeds or forfeited moneys shall be deposited in the respective law enforcement trust funds of the county sheriff, municipal corporation, township, and park district, the board of pharmacy drug law enforcement fund, the department of public safety investigative unit contraband, forfeiture, and other fund, the department of taxation enforcement fund, or the highway patrol state contraband, forfeiture, and other fund, in accordance with division (D)(1)(c) of this section. If a state law enforcement agency, other than the state highway patrol, the investigative unit of the department of public safety, the department of taxation, or the state board of pharmacy, is determined by the court to be substantially involved in the seizure, the state agency's equitable share of the proceeds and forfeited moneys shall be paid to the treasurer of state for deposit into the peace officer training commission fund.

(3)(a)(i) Prior to being allocated or using any proceeds or forfeited moneys out of the highway patrol state contraband, forfeiture, and other fund, the department of public safety investigative unit contraband, forfeiture, and other fund, the department of taxation enforcement fund, the board of pharmacy drug law enforcement fund, or a law enforcement trust fund under division (D)(1)(c) of this section, the state highway patrol, the department of public safety, the department of taxation, the state board of pharmacy, and a county sheriff, prosecuting attorney, municipal corporation police department, township police department, township police district police force, office of the constable, or park district police force or law enforcement department shall adopt a written internal control policy that addresses the state highway patrol's, department of public safety's, department of taxation's, state board of pharmacy's, sheriff's, prosecuting attorney's, police department's, police force's, office of the constable's, or law enforcement department's use and disposition of all the proceeds and forfeited moneys received and that provides for the keeping of detailed financial records of the receipts of the proceeds and forfeited moneys, the general types of expenditures made out of the proceeds and forfeited moneys, the specific amount of each general type of expenditure, and the amounts, portions, and programs described in division (D)(3)(a)(ii) of this section. The policy shall not provide for or permit the identification of any specific expenditure that is made in an ongoing investigation.

All financial records of the receipts of the proceeds and forfeited moneys, the general types of expenditures made out of the proceeds and forfeited moneys, the specific amount of each general type of expenditure by the state highway patrol, by the department of public safety, by the department of taxation, by the state board of pharmacy, and by a sheriff, prosecuting attorney, municipal corporation police department, township police department, township police district police force, office of the constable, or park district police force or law enforcement department, and the amounts, portions, and programs described in division (D)(3)(a)(ii) of this section are public records open for inspection under section 149.43 of the Revised Code. Additionally, a written internal control policy adopted under this division is a public record of that nature, and the state highway patrol, the department of public safety, the department of taxation, the state board of pharmacy, or the sheriff, prosecuting attorney, municipal corporation police department, township police department, township police district police force, office of the constable, or park district police force or law enforcement department that adopted it shall comply with it.

(ii) The written internal control policy of a county sheriff, prosecuting

attorney, municipal corporation police department, township police department, township police district police force, office of the constable, or park district police force or law enforcement department shall provide that at least ten per cent of the first one hundred thousand dollars of proceeds and forfeited moneys deposited during each calendar year in the sheriff's, prosecuting attorney's, municipal corporation's, township's, or park district's law enforcement trust fund pursuant to division (B)(7)(c)(ii) of section 2923.46 or division (B)(8)(c)(ii) of section 2925.44 of the Revised Code, and at least twenty per cent of the proceeds and forfeited moneys exceeding one hundred thousand dollars that are so deposited, shall be used in connection with community preventive education programs. The manner in which the described percentages are so used shall be determined by the sheriff, prosecuting attorney, department, police force, or office of the constable after the receipt and consideration of advice on appropriate community preventive education programs from the county's board of alcohol, drug addiction, and mental health services, from the county's alcohol and drug addiction services board, or through appropriate community dialogue. The financial records described in division (D)(3)(a)(i) of this section shall specify the amount of the proceeds and forfeited moneys deposited during each calendar year in the sheriff's, prosecuting attorney's, municipal corporation's, township's, or park district's law enforcement trust fund pursuant to division (B)(7)(c)(ii) of section 2923.46 or division (B)(8)(c)(ii) of section 2925.44 of the Revised Code, the portion of that amount that was used pursuant to the requirements of this division, and the community preventive education programs in connection with which the portion of that amount was so used.

As used in this division, "community preventive education programs" includes, but is not limited to, DARE programs and other programs designed to educate adults or children with respect to the dangers associated with the use of drugs of abuse.

(b) Each sheriff, prosecuting attorney, municipal corporation police department, township police department, township police district police force, office of the constable, or park district police force or law enforcement department that receives in any calendar year any proceeds or forfeited moneys out of a law enforcement trust fund under division (D)(1)(c) of this section or uses any proceeds or forfeited moneys in its law enforcement trust fund in any calendar year shall prepare a report covering the calendar year that cumulates all of the information contained in all of the public financial records kept by the sheriff, prosecuting attorney, municipal corporation police department, township police department, township police

district police force, office of the constable, or park district police force or law enforcement department pursuant to division (D)(3)(a) of this section for that calendar year, and shall send a copy of the cumulative report, no later than the first day of March in the calendar year following the calendar year covered by the report, to the attorney general.

The superintendent of the state highway patrol shall prepare a report covering each calendar year in which the state highway patrol uses any proceeds or forfeited moneys in the highway patrol state contraband, forfeiture, and other fund under division (D)(1)(c) of this section, that cumulates all of the information contained in all of the public financial records kept by the state highway patrol pursuant to division (D)(3)(a) of this section for that calendar year, and shall send a copy of the cumulative report, no later than the first day of March in the calendar year following the calendar year covered by the report, to the attorney general.

The department of public safety shall prepare a report covering each fiscal year in which the department uses any proceeds or forfeited moneys in the department of public safety investigative unit contraband, forfeiture, and other fund under division (D)(1)(c) of this section that cumulates all of the information contained in all of the public financial records kept by the department pursuant to division (D)(3)(a) of this section for that fiscal year. The department shall send a copy of the cumulative report to the attorney general no later than the first day of August in the fiscal year following the fiscal year covered by the report. The director of public safety shall include in the report a verification that proceeds and forfeited moneys paid into the department of public safety investigative unit contraband, forfeiture, and other fund under division (D)(1)(c) of this section during the preceding fiscal year were used by the department during that fiscal year only for the purposes authorized by that division and shall specify the amount used for each authorized purpose.

The tax commissioner shall prepare a report covering each calendar year in which the department of taxation enforcement division uses any proceeds or forfeited moneys in the department of taxation enforcement fund under division (D)(1)(c) of this section, that cumulates all of the information contained in all of the public financial records kept by the department of taxation enforcement division pursuant to division (D)(3)(a) of this section for that calendar year, and shall send a copy of the cumulative report, not later than the first day of March in the calendar year following the calendar year covered by the report, to the attorney general.

The executive director of the state board of pharmacy shall prepare a report covering each calendar year in which the board uses any proceeds or

forfeited moneys in the board of pharmacy drug law enforcement fund under division (D)(1)(c) of this section, that cumulates all of the information contained in all of the public financial records kept by the board pursuant to division (D)(3)(a) of this section for that calendar year, and shall send a copy of the cumulative report, no later than the first day of March in the calendar year following the calendar year covered by the report, to the attorney general. Each report received by the attorney general is a public record open for inspection under section 149.43 of the Revised Code. Not later than the fifteenth day of April in the calendar year in which the reports are received, the attorney general shall send to the president of the senate and the speaker of the house of representatives a written notification that does all of the following:

(i) Indicates that the attorney general has received from entities or persons specified in this division reports of the type described in this division that cover the previous calendar year and indicates that the reports were received under this division;

(ii) Indicates that the reports are open for inspection under section 149.43 of the Revised Code;

(iii) Indicates that the attorney general will provide a copy of any or all of the reports to the president of the senate or the speaker of the house of representatives upon request.

(4)(a) A law enforcement agency that receives pursuant to federal law proceeds from a sale of forfeited contraband, proceeds from another disposition of forfeited contraband, or forfeited contraband moneys shall deposit, use, and account for the proceeds or forfeited moneys in accordance with, and otherwise comply with, the applicable federal law.

(b)(i) If the state highway patrol receives from the United States department of justice pursuant to federal law proceeds from a sale of forfeited contraband, proceeds from another disposition of forfeited contraband, or forfeited contraband moneys, the appropriate governmental officials shall deposit the proceeds into the highway patrol ~~federal contraband, forfeiture, and other fund~~ justice contraband fund, which is hereby created in the state treasury. All interest or other earnings derived from the investment of the proceeds or forfeited moneys shall be credited to the fund. The state highway patrol shall use and account for that interest or other earnings in accordance with the applicable federal law.

(ii) If the state highway patrol receives from the United States department of the treasury pursuant to federal law proceeds from a sale of forfeited contraband, proceeds from another disposition of forfeited contraband, or forfeited contraband moneys, the appropriate governmental

officials shall deposit the proceeds into the highway patrol treasury contraband fund, which is hereby created in the state treasury. All interest or other earnings derived from the investment of the proceeds or forfeited moneys shall be credited to the fund. The state highway patrol shall use and account for that interest or other earnings in accordance with the applicable federal law.

(c) If the investigative unit of the department of public safety receives pursuant to federal law proceeds from a sale of forfeited contraband, proceeds from another disposition of forfeited contraband, or forfeited contraband moneys, the appropriate governmental officials shall deposit the proceeds into the department of public safety investigative unit federal equitable share account fund, which is hereby created in the state treasury. All interest or other earnings derived from the investment of the proceeds or forfeited moneys shall be credited to the fund. The department shall use and account for that interest or other earnings in accordance with the applicable federal law.

(d) If the tax commissioner receives pursuant to federal law proceeds from a sale of forfeited contraband, proceeds from another disposition of forfeited contraband, or forfeited contraband moneys, the appropriate governmental officials shall deposit into the department of taxation enforcement fund all interest or other earnings derived from the investment of the proceeds or forfeited moneys. The department shall use and account for that interest or other earnings in accordance with the applicable federal law.

(e) Divisions (D)(1) to (3) of this section do not apply to proceeds or forfeited moneys received pursuant to federal law or to the interest or other earnings that are derived from the investment of proceeds or forfeited moneys received pursuant to federal law and that are described in division (D)(4)(b) of this section.

(E) Upon the sale pursuant to this section of any property that is required to be titled or registered under law, the state shall issue an appropriate certificate of title or registration to the purchaser. If the state is vested with title pursuant to division (C) of this section and elects to retain property that is required to be titled or registered under law, the state shall issue an appropriate certificate of title or registration.

(F) Notwithstanding any provisions of this section to the contrary, any property that is lawfully seized in relation to a violation of section 2923.32 of the Revised Code shall be subject to forfeiture and disposition in accordance with sections 2923.32 to 2923.36 of the Revised Code; any property that is forfeited pursuant to section 2923.44 or 2923.45 of the

Revised Code in relation to a violation of section 2923.42 of the Revised Code or in relation to an act of a juvenile that is a violation of section 2923.42 of the Revised Code may be subject to forfeiture and disposition in accordance with sections 2923.44 to 2923.47 of the Revised Code; and any property that is forfeited pursuant to section 2925.42 or 2925.43 of the Revised Code in relation to a felony drug abuse offense, as defined in section 2925.01 of the Revised Code, or in relation to an act that, if committed by an adult, would be a felony drug abuse offense of that nature, may be subject to forfeiture and disposition in accordance with sections 2925.41 to 2925.45 of the Revised Code or this section.

(G) Any failure of a law enforcement officer or agency, a prosecuting attorney, village solicitor, city director of law, or similar chief legal officer, a court, or the attorney general to comply with any duty imposed by this section in relation to any property seized or with any other provision of this section in relation to any property seized does not affect the validity of the seizure of the property, provided the seizure itself was made in accordance with law, and is not and shall not be considered to be the basis for the suppression of any evidence resulting from the seizure of the property, provided the seizure itself was made in accordance with law.

(H) Contraband that has been forfeited pursuant to division (C) of this section shall not be available for use to pay any fine imposed upon a person who is convicted of or pleads guilty to an underlying criminal offense or a different offense arising out of the same facts and circumstances.

Sec. 3109.14. (A) As used in this section, "birth record" and "certification of birth" have the meanings given in section 3705.01 of the Revised Code.

(B)(1) The director of health, a person authorized by the director, a local commissioner of health, or a local registrar of vital statistics shall charge and collect a fee for each certified copy of a birth record, for each certification of birth, and for each copy of a death record. ~~Until October 1, 2001, the fee shall be two dollars. On and after October 1, 2001, the~~ The fee shall be three dollars. The fee is in addition to the fee imposed by section 3705.24 or any other section of the Revised Code. A local commissioner of health or a local registrar of vital statistics may retain an amount of each additional fee collected, not to exceed three per cent of the amount of the additional fee, to be used for costs directly related to the collection of the fee and the forwarding of the fee to the treasurer of state. The additional fees collected, but not retained, under division (B)(1) of this section shall be forwarded to the treasurer of state not later than thirty days following the end of each quarter.

(2) Upon the filing for a divorce decree under section 3105.10 or a decree of dissolution under section 3105.65 of the Revised Code, a court of common pleas shall charge and collect a fee. ~~Until October 1, 2001, the fee shall be ten dollars. On and after October 1, 2001, the~~ The fee shall be eleven dollars. The fee is in addition to any other court costs or fees. The county clerk of courts may retain an amount of each additional fee collected, not to exceed three per cent of the amount of the additional fee, to be used for costs directly related to the collection of the fee and the forwarding of the fee to the treasurer of state. The additional fees collected, but not retained, under division (B)(2) of this section shall be forwarded to the treasurer of state not later than twenty days following the end of each month.

~~(C) The additional fees collected, but not retained, under this section during each month shall be forwarded not later than the tenth day of the immediately following month to the treasurer of state, who shall deposit the fees~~ forwarded under this section in the state treasury to the credit of the children's trust fund, which is hereby created. A person or government entity that fails to forward the fees in a timely manner, as determined by the treasurer of state, shall forward to the treasurer of state, in addition to the fees, a penalty equal to ten per cent of the fees.

The treasurer of state shall invest the moneys in the fund, and all earnings resulting from investment of the fund shall be credited to the fund, except that actual administrative costs incurred by the treasurer of state in administering the fund may be deducted from the earnings resulting from investments. The amount that may be deducted shall not exceed three per cent of the total amount of fees credited to the fund in each fiscal year, except that the children's trust fund board may approve an amount for actual administrative costs exceeding three per cent but not exceeding four per cent of such amount. The balance of the investment earnings shall be credited to the fund. Moneys credited to the fund shall be used only for the purposes described in sections 3109.13 to 3109.18 of the Revised Code.

Sec. 3301.0714. (A) The state board of education shall adopt rules for a statewide education management information system. The rules shall require the state board to establish guidelines for the establishment and maintenance of the system in accordance with this section and the rules adopted under this section. The guidelines shall include:

(1) Standards identifying and defining the types of data in the system in accordance with divisions (B) and (C) of this section;

(2) Procedures for annually collecting and reporting the data to the state board in accordance with division (D) of this section;

(3) Procedures for annually compiling the data in accordance with division (G) of this section;

(4) Procedures for annually reporting the data to the public in accordance with division (H) of this section.

(B) The guidelines adopted under this section shall require the data maintained in the education management information system to include at least the following:

(1) Student participation and performance data, for each grade in each school district as a whole and for each grade in each school building in each school district, that includes:

(a) The numbers of students receiving each category of instructional service offered by the school district, such as regular education instruction, vocational education instruction, specialized instruction programs or enrichment instruction that is part of the educational curriculum, instruction for gifted students, instruction for handicapped students, and remedial instruction. The guidelines shall require instructional services under this division to be divided into discrete categories if an instructional service is limited to a specific subject, a specific type of student, or both, such as regular instructional services in mathematics, remedial reading instructional services, instructional services specifically for students gifted in mathematics or some other subject area, or instructional services for students with a specific type of handicap. The categories of instructional services required by the guidelines under this division shall be the same as the categories of instructional services used in determining cost units pursuant to division (C)(3) of this section.

(b) The numbers of students receiving support or extracurricular services for each of the support services or extracurricular programs offered by the school district, such as counseling services, health services, and extracurricular sports and fine arts programs. The categories of services required by the guidelines under this division shall be the same as the categories of services used in determining cost units pursuant to division (C)(4)(a) of this section.

(c) Average student grades in each subject in grades nine through twelve;

(d) Academic achievement levels as assessed by the testing of student achievement under sections 3301.0710 and 3301.0711 of the Revised Code;

(e) The number of students designated as having a handicapping condition pursuant to division (C)(1) of section 3301.0711 of the Revised Code;

(f) The numbers of students reported to the state board pursuant to

division (C)(2) of section 3301.0711 of the Revised Code;

(g) Attendance rates and the average daily attendance for the year. For purposes of this division, a student shall be counted as present for any field trip that is approved by the school administration.

(h) Expulsion rates;

(i) Suspension rates;

(j) The percentage of students receiving corporal punishment;

(k) Dropout rates;

(l) Rates of retention in grade;

(m) For pupils in grades nine through twelve, the average number of carnegie units, as calculated in accordance with state board of education rules;

(n) Graduation rates, to be calculated in a manner specified by the department of education that reflects the rate at which students who were in the ninth grade three years prior to the current year complete school and that is consistent with nationally accepted reporting requirements;

(o) Results of diagnostic assessments administered to kindergarten students as required under section 3301.0715 of the Revised Code to permit a comparison of the academic readiness of kindergarten students. However, no district shall be required to report to the department the results of any diagnostic assessment administered to a kindergarten student if the parent of that student requests the district not to report those results.

(2) Personnel and classroom enrollment data for each school district, including:

(a) The total numbers of licensed employees and nonlicensed employees and the numbers of full-time equivalent licensed employees and nonlicensed employees providing each category of instructional service, instructional support service, and administrative support service used pursuant to division (C)(3) of this section. The guidelines adopted under this section shall require these categories of data to be maintained for the school district as a whole and, wherever applicable, for each grade in the school district as a whole, for each school building as a whole, and for each grade in each school building.

(b) The total number of employees and the number of full-time equivalent employees providing each category of service used pursuant to divisions (C)(4)(a) and (b) of this section, and the total numbers of licensed employees and nonlicensed employees and the numbers of full-time equivalent licensed employees and nonlicensed employees providing each category used pursuant to division (C)(4)(c) of this section. The guidelines adopted under this section shall require these categories of data to be

maintained for the school district as a whole and, wherever applicable, for each grade in the school district as a whole, for each school building as a whole, and for each grade in each school building.

(c) The total number of regular classroom teachers teaching classes of regular education and the average number of pupils enrolled in each such class, in each of grades kindergarten through five in the district as a whole and in each school building in the school district.

(d) The number of master teachers employed by each school district and each school building, once a definition of master teacher has been developed by the educator standards board pursuant to section 3319.61 of the Revised Code.

(3)(a) Student demographic data for each school district, including information regarding the gender ratio of the school district's pupils, the racial make-up of the school district's pupils, the number of limited English proficient students in the district, and an appropriate measure of the number of the school district's pupils who reside in economically disadvantaged households. The demographic data shall be collected in a manner to allow correlation with data collected under division (B)(1) of this section. Categories for data collected pursuant to division (B)(3) of this section shall conform, where appropriate, to standard practices of agencies of the federal government.

(b) With respect to each student entering kindergarten, whether the student previously participated in a public preschool program, a private preschool program, or a head start program, and the number of years the student participated in each of these programs.

(4) Any data required to be collected pursuant to federal law.

(C) The education management information system shall include cost accounting data for each district as a whole and for each school building in each school district. The guidelines adopted under this section shall require the cost data for each school district to be maintained in a system of mutually exclusive cost units and shall require all of the costs of each school district to be divided among the cost units. The guidelines shall require the system of mutually exclusive cost units to include at least the following:

(1) Administrative costs for the school district as a whole. The guidelines shall require the cost units under this division (C)(1) to be designed so that each of them may be compiled and reported in terms of average expenditure per pupil in formula ADM in the school district, as determined pursuant to section 3317.03 of the Revised Code.

(2) Administrative costs for each school building in the school district. The guidelines shall require the cost units under this division (C)(2) to be

designed so that each of them may be compiled and reported in terms of average expenditure per full-time equivalent pupil receiving instructional or support services in each building.

(3) Instructional services costs for each category of instructional service provided directly to students and required by guidelines adopted pursuant to division (B)(1)(a) of this section. The guidelines shall require the cost units under division (C)(3) of this section to be designed so that each of them may be compiled and reported in terms of average expenditure per pupil receiving the service in the school district as a whole and average expenditure per pupil receiving the service in each building in the school district and in terms of a total cost for each category of service and, as a breakdown of the total cost, a cost for each of the following components:

(a) The cost of each instructional services category required by guidelines adopted under division (B)(1)(a) of this section that is provided directly to students by a classroom teacher;

(b) The cost of the instructional support services, such as services provided by a speech-language pathologist, classroom aide, multimedia aide, or librarian, provided directly to students in conjunction with each instructional services category;

(c) The cost of the administrative support services related to each instructional services category, such as the cost of personnel that develop the curriculum for the instructional services category and the cost of personnel supervising or coordinating the delivery of the instructional services category.

(4) Support or extracurricular services costs for each category of service directly provided to students and required by guidelines adopted pursuant to division (B)(1)(b) of this section. The guidelines shall require the cost units under division (C)(4) of this section to be designed so that each of them may be compiled and reported in terms of average expenditure per pupil receiving the service in the school district as a whole and average expenditure per pupil receiving the service in each building in the school district and in terms of a total cost for each category of service and, as a breakdown of the total cost, a cost for each of the following components:

(a) The cost of each support or extracurricular services category required by guidelines adopted under division (B)(1)(b) of this section that is provided directly to students by a licensed employee, such as services provided by a guidance counselor or any services provided by a licensed employee under a supplemental contract;

(b) The cost of each such services category provided directly to students by a nonlicensed employee, such as janitorial services, cafeteria services, or

services of a sports trainer;

(c) The cost of the administrative services related to each services category in division (C)(4)(a) or (b) of this section, such as the cost of any licensed or nonlicensed employees that develop, supervise, coordinate, or otherwise are involved in administering or aiding the delivery of each services category.

(D)(1) The guidelines adopted under this section shall require school districts to collect information about individual students, staff members, or both in connection with any data required by division (B) or (C) of this section or other reporting requirements established in the Revised Code. The guidelines may also require school districts to report information about individual staff members in connection with any data required by division (B) or (C) of this section or other reporting requirements established in the Revised Code. The guidelines shall not authorize school districts to request social security numbers of individual students. The guidelines shall prohibit the reporting under this section of a student's name, address, and social security number to the state board of education or the department of education. The guidelines shall also prohibit the reporting under this section of any personally identifiable information about any student, except for the purpose of assigning the data verification code required by division (D)(2) of this section, to any other person unless such person is employed by the school district or the data acquisition site operated under section 3301.075 of the Revised Code and is authorized by the district or acquisition site to have access to such information or is employed by an entity with which the department contracts for the scoring of tests administered under section 3301.0711 or 3301.0712 of the Revised Code. The guidelines may require school districts to provide the social security numbers of individual staff members.

(2) The guidelines shall provide for each school district or community school to assign a data verification code that is unique on a statewide basis over time to each student whose initial Ohio enrollment is in that district or school and to report all required individual student data for that student utilizing such code. The guidelines shall also provide for assigning data verification codes to all students enrolled in districts or community schools on the effective date of the guidelines established under this section.

Individual student data shall be reported to the department through the data acquisition sites utilizing the code but, except as provided in section 3310.11 of the Revised Code, at no time shall the state board or the department have access to information that would enable any data verification code to be matched to personally identifiable student data.

Each school district shall ensure that the data verification code is included in the student's records reported to any subsequent school district or community school in which the student enrolls. Any such subsequent district or school shall utilize the same identifier in its reporting of data under this section.

(E) The guidelines adopted under this section may require school districts to collect and report data, information, or reports other than that described in divisions (A), (B), and (C) of this section for the purpose of complying with other reporting requirements established in the Revised Code. The other data, information, or reports may be maintained in the education management information system but are not required to be compiled as part of the profile formats required under division (G) of this section or the annual statewide report required under division (H) of this section.

(F) Beginning with the school year that begins July 1, 1991, the board of education of each school district shall annually collect and report to the state board, in accordance with the guidelines established by the board, the data required pursuant to this section. A school district may collect and report these data notwithstanding section 2151.358 or 3319.321 of the Revised Code.

(G) The state board shall, in accordance with the procedures it adopts, annually compile the data reported by each school district pursuant to division (D) of this section. The state board shall design formats for profiling each school district as a whole and each school building within each district and shall compile the data in accordance with these formats. These profile formats shall:

(1) Include all of the data gathered under this section in a manner that facilitates comparison among school districts and among school buildings within each school district;

(2) Present the data on academic achievement levels as assessed by the testing of student achievement maintained pursuant to division (B)(1)(d) of this section.

(H)(1) The state board shall, in accordance with the procedures it adopts, annually prepare a statewide report for all school districts and the general public that includes the profile of each of the school districts developed pursuant to division (G) of this section. Copies of the report shall be sent to each school district.

(2) The state board shall, in accordance with the procedures it adopts, annually prepare an individual report for each school district and the general public that includes the profiles of each of the school buildings in that

school district developed pursuant to division (G) of this section. Copies of the report shall be sent to the superintendent of the district and to each member of the district board of education.

(3) Copies of the reports received from the state board under divisions (H)(1) and (2) of this section shall be made available to the general public at each school district's offices. Each district board of education shall make copies of each report available to any person upon request and payment of a reasonable fee for the cost of reproducing the report. The board shall annually publish in a newspaper of general circulation in the school district, at least twice during the two weeks prior to the week in which the reports will first be available, a notice containing the address where the reports are available and the date on which the reports will be available.

(I) Any data that is collected or maintained pursuant to this section and that identifies an individual pupil is not a public record for the purposes of section 149.43 of the Revised Code.

(J) As used in this section:

(1) "School district" means any city, local, exempted village, or joint vocational school district.

(2) "Cost" means any expenditure for operating expenses made by a school district excluding any expenditures for debt retirement except for payments made to any commercial lending institution for any loan approved pursuant to section 3313.483 of the Revised Code.

(K) Any person who removes data from the information system established under this section for the purpose of releasing it to any person not entitled under law to have access to such information is subject to section 2913.42 of the Revised Code prohibiting tampering with data.

(L) Any time the department of education determines that a school district has taken any of the actions described under division (L)(1), (2), or (3) of this section, it shall make a report of the actions of the district, send a copy of the report to the superintendent of such school district, and maintain a copy of the report in its files:

(1) The school district fails to meet any deadline established pursuant to this section for the reporting of any data to the education management information system;

(2) The school district fails to meet any deadline established pursuant to this section for the correction of any data reported to the education management information system;

(3) The school district reports data to the education management information system in a condition, as determined by the department, that indicates that the district did not make a good faith effort in reporting the

data to the system.

Any report made under this division shall include recommendations for corrective action by the school district.

Upon making a report for the first time in a fiscal year, the department shall withhold ten per cent of the total amount due during that fiscal year under Chapter 3317. of the Revised Code to the school district to which the report applies. Upon making a second report in a fiscal year, the department shall withhold an additional twenty per cent of such total amount due during that fiscal year to the school district to which the report applies. The department shall not release such funds unless it determines that the district has taken corrective action. However, no such release of funds shall occur if the district fails to take corrective action within forty-five days of the date upon which the report was made by the department.

(M) No data acquisition site or school district shall acquire, change, or update its student administration software package to manage and report data required to be reported to the department unless it converts to a student software package that is certified by the department.

(N) The state board of education, in accordance with sections 3319.31 and 3319.311 of the Revised Code, may suspend or revoke a license as defined under division (A) of section 3319.31 of the Revised Code that has been issued to any school district employee found to have willfully reported erroneous, inaccurate, or incomplete data to the education management information system.

(O) No person shall release or maintain any information about any student in violation of this section. Whoever violates this division is guilty of a misdemeanor of the fourth degree.

(P) The department shall disaggregate the data collected under division (B)(1)(o) of this section according to the race and socioeconomic status of the students assessed. No data collected under that division shall be included on the report cards required by section 3302.03 of the Revised Code.

(Q) If the department cannot compile any of the information required by division (C)(5) of section 3302.03 of the Revised Code based upon the data collected under this section, the department shall develop a plan and a reasonable timeline for the collection of any data necessary to comply with that division.

Sec. 3302.021. (A) Not earlier than July 1, 2005, and not later than July 1, 2007, the department of education shall implement a value-added progress dimension for school districts and buildings and shall incorporate the value-added progress dimension into the report cards and performance ratings issued for districts and buildings under section 3302.03 of the

Revised Code.

The state board of education shall adopt rules, pursuant to Chapter 119. of the Revised Code, for the implementation of the value-added progress dimension. In adopting rules, the state board shall consult with the Ohio accountability task force established under division (D) of this section. The rules adopted under this division shall specify both of the following:

(1) A scale for describing the levels of academic progress in reading and mathematics relative to a standard year of academic growth in those subjects for each of grades three through eight;

(2) That the department shall maintain the confidentiality of individual student test scores and individual student reports in accordance with sections 3301.0711, 3301.0714, and 3319.321 of the Revised Code and federal law. The department may require school districts to use a unique identifier for each student for this purpose. Individual student test scores and individual student reports shall be made available only to a student's classroom teacher and other appropriate educational personnel and to the student's parent or guardian.

(B) The department shall use a system designed for collecting necessary data, calculating the value-added progress dimension, analyzing data, and generating reports, which system has been used previously by a non-profit organization led by the Ohio business community for at least one year in the operation of a pilot program in cooperation with school districts to collect and report student achievement data via electronic means and to provide information to the districts regarding the academic performance of individual students, grade levels, school buildings, and the districts as a whole.

(C) The department shall not pay more than two dollars per student for data analysis and reporting to implement the value-added progress dimension in the same manner and with the same services as under the pilot program described by division (B) of this section. However, nothing in this section shall preclude the department or any school district from entering into a contract for the provision of more services at a higher fee per student. Any data analysis conducted under this section by an entity under contract with the department shall be completed in accordance with timelines established by the superintendent of public instruction.

(D)(1) There is hereby established the Ohio accountability task force. The task force shall consist of the following thirteen members:

(a) The chairpersons and ranking minority members of the house of representatives and senate standing committees primarily responsible for education legislation, who shall be nonvoting members;

(b) One representative of the governor's office, appointed by the governor;

(c) The superintendent of public instruction, or the superintendent's designee;

(d) One representative of teacher employee organizations formed pursuant to Chapter 4117. of the Revised Code, appointed by the speaker of the house of representatives;

(e) One representative of school district boards of education, appointed by the president of the senate;

(f) One school district superintendent, appointed by the speaker of the house of representatives;

(g) One representative of business, appointed by the president of the senate;

(h) One representative of a non-profit organization led by the Ohio business community, appointed by the governor;

(i) One school building principal, appointed by the president of the senate;

(j) A member of the state board of education, appointed by the speaker of the house of representatives.

Initial appointed members of the task force shall serve until January 1, 2005. Thereafter, terms of office for appointed members shall be for two years, each term ending on the same day of the same month as did the term that it succeeds. Each appointed member shall hold office from the date of appointment until the end of the term for which the member was appointed. Members may be reappointed. Vacancies shall be filled in the same manner as the original appointment. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term.

The task force shall select from among its members a chairperson. The task force shall meet at least six times each calendar year and at other times upon the call of the chairperson to conduct its business. Members of the task force shall serve without compensation.

(2) The task force shall do all of the following:

(a) Examine the implementation of the value-added progress dimension by the department, including the system described in division (B) of this section, the reporting of performance data to school districts and buildings, and the provision of professional development on the interpretation of the data to classroom teachers and administrators;

(b) Periodically review any fees for data analysis and reporting paid by the department pursuant to division (C) of this section and determine if the

fees are appropriate based upon the level of services provided;

(c) Periodically report to the department and the state board on all issues related to the school district and building accountability system established under this chapter;

(d) Not later than seven years after its initial meeting, make recommendations to improve the school district and building accountability system established under this chapter. The task force shall adopt recommendations by a majority vote of its members. Copies of the recommendations shall be provided to the state board, the governor, the speaker of the house of representatives, and the president of the senate.

(e) Determine starting dates for the implementation of the value-added progress dimension and its incorporation into school district and building report cards and performance ratings.

Sec. 3307.32. All amounts due the state teachers retirement system from the state treasury pursuant to this chapter shall be promptly paid upon warrant of the ~~auditor of state~~ director of budget and management pursuant to a voucher approved by the director ~~of budget and management~~.

Sec. 3309.68. All amounts due the school employees retirement system from the state treasury pursuant to this chapter shall be promptly paid upon warrant of the ~~auditor of state~~ director of budget and management pursuant to a voucher approved by the director ~~of budget and management~~.

Sec. 3310.03. (A) A student is an "eligible student" for purposes of the educational choice scholarship pilot program if the student satisfies both of the following conditions:

(1) The student either:

(a) Is enrolled in a school building that is operated by the student's resident district and that the department of education declared, in the most recent rating of school buildings published prior to the first day of July of the school year for which a scholarship is sought and in the two preceding school years, to be in a state of academic emergency or academic watch under section 3302.03 of the Revised Code;

(b) Is eligible to enroll in kindergarten in the school year for which a scholarship is sought and otherwise would be assigned under section 3319.01 of the Revised Code to a school building described in division (A)(1)(a) of this section;

(c) Is enrolled in a community school established under Chapter 3314. of the Revised Code but otherwise would be assigned under section 3319.01 of the Revised Code to a building described in division (A)(1)(a) of this section;

(d) Is eligible to enroll in kindergarten in the school year for which a

scholarship is sought, or is enrolled in a community school established under Chapter 3314. of the Revised Code, and the student's resident district both:

(i) Has in force an intradistrict open enrollment policy under which no student in kindergarten or the community school student's grade level, respectively, is automatically assigned to a particular school building;

(ii) In the most recent rating of school districts published prior to the first day of July of the school year for which a scholarship is sought and in the preceding two school years, was declared to be in a state of academic emergency under section 3302.03 of the Revised Code.

(2) The student's resident district is not a school district in which the pilot project scholarship program is operating under sections 3313.974 to 3313.979 of the Revised Code.

(B) A student who receives a scholarship under the educational choice scholarship pilot program remains an eligible student and may continue to receive scholarships in subsequent school years until the student completes grade twelve, so long as all of the following apply:

(1) The student's resident district remains the same;

(2) The student takes each state test prescribed for the student's grade level under section 3301.0710 or 3301.0712 of the Revised Code while enrolled in a chartered nonpublic school;

(3) In each school year that the student is enrolled in a chartered nonpublic school, the student is absent from school for not more than twenty days that the school is open for instruction, not including absences due to illness or injury confirmed in writing by a physician.

(C) The superintendent shall cease awarding first-time scholarships with respect to a school building that, in the most recent ratings of school buildings published under section 3302.03 of the Revised Code prior to the first day of July of the school year, ceases to be in a state of academic emergency or academic watch. However, students who have received scholarships in the prior school year remain eligible students pursuant to division (B) of this section.

Sec. 3310.06. It is the policy adopted by the general assembly that the educational choice scholarship pilot program shall be construed as one of several educational options available for students enrolled in academic emergency or academic watch school buildings. Students may be enrolled in the schools of the student's resident district, in a community school established under Chapter 3314. of the Revised Code, in the schools of another school district pursuant to an open enrollment policy adopted under section 3313.98 of the Revised Code, in a chartered nonpublic school with

or without a scholarship under the educational choice scholarship pilot program, or in other schools as the law may provide.

Sec. 3310.08. (A) The amount paid for an eligible student under the educational choice scholarship pilot program shall be the lesser of the tuition of the chartered nonpublic school in which the student is enrolled or the maximum amount prescribed in section 3310.09 of the Revised Code.

(B)(1) The department shall pay to the parent of each eligible student for whom a scholarship is awarded under the program, or to the student if at least eighteen years of age, periodic partial payments of the scholarship.

(2) The department shall proportionately reduce or terminate the payments for any student who withdraws from a chartered nonpublic school prior to the end of the school year.

(C)(1) The department shall deduct from the payments made to each school district under Chapter 3317. and, if necessary, sections 321.24 and 323.156 of the Revised Code the amount of five thousand two hundred dollars for each eligible student awarded a scholarship under the educational choice scholarship pilot program who is entitled under section 3313.64 or 3313.65 of the Revised Code to attend school in the district. The amount deducted under this division funds scholarships for students under both the educational choice scholarship pilot program and the pilot project scholarship program under sections 3313.974 to 3313.979 of the Revised Code.

(2) If the department reduces or terminates payments to a parent or a student, as prescribed in division (B)(2) of this section, and the student ~~re-enrolls~~ enrolls in the schools of the student's resident district or in a community school, established under Chapter 3314. of the Revised Code, before the end of the school year, the department shall proportionally restore to the resident district the amount deducted for that student under division (C)(1) of this section.

(D) In the case of any school district from which a deduction is made under division (C) of this section, the department shall disclose on the district's SF-3 form, or any successor to that form used to calculate a district's state funding for operating expenses, a comparison of the following:

(1) The district's state base-cost payment, as calculated under division (A)(1) of section 3317.022 of the Revised Code prior to making the adjustments under divisions (A)(2) and (3) of that section, with the scholarship students included in the district's formula ADM;

(2) What the district's state base-cost payment would have been, as calculated under division (A)(1) of that section prior to making the

adjustments under divisions (A)(2) and (3) of that section, if the scholarship students were not included in the district's formula ADM.

This comparison shall display both the aggregate difference between the amounts described in divisions (D)(1) and (2) of this section, and the quotient of that aggregate difference divided by the number of eligible students for whom deductions are made under division (C) of this section.

Sec. 3310.11. (A) Only for the purpose of administering the educational choice scholarship pilot program, the department of education may request from any of the following entities the data verification code assigned under division (D)(2) of section 3301.0714 of the Revised Code to any student who is seeking a scholarship under the program:

(1) The student's resident district;

(2) If applicable, the community school in which that student is enrolled;

(3) The independent contractor engaged to create and maintain student data verification codes.

(B) Upon a request by the department under division (A) of this section for the data verification code of a student seeking a scholarship or a request by the student's parent for that code, the school district or community school shall submit that code to the department or parent in the manner specified by the department. If the student has not been assigned a code, because the student will be entering kindergarten during the school year for which the scholarship is sought, the district shall assign a code to that student and submit the code to the department or parent by a date specified by the department. If the district does not assign a code to the student by the specified date, the department shall assign a code to that student.

The department annually shall submit to each school district the name and data verification code of each student residing in the district who is entering kindergarten, who has been awarded a scholarship under the program, and for whom the department has assigned a code under this division.

(C) For the purpose of administering the applicable tests prescribed under sections 3301.0710 and 3301.0712 of the Revised Code, as required by section 3310.14 of the Revised Code, the department shall provide to each chartered nonpublic school that enrolls a scholarship student the data verification code for that student.

(D) The department and each chartered nonpublic school that receives a data verification code under this section shall not release that code to any person except as provided by law.

Any document relative to this program that the department holds in its

files that contains both a student's name or other personally identifiable information and the student's data verification code shall not be a public record under section 149.43 of the Revised Code.

Sec. 3310.12. Except as provided in division (D) of section 3310.11 of the Revised Code, documents relative to the educational choice scholarship pilot program that the department holds in its files are public records under section 149.43 of the Revised Code and may be released pursuant to that section subject to the provisions of section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232g, as amended.

Sec. 3310.16. (A) The state board of education shall adopt rules in accordance with Chapter 119. of the Revised Code prescribing procedures for the administration of the educational choice scholarship pilot program.

(B) The state board and the department of education shall not require chartered nonpublic schools to comply with any education laws or rules or other requirements that are not specified in sections 3310.01 to 3310.17 of the Revised Code or in rules necessary for the administration of the program, adopted under division (A) of this section, and that otherwise would not apply to a chartered nonpublic school.

Sec. 3311.057. (A) Any educational service center that is formed by merging two or more educational service centers or former county school districts ~~after July 1, 1995, but prior to July 1, 2003,~~ may determine the number of members of its governing board and whether the members are to be elected at large or by subdistrict, provided each board shall have an odd number of members.

~~(B) If an educational service center described in division (A) of this section is formed on or after the effective date of this section, the~~ The governing board of each service center that is merging to form the new service center shall include identical provisions for electing the new service center's governing board in its resolution adopted pursuant to division (A) of section 3311.053 of the Revised Code. If there is any transition period between the effective date of the merger of the service centers and the assumption of control of the new service center by the new board, the resolutions shall include provisions for an interim governing board which shall be appointed to govern the service center until the time the new board is elected and assumes control of the service center.

~~(C) If an educational service center described in division (A) of this section was formed prior to the effective date of this section, the governing board of the service center may adopt at any time prior to July 1, 2003, a resolution setting forth provisions for changing the number of members and~~

~~the manner of electing its board and provisions for any transitional period between the abolition of the existing board and the assumption of control by the new board.~~

(D) Any provisions for electing a governing board adopted pursuant to division (B) ~~or (C)~~ of this section may provide for the election of members at large, may provide for the establishment of subdistricts within the district, or may require some members to be elected at large and some to be elected from subdistricts. If subdistricts are included, the resolutions shall specify the manner in which their boundaries are to be drawn. The provisions shall attempt to ensure that each elected member of the board represents an equal number of residents of the service center. To accomplish this, any subdistrict containing a multiple of the number of electors in another subdistrict, may elect at-large within that subdistrict, a number of board members equal to the multiple that its population is of the population of the other subdistrict.

~~(E)~~(D) The provisions for selecting board members set forth in the latest resolution adopted pursuant to ~~division (B) or (C)~~ of this section ~~prior to July 1, 2003~~, shall remain the method of electing board members within that educational service center.

Sec. 3313.29. The treasurer of each board of education shall keep an account of all school funds of the district. The treasurer shall receive all vouchers for payments and disbursements made to and by the board and preserve such vouchers for a period of ten years unless copied or reproduced according to the procedure prescribed in section 9.01 of the Revised Code. Thereafter, such vouchers may be destroyed by the treasurer upon applying to and obtaining an order from the school district records commission in the manner prescribed by section 149.41 of the Revised Code, except that it shall not be necessary to copy or reproduce such vouchers before their destruction. The treasurer shall render a statement to the board and to the superintendent of the school district, monthly, or more often if required, showing the revenues and receipts from whatever sources derived, the various appropriations made by the board, the expenditures and disbursements therefrom, the purposes thereof, the balances remaining in each appropriation, and the assets and liabilities of the school district. At the end of the fiscal year such statement shall be a complete exhibit of the financial affairs of the school district which may be published and distributed with the approval of the board. All monthly and yearly statements as required in this section shall be available for examination by the public.

On request of the principal or other chief administrator of any nonpublic school located within the school district's territory, the treasurer shall

provide such principal or administrator with an account of the moneys received by the district under division ~~(E)~~(I) of section 3317.024 of the Revised Code as reported to the district's board in the treasurer's most recent monthly statement.

Sec. 3313.372. (A) As used in this section, "energy conservation measure" means an installation or modification of an installation in, or remodeling of, a building, to reduce energy consumption. It includes:

- (1) Insulation of the building structure and systems within the building;
- (2) Storm windows and doors, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;
- (3) Automatic energy control systems;
- (4) Heating, ventilating, or air conditioning system modifications or replacements;
- (5) Caulking and weatherstripping;
- (6) Replacement or modification of lighting fixtures to increase the energy efficiency of the system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the proposed lighting system;
- (7) Energy recovery systems;
- (8) Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;
- (9) Any other modification, installation, or remodeling approved by the Ohio school facilities commission as an energy conservation measure.

(B) A board of education of a city, exempted village, local, or joint vocational school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The provisions of such installment payment contracts dealing with interest charges and financing terms shall not be subject to the competitive bidding requirements of section 3313.46 of the Revised Code, and shall be on the following terms:

- (1) Not less than one-fifteenth of the costs thereof shall be paid within two years from the date of purchase.
- (2) The remaining balance of the costs thereof shall be paid within fifteen years from the date of purchase.

An installment payment contract entered into by a board of education under this section shall require the board to contract in accordance with division (A) of section 3313.46 of the Revised Code for the installation,

modification, or remodeling of energy conservation measures unless division (A) of section 3313.46 of the Revised Code does not apply pursuant to division (B)(3) of that section.

(C) The board may issue the notes of the school district signed by the president and the treasurer of the board and specifying the terms of the purchase and securing the deferred payments provided in this section, payable at the times provided and bearing interest at a rate not exceeding the rate determined as provided in section 9.95 of the Revised Code. The notes may contain an option for prepayment and shall not be subject to Chapter 133. of the Revised Code. In the resolution authorizing the notes, the board may provide, without the vote of the electors of the district, for annually levying and collecting taxes in amounts sufficient to pay the interest on and retire the notes, except that the total net indebtedness of the district without a vote of the electors incurred under this and all other sections of the Revised Code, except section 3318.052 of the Revised Code, shall not exceed one per cent of the district's tax valuation. Revenues derived from local taxes or otherwise, for the purpose of conserving energy or for defraying the current operating expenses of the district, may be applied to the payment of interest and the retirement of such notes. The notes may be sold at private sale or given to the contractor under the installment payment contract authorized by division (B) of this section.

(D) Debt incurred under this section shall not be included in the calculation of the net indebtedness of a school district under section 133.06 of the Revised Code.

(E) No school district board shall enter into an installment payment contract under division (B) of this section unless it first obtains a report of the costs of the energy conservation measures and the savings thereof as described under division (G) of section 133.06 of the Revised Code as a requirement for issuing energy securities, makes a finding that the amount spent on such measures is not likely to exceed the amount of money it would save in energy costs and resultant operational and maintenance costs as described in that division, except that that finding shall cover the ensuing fifteen years, and the Ohio school facilities commission determines that the district board's findings are reasonable and approves the contract as described in that division.

The district board shall monitor the savings and maintain a report of those savings, which shall be available to the commission in the same manner as required by division (G) of section 133.06 of the Revised Code in the case of energy securities.

Sec. 3313.61. (A) A diploma shall be granted by the board of education

of any city, exempted village, or local school district that operates a high school to any person to whom all of the following apply:

(1) The person has successfully completed the curriculum in any high school or the individualized education program developed for the person by any high school pursuant to section 3323.08 of the Revised Code, provided that no school district shall require a student to remain in school for any specific number of semesters or other terms if the student completes the required curriculum early;

(2) Subject to section 3313.614 of the Revised Code, the person either:

(a) Has attained at least the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all the tests required by that division unless the person was excused from taking any such test pursuant to section 3313.532 of the Revised Code or unless division (H) or (L) of this section applies to the person;

(b) Has satisfied the alternative conditions prescribed in section 3313.615 of the Revised Code.

(3) The person is not eligible to receive an honors diploma granted pursuant to division (B) of this section.

Except as provided in divisions (C), (E), (J), and (L) of this section, no diploma shall be granted under this division to anyone except as provided under this division.

(B) In lieu of a diploma granted under division (A) of this section, an honors diploma shall be granted, in accordance with rules of the state board of education, by any such district board to anyone who successfully completes the curriculum in any high school or the individualized education program developed for the person by any high school pursuant to section 3323.08 of the Revised Code, who has attained subject to section 3313.614 of the Revised Code at least the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all the tests required by that division, or has satisfied the alternative conditions prescribed in section 3313.615 of the Revised Code, and who has met additional criteria established by the state board for the granting of such a diploma. Except as provided in divisions (C), (E), and (J) of this section, no honors diploma shall be granted to anyone failing to comply with this division and no more than one honors diploma shall be granted to any student under this division.

The state board shall adopt rules prescribing the granting of honors diplomas under this division. These rules may prescribe the granting of honors diplomas that recognize a student's achievement as a whole or that recognize a student's achievement in one or more specific subjects or both. In any case, the rules shall designate two or more criteria for the granting of

each type of honors diploma the board establishes under this division and the number of such criteria that must be met for the granting of that type of diploma. The number of such criteria for any type of honors diploma shall be at least one less than the total number of criteria designated for that type and no one or more particular criteria shall be required of all persons who are to be granted that type of diploma.

(C) Any such district board administering any of the tests required by section 3301.0710 or 3301.0712 of the Revised Code to any person requesting to take such test pursuant to division (B)(8)(b) of section 3301.0711 of the Revised Code shall award a diploma to such person if the person attains at least the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all the tests administered and if the person has previously attained the applicable scores on all the other tests required by division (B) of that section or has been exempted or excused from attaining the applicable score on any such test pursuant to division (H) or (L) of this section or from taking any such test pursuant to section 3313.532 of the Revised Code.

(D) Each diploma awarded under this section shall be signed by the president and treasurer of the issuing board, the superintendent of schools, and the principal of the high school. Each diploma shall bear the date of its issue, be in such form as the district board prescribes, and be paid for out of the district's general fund.

(E) A person who is a resident of Ohio and is eligible under state board of education minimum standards to receive a high school diploma based in whole or in part on credits earned while an inmate of a correctional institution operated by the state or any political subdivision thereof, shall be granted such diploma by the correctional institution operating the programs in which such credits were earned, and by the board of education of the school district in which the inmate resided immediately prior to the inmate's placement in the institution. The diploma granted by the correctional institution shall be signed by the director of the institution, and by the person serving as principal of the institution's high school and shall bear the date of issue.

(F) Persons who are not residents of Ohio but who are inmates of correctional institutions operated by the state or any political subdivision thereof, and who are eligible under state board of education minimum standards to receive a high school diploma based in whole or in part on credits earned while an inmate of the correctional institution, shall be granted a diploma by the correctional institution offering the program in which the credits were earned. The diploma granted by the correctional

institution shall be signed by the director of the institution and by the person serving as principal of the institution's high school and shall bear the date of issue.

(G) The state board of education shall provide by rule for the administration of the tests required by section 3301.0710 of the Revised Code to inmates of correctional institutions.

(H) Any person to whom all of the following apply shall be exempted from attaining the applicable score on the test in social studies designated under division (B) of section 3301.0710 of the Revised Code or the test in citizenship designated under former division (B) of section 3301.0710 of the Revised Code as it existed prior to September 11, 2001:

- (1) The person is not a citizen of the United States;
- (2) The person is not a permanent resident of the United States;
- (3) The person indicates no intention to reside in the United States after the completion of high school.

(I) Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, this section and section 3311.611 of the Revised Code do not apply to the board of education of any joint vocational school district or any cooperative education school district established pursuant to divisions (A) to (C) of section 3311.52 of the Revised Code.

(J) Upon receipt of a notice under division (D) of section 3325.08 of the Revised Code that a student has received a diploma under that section, the board of education receiving the notice may grant a high school diploma under this section to the student, except that such board shall grant the student a diploma if the student meets the graduation requirements that the student would otherwise have had to meet to receive a diploma from the district. The diploma granted under this section shall be of the same type the notice indicates the student received under section 3325.08 of the Revised Code.

(K) As used in this division, "limited English proficient student" has the same meaning as in division (C)(3) of section 3301.0711 of the Revised Code.

Notwithstanding division (C)(3) of section 3301.0711 of the Revised Code, no limited English proficient student who has not attained the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all the tests required by that division shall be awarded a diploma under this section.

(L) Any student described by division (A)(1) of this section may be awarded a diploma without attaining the applicable scores designated on the

tests prescribed under division (B) of section 3301.0710 of the Revised Code provided an individualized education program specifically exempts the student from attaining such scores. This division does not negate the requirement for such a student to take all such tests or alternate assessments required by division (C)(1) of section 3301.0711 of the Revised Code for the purpose of assessing student progress as required by federal law.

Sec. 3313.64. (A) As used in this section and in section 3313.65 of the Revised Code:

(1)(a) Except as provided in division (A)(1)(b) of this section, "parent" means either parent, unless the parents are separated or divorced or their marriage has been dissolved or annulled, in which case "parent" means the parent who is the residential parent and legal custodian of the child. When a child is in the legal custody of a government agency or a person other than the child's natural or adoptive parent, "parent" means the parent with residual parental rights, privileges, and responsibilities. When a child is in the permanent custody of a government agency or a person other than the child's natural or adoptive parent, "parent" means the parent who was divested of parental rights and responsibilities for the care of the child and the right to have the child live with the parent and be the legal custodian of the child and all residual parental rights, privileges, and responsibilities.

(b) When a child is the subject of a power of attorney executed under sections 3109.51 to 3109.62 of the Revised Code, "parent" means the grandparent designated as attorney in fact under the power of attorney. When a child is the subject of a caretaker authorization affidavit executed under sections 3109.64 to 3109.73 of the Revised Code, "parent" means the grandparent that executed the affidavit.

(2) "Legal custody," "permanent custody," and "residual parental rights, privileges, and responsibilities" have the same meanings as in section 2151.011 of the Revised Code.

(3) "School district" or "district" means a city, local, or exempted village school district and excludes any school operated in an institution maintained by the department of youth services.

(4) Except as used in division (C)(2) of this section, "home" means a home, institution, foster home, group home, or other residential facility in this state that receives and cares for children, to which any of the following applies:

(a) The home is licensed, certified, or approved for such purpose by the state or is maintained by the department of youth services.

(b) The home is operated by a person who is licensed, certified, or approved by the state to operate the home for such purpose.

(c) The home accepted the child through a placement by a person licensed, certified, or approved to place a child in such a home by the state.

(d) The home is a children's home created under section 5153.21 or 5153.36 of the Revised Code.

(5) "Agency" means all of the following:

(a) A public children services agency;

(b) An organization that holds a certificate issued by the Ohio department of job and family services in accordance with the requirements of section 5103.03 of the Revised Code and assumes temporary or permanent custody of children through commitment, agreement, or surrender, and places children in family homes for the purpose of adoption;

(c) Comparable agencies of other states or countries that have complied with applicable requirements of section 2151.39, or sections 5103.20 to 5103.28 of the Revised Code.

(6) A child is placed for adoption if either of the following occurs:

(a) An agency to which the child has been permanently committed or surrendered enters into an agreement with a person pursuant to section 5103.16 of the Revised Code for the care and adoption of the child.

(b) The child's natural parent places the child pursuant to section 5103.16 of the Revised Code with a person who will care for and adopt the child.

(7) "Handicapped preschool child" means a handicapped child, as defined by division (A) of section 3323.01 of the Revised Code, who is at least three years of age but is not of compulsory school age, as defined in section 3321.01 of the Revised Code, and who is not currently enrolled in kindergarten.

(8) "Child," unless otherwise indicated, includes handicapped preschool children.

(9) "Active duty" means active duty pursuant to an executive order of the president of the United States, an act of the congress of the United States, or section 5919.29 or 5923.21 of the Revised Code.

(B) Except as otherwise provided in section 3321.01 of the Revised Code for admittance to kindergarten and first grade, a child who is at least five but under twenty-two years of age and any handicapped preschool child shall be admitted to school as provided in this division.

(1) A child shall be admitted to the schools of the school district in which the child's parent resides.

(2) A child who does not reside in the district where the child's parent resides shall be admitted to the schools of the district in which the child resides if any of the following applies:

(a) The child is in the legal or permanent custody of a government agency or a person other than the child's natural or adoptive parent.

(b) The child resides in a home.

(c) The child requires special education.

(3) A child who is not entitled under division (B)(2) of this section to be admitted to the schools of the district where the child resides and who is residing with a resident of this state with whom the child has been placed for adoption shall be admitted to the schools of the district where the child resides unless either of the following applies:

(a) The placement for adoption has been terminated.

(b) Another school district is required to admit the child under division (B)(1) of this section.

Division (B) of this section does not prohibit the board of education of a school district from placing a handicapped child who resides in the district in a special education program outside of the district or its schools in compliance with Chapter 3323. of the Revised Code.

(C) A district shall not charge tuition for children admitted under division (B)(1) or (3) of this section. If the district admits a child under division (B)(2) of this section, tuition shall be paid to the district that admits the child as follows:

(1) If the child receives special education in accordance with Chapter 3323. of the Revised Code, the school district of residence, as defined in section 3323.01 of the Revised Code, shall pay tuition ~~shall be paid for the child~~ in accordance with section 3323.091, 3323.13, 3323.14, or 3323.141 of the Revised Code regardless of who has custody of the child or whether the child resides in a home.

(2) ~~Except~~ For a child that does not receive special education in accordance with Chapter 3323. of the Revised Code, except as otherwise provided in division (C)(2)(d) of this section, if the child is in the permanent or legal custody of a government agency or person other than the child's parent, tuition shall be paid by:

(a) The district in which the child's parent resided at the time the court removed the child from home or at the time the court vested legal or permanent custody of the child in the person or government agency, whichever occurred first;

(b) If the parent's residence at the time the court removed the child from home or placed the child in the legal or permanent custody of the person or government agency is unknown, tuition shall be paid by the district in which the child resided at the time the child was removed from home or placed in legal or permanent custody, whichever occurred first;

(c) If a school district cannot be established under division (C)(2)(a) or (b) of this section, tuition shall be paid by the district determined as required by section 2151.357 of the Revised Code by the court at the time it vests custody of the child in the person or government agency;

(d) If at the time the court removed the child from home or vested legal or permanent custody of the child in the person or government agency, whichever occurred first, one parent was in a residential or correctional facility or a juvenile residential placement and the other parent, if living and not in such a facility or placement, was not known to reside in this state, tuition shall be paid by the district determined under division (D) of section 3313.65 of the Revised Code as the district required to pay any tuition while the parent was in such facility or placement;

(e) If the court has modified its order as to which district is responsible to bear the cost of educating the child pursuant to division (A)(2) of section 2151.357 of the Revised Code, the district determined to be responsible for that cost in the order so modified.

(3) If the child is not in the permanent or legal custody of a government agency or person other than the child's parent and the child resides in a home, tuition shall be paid by one of the following:

(a) The school district in which the child's parent resides;

(b) If the child's parent is not a resident of this state, the home in which the child resides.

(D) Tuition required to be paid under divisions (C)(2) and (3)(a) of this section shall be computed in accordance with section 3317.08 of the Revised Code. Tuition required to be paid under division (C)(3)(b) of this section shall be computed in accordance with section 3317.081 of the Revised Code. If a home fails to pay the tuition required by division (C)(3)(b) of this section, the board of education providing the education may recover in a civil action the tuition and the expenses incurred in prosecuting the action, including court costs and reasonable attorney's fees. If the prosecuting attorney or city director of law represents the board in such action, costs and reasonable attorney's fees awarded by the court, based upon the prosecuting attorney's, director's, or one of their designee's time spent preparing and presenting the case, shall be deposited in the county or city general fund.

(E) A board of education may enroll a child free of any tuition obligation for a period not to exceed sixty days, on the sworn statement of an adult resident of the district that the resident has initiated legal proceedings for custody of the child.

(F) In the case of any individual entitled to attend school under this

division, no tuition shall be charged by the school district of attendance and no other school district shall be required to pay tuition for the individual's attendance. Notwithstanding division (B), (C), or (E) of this section:

(1) All persons at least eighteen but under twenty-two years of age who live apart from their parents, support themselves by their own labor, and have not successfully completed the high school curriculum or the individualized education program developed for the person by the high school pursuant to section 3323.08 of the Revised Code, are entitled to attend school in the district in which they reside.

(2) Any child under eighteen years of age who is married is entitled to attend school in the child's district of residence.

(3) A child is entitled to attend school in the district in which either of the child's parents is employed if the child has a medical condition that may require emergency medical attention. The parent of a child entitled to attend school under division (F)(3) of this section shall submit to the board of education of the district in which the parent is employed a statement from the child's physician certifying that the child's medical condition may require emergency medical attention. The statement shall be supported by such other evidence as the board may require.

(4) Any child residing with a person other than the child's parent is entitled, for a period not to exceed twelve months, to attend school in the district in which that person resides if the child's parent files an affidavit with the superintendent of the district in which the person with whom the child is living resides stating all of the following:

(a) That the parent is serving outside of the state in the armed services of the United States;

(b) That the parent intends to reside in the district upon returning to this state;

(c) The name and address of the person with whom the child is living while the parent is outside the state.

(5) Any child under the age of twenty-two years who, after the death of a parent, resides in a school district other than the district in which the child attended school at the time of the parent's death is entitled to continue to attend school in the district in which the child attended school at the time of the parent's death for the remainder of the school year, subject to approval of that district board.

(6) A child under the age of twenty-two years who resides with a parent who is having a new house built in a school district outside the district where the parent is residing is entitled to attend school for a period of time in the district where the new house is being built. In order to be entitled to

such attendance, the parent shall provide the district superintendent with the following:

(a) A sworn statement explaining the situation, revealing the location of the house being built, and stating the parent's intention to reside there upon its completion;

(b) A statement from the builder confirming that a new house is being built for the parent and that the house is at the location indicated in the parent's statement.

(7) A child under the age of twenty-two years residing with a parent who has a contract to purchase a house in a school district outside the district where the parent is residing and who is waiting upon the date of closing of the mortgage loan for the purchase of such house is entitled to attend school for a period of time in the district where the house is being purchased. In order to be entitled to such attendance, the parent shall provide the district superintendent with the following:

(a) A sworn statement explaining the situation, revealing the location of the house being purchased, and stating the parent's intent to reside there;

(b) A statement from a real estate broker or bank officer confirming that the parent has a contract to purchase the house, that the parent is waiting upon the date of closing of the mortgage loan, and that the house is at the location indicated in the parent's statement.

The district superintendent shall establish a period of time not to exceed ninety days during which the child entitled to attend school under division (F)(6) or (7) of this section may attend without tuition obligation. A student attending a school under division (F)(6) or (7) of this section shall be eligible to participate in interscholastic athletics under the auspices of that school, provided the board of education of the school district where the student's parent resides, by a formal action, releases the student to participate in interscholastic athletics at the school where the student is attending, and provided the student receives any authorization required by a public agency or private organization of which the school district is a member exercising authority over interscholastic sports.

(8) A child whose parent is a full-time employee of a city, local, or exempted village school district, or of an educational service center, may be admitted to the schools of the district where the child's parent is employed, or in the case of a child whose parent is employed by an educational service center, in the district that serves the location where the parent's job is primarily located, provided the district board of education establishes such an admission policy by resolution adopted by a majority of its members. Any such policy shall take effect on the first day of the school year and the

effective date of any amendment or repeal may not be prior to the first day of the subsequent school year. The policy shall be uniformly applied to all such children and shall provide for the admission of any such child upon request of the parent. No child may be admitted under this policy after the first day of classes of any school year.

(9) A child who is with the child's parent under the care of a shelter for victims of domestic violence, as defined in section 3113.33 of the Revised Code, is entitled to attend school free in the district in which the child is with the child's parent, and no other school district shall be required to pay tuition for the child's attendance in that school district.

The enrollment of a child in a school district under this division shall not be denied due to a delay in the school district's receipt of any records required under section 3313.672 of the Revised Code or any other records required for enrollment. Any days of attendance and any credits earned by a child while enrolled in a school district under this division shall be transferred to and accepted by any school district in which the child subsequently enrolls. The state board of education shall adopt rules to ensure compliance with this division.

(10) Any child under the age of twenty-two years whose parent has moved out of the school district after the commencement of classes in the child's senior year of high school is entitled, subject to the approval of that district board, to attend school in the district in which the child attended school at the time of the parental move for the remainder of the school year and for one additional semester or equivalent term. A district board may also adopt a policy specifying extenuating circumstances under which a student may continue to attend school under division (F)(10) of this section for an additional period of time in order to successfully complete the high school curriculum for the individualized education program developed for the student by the high school pursuant to section 3323.08 of the Revised Code.

(11) As used in this division, "grandparent" means a parent of a parent of a child. A child under the age of twenty-two years who is in the custody of the child's parent, resides with a grandparent, and does not require special education is entitled to attend the schools of the district in which the child's grandparent resides, provided that, prior to such attendance in any school year, the board of education of the school district in which the child's grandparent resides and the board of education of the school district in which the child's parent resides enter into a written agreement specifying that good cause exists for such attendance, describing the nature of this good cause, and consenting to such attendance.

In lieu of a consent form signed by a parent, a board of education may

request the grandparent of a child attending school in the district in which the grandparent resides pursuant to division (F)(11) of this section to complete any consent form required by the district, including any authorization required by sections 3313.712, 3313.713, and 3313.716 of the Revised Code. Upon request, the grandparent shall complete any consent form required by the district. A school district shall not incur any liability solely because of its receipt of a consent form from a grandparent in lieu of a parent.

Division (F)(11) of this section does not create, and shall not be construed as creating, a new cause of action or substantive legal right against a school district, a member of a board of education, or an employee of a school district. This section does not affect, and shall not be construed as affecting, any immunities from defenses to tort liability created or recognized by Chapter 2744. of the Revised Code for a school district, member, or employee.

(12) A child under the age of twenty-two years is entitled to attend school in a school district other than the district in which the child is entitled to attend school under division (B), (C), or (E) of this section provided that, prior to such attendance in any school year, both of the following occur:

(a) The superintendent of the district in which the child is entitled to attend school under division (B), (C), or (E) of this section contacts the superintendent of another district for purposes of this division;

(b) The superintendents of both districts enter into a written agreement that consents to the attendance and specifies that the purpose of such attendance is to protect the student's physical or mental well-being or to deal with other extenuating circumstances deemed appropriate by the superintendents.

While an agreement is in effect under this division for a student who is not receiving special education under Chapter 3323. of the Revised Code and notwithstanding Chapter 3327. of the Revised Code, the board of education of neither school district involved in the agreement is required to provide transportation for the student to and from the school where the student attends.

A student attending a school of a district pursuant to this division shall be allowed to participate in all student activities, including interscholastic athletics, at the school where the student is attending on the same basis as any student who has always attended the schools of that district while of compulsory school age.

(13) All school districts shall comply with the "McKinney-Vento Homeless Assistance Act," 42 U.S.C.A. 11431 et seq., for the education of

homeless children. Each city, local, and exempted village school district shall comply with the requirements of that act governing the provision of a free, appropriate public education, including public preschool, to each homeless child.

When a child loses permanent housing and becomes a homeless person, as defined in 42 U.S.C.A. 11481(5), or when a child who is such a homeless person changes temporary living arrangements, the child's parent or guardian shall have the option of enrolling the child in either of the following:

(a) The child's school of origin, as defined in 42 U.S.C.A. 11432(g)(3)(C);

(b) The school that is operated by the school district in which the shelter where the child currently resides is located and that serves the geographic area in which the shelter is located.

(14) A child under the age of twenty-two years who resides with a person other than the child's parent is entitled to attend school in the school district in which that person resides if both of the following apply:

(a) That person has been appointed, through a military power of attorney executed under section 574(a) of the "National Defense Authorization Act for Fiscal Year 1994," 107 Stat. 1674 (1993), 10 U.S.C. 1044b, or through a comparable document necessary to complete a family care plan, as the parent's agent for the care, custody, and control of the child while the parent is on active duty as a member of the national guard or a reserve unit of the armed forces of the United States or because the parent is a member of the armed forces of the United States and is on a duty assignment away from the parent's residence.

(b) The military power of attorney or comparable document includes at least the authority to enroll the child in school.

The entitlement to attend school in the district in which the parent's agent under the military power of attorney or comparable document resides applies until the end of the school year in which the military power of attorney or comparable document expires.

(G) A board of education, after approving admission, may waive tuition for students who will temporarily reside in the district and who are either of the following:

(1) Residents or domiciliaries of a foreign nation who request admission as foreign exchange students;

(2) Residents or domiciliaries of the United States but not of Ohio who request admission as participants in an exchange program operated by a student exchange organization.

(H) Pursuant to sections 3311.211, 3313.90, 3319.01, 3323.04, 3327.04, and 3327.06 of the Revised Code, a child may attend school or participate in a special education program in a school district other than in the district where the child is entitled to attend school under division (B) of this section.

(I)(1) Notwithstanding anything to the contrary in this section or section 3313.65 of the Revised Code, a child under twenty-two years of age may attend school in the school district in which the child, at the end of the first full week of October of the school year, was entitled to attend school as otherwise provided under this section or section 3313.65 of the Revised Code, if at that time the child was enrolled in the schools of the district but since that time the child or the child's parent has relocated to a new address located outside of that school district and within the same county as the child's or parent's address immediately prior to the relocation. The child may continue to attend school in the district, and at the school to which the child was assigned at the end of the first full week of October of the current school year, for the balance of the school year. Division (I)(1) of this section applies only if both of the following conditions are satisfied:

(a) The board of education of the school district in which the child was entitled to attend school at the end of the first full week in October and of the district to which the child or child's parent has relocated each has adopted a policy to enroll children described in division (I)(1) of this section.

(b) The child's parent provides written notification of the relocation outside of the school district to the superintendent of each of the two school districts.

(2) At the beginning of the school year following the school year in which the child or the child's parent relocated outside of the school district as described in division (I)(1) of this section, the child is not entitled to attend school in the school district under that division.

(3) Any person or entity owing tuition to the school district on behalf of the child at the end of the first full week in October, as provided in division (C) of this section, shall continue to owe such tuition to the district for the child's attendance under division (I)(1) of this section for the lesser of the balance of the school year or the balance of the time that the child attends school in the district under division (I)(1) of this section.

(4) A pupil who may attend school in the district under division (I)(1) of this section shall be entitled to transportation services pursuant to an agreement between the district and the district in which the child or child's parent has relocated unless the districts have not entered into such agreement, in which case the child shall be entitled to transportation services

in the same manner as a pupil attending school in the district under interdistrict open enrollment as described in division (H) of section 3313.981 of the Revised Code, regardless of whether the district has adopted an open enrollment policy as described in division (B)(1)(b) or (c) of section 3313.98 of the Revised Code.

(J) This division does not apply to a child receiving special education.

A school district required to pay tuition pursuant to division (C)(2) or (3) of this section or section 3313.65 of the Revised Code shall have an amount deducted under division (F) of section 3317.023 of the Revised Code equal to its own tuition rate for the same period of attendance. A school district entitled to receive tuition pursuant to division (C)(2) or (3) of this section or section 3313.65 of the Revised Code shall have an amount credited under division (F) of section 3317.023 of the Revised Code equal to its own tuition rate for the same period of attendance. If the tuition rate credited to the district of attendance exceeds the rate deducted from the district required to pay tuition, the department of education shall pay the district of attendance the difference from amounts deducted from all districts' payments under division (F) of section 3317.023 of the Revised Code but not credited to other school districts under such division and from appropriations made for such purpose. The treasurer of each school district shall, by the fifteenth day of January and July, furnish the superintendent of public instruction a report of the names of each child who attended the district's schools under divisions (C)(2) and (3) of this section or section 3313.65 of the Revised Code during the preceding six calendar months, the duration of the attendance of those children, the school district responsible for tuition on behalf of the child, and any other information that the superintendent requires.

Upon receipt of the report the superintendent, pursuant to division (F) of section 3317.023 of the Revised Code, shall deduct each district's tuition obligations under divisions (C)(2) and (3) of this section or section 3313.65 of the Revised Code and pay to the district of attendance that amount plus any amount required to be paid by the state.

(K) In the event of a disagreement, the superintendent of public instruction shall determine the school district in which the parent resides.

(L) Nothing in this section requires or authorizes, or shall be construed to require or authorize, the admission to a public school in this state of a pupil who has been permanently excluded from public school attendance by the superintendent of public instruction pursuant to sections 3301.121 and 3313.662 of the Revised Code.

(M) In accordance with division (B)(1) of this section, a child whose

parent is a member of the national guard or a reserve unit of the armed forces of the United States and is called to active duty, or a child whose parent is a member of the armed forces of the United States and is ordered to a temporary duty assignment outside of the district, may continue to attend school in the district in which the child's parent lived before being called to active duty or ordered to a temporary duty assignment outside of the district, as long as the child's parent continues to be a resident of that district, and regardless of where the child lives as a result of the parent's active duty status or temporary duty assignment. However, the district is not responsible for providing transportation for the child if the child lives outside of the district as a result of the parent's active duty status or temporary duty assignment.

Sec. 3313.6410. This section applies to any school that is operated by a school district and in which the enrolled students work primarily on assignments in nonclassroom-based learning opportunities provided via an internet- or other computer-based instructional method.

(A) Any school to which this section applies shall withdraw from the school any student who, for two consecutive school years, has failed to participate in the spring administration of any test prescribed under section 3301.0710 or 3301.0712 of the Revised Code for the student's grade level and was not excused from the test pursuant to division (C)(1) or (3) of section 3301.0711 of the Revised Code, regardless of whether a waiver was granted for the student under division (E) of section 3317.03 of the Revised Code. The school shall report any such student's data verification code, as assigned pursuant to section 3301.0714 of the Revised Code, to the department of education to be added to the list maintained by the department under section 3314.26 of the Revised Code.

(B) No school to which this section applies shall receive any state funds under Chapter 3317. of the Revised Code for any enrolled student whose data verification code appears on the list maintained by the department under section 3314.26 of the Revised Code. Notwithstanding any provision of the Revised Code to the contrary, the parent of any such student shall pay tuition to the school district that operates the school in an amount equal to the state funds the district otherwise would receive for that student, as determined by the department. A school to which this section applies may withdraw any student for whom the parent does not pay tuition as required by this division.

Sec. 3313.813. (A) As used in this section:

(1) "Outdoor education center" means a public or nonprofit private entity that provides to pupils enrolled in any public or chartered nonpublic

elementary or secondary school an outdoor educational curriculum that the school considers to be part of its educational program.

(2) "Outside-school-hours care center" has the meaning established in 7 C.F.R. 226.2.

(B) The state board of education shall establish standards for a school lunch program, school breakfast program, child and adult care food program, special food service program for children, summer food service program for children, special milk program for children, food service equipment assistance program, and commodity distribution program established under the "National School Lunch Act," 60 Stat. 230 (1946), 42 U.S.C. 1751, as amended, and the "Child Nutrition Act of 1966," 80 Stat. 885, 42 U.S.C. 1771, as amended. Any board of education of a school district, nonprofit private school, outdoor education center, child care institution, outside-school-hours care center, or summer camp desiring to participate in such a program or required to participate under this section shall, if eligible to participate under the "National School Lunch Act," as amended, or the "Child Nutrition Act of 1966," as amended, make application to the state board of education for assistance. The board shall administer the allocation and distribution of all state and federal funds for these programs.

(C) The state board of education shall require the board of education of each school district ~~included under this division~~ to establish and maintain a school breakfast ~~and~~, lunch, and summer food service program pursuant to the "National School Lunch Act" and the "Child Nutrition Act of 1966," as described in divisions (C)(1) to (4) of this section.

(1) The state board shall require the board of education in each school district to establish a breakfast program in every school where at least ~~one-third~~ one-fifth of the pupils in the school are eligible under federal requirements for free breakfasts and to establish a lunch program in every school where at least ~~one-third~~ one-fifth of the pupils are eligible for free lunches. The board of education required to establish a breakfast program under this division may make a charge in accordance with federal requirements for each reduced price breakfast or paid breakfast to cover the cost incurred in providing that meal.

(2) The state board shall require the board of education in each school district to establish a breakfast program in every school in which the parents of at least one-half of the children enrolled in the school have requested that the breakfast program be established. The board of education required to establish a program under this division may make a charge for each meal to cover all or part of the costs incurred in establishing such a program.

(3) The state board of education shall require the board of education in each school district to establish one of the following for summer intervention services described in division (D) of section 3301.0711 and section 3313.608 of the Revised Code and any other summer intervention program required by law:

(a) An extension of the school breakfast program pursuant to the "National School Lunch Act" and the "Child Nutrition Act of 1966";

(b) An extension of the school lunch program pursuant to those acts;

(c) A summer food service program pursuant to those acts.

(4)(a) If the board of education of a school district determines that, for financial reasons, it cannot comply with division (C)(1) or (3) of this section, the district board may choose not to comply with either or both divisions, except as provided in division (C)(4)(b) of this section. The district board publicly shall communicate to the residents of the district, in the manner it determines appropriate, its decision not to comply.

(b) If a district board chooses not to comply with division (C)(1) of this section, the state board of education nevertheless shall require the district board to establish a breakfast program in every school where at least one-third of the pupils in the school are eligible under federal requirements for free breakfasts and to establish a lunch program in every school where at least one-third of the pupils are eligible for free lunches. The district board may make a charge in accordance with federal requirements for each reduced price breakfast or paid breakfast to cover the cost incurred in providing that meal.

(c) If a school district cannot for good cause comply with the requirements of division (C)(1) or (2) or (4)(b) of this section at the time the state board determines that a district is subject to these requirements, the state board of education shall grant a reasonable extension of time. Good cause for an extension of time shall include, but need not be limited to, economic impossibility of compliance with the requirements at the time the state board determines that a district is subject to them.

(D)(1) The state board of education shall accept the application of any outdoor education center in the state making application for participation in a program pursuant to division (B) of this section.

(2) For purposes of participation in any program pursuant to this section, the board shall certify any outdoor education center making application as an educational unit that is part of the educational system of the state, if the center:

(a) Meets the definition of an outdoor education center;

(b) Provides its outdoor education curriculum to pupils on an overnight

basis so that pupils are in residence at the center for more than twenty-four consecutive hours;

(c) Operates under public or nonprofit private ownership in a single building or complex of buildings.

(3) The board shall approve any outdoor education center certified under this division for participation in the program for which the center is making application on the same basis as any other applicant for that program.

Sec. 3314.02. (A) As used in this chapter:

(1) "Sponsor" means an entity listed in division (C)(1) of this section, which has been approved by the department of education to sponsor community schools and with which the governing authority of the proposed community school enters into a contract pursuant to this section.

(2) "Pilot project area" means the school districts included in the territory of the former community school pilot project established by former Section 50.52 of Am. Sub. H.B. No. 215 of the 122nd general assembly.

(3) "Challenged school district" means any of the following:

(a) A school district that is part of the pilot project area;

(b) A school district that is either in a state of academic emergency or in a state of academic watch under section 3302.03 of the Revised Code;

(c) A big eight school district.

(4) "Big eight school district" means a school district that for fiscal year 1997 had both of the following:

(a) A percentage of children residing in the district and participating in the predecessor of Ohio works first greater than thirty per cent, as reported pursuant to section 3317.10 of the Revised Code;

(b) An average daily membership greater than twelve thousand, as reported pursuant to former division (A) of section 3317.03 of the Revised Code.

(5) "New start-up school" means a community school other than one created by converting all or part of an existing public school, as designated in the school's contract pursuant to division (A)(17) of section 3314.03 of the Revised Code.

(6) "Urban school district" means one of the state's twenty-one urban school districts as defined in division (O) of section 3317.02 of the Revised Code as that section existed prior to July 1, 1998.

(7) "Internet- or computer-based community school" means a community school established under this chapter in which the enrolled students work primarily from their residences on assignments in nonclassroom-based learning opportunities provided via an internet- or other

computer-based instructional method that does not rely on regular classroom instruction or via comprehensive instructional methods that include internet-based, other computer-based, and noncomputer-based learning opportunities.

(B) Any person or group of individuals may initially propose under this division the conversion of all or a portion of a public school to a community school. The proposal shall be made to the board of education of the city, local, or exempted village school district in which the public school is proposed to be converted. Upon receipt of a proposal, a board may enter into a preliminary agreement with the person or group proposing the conversion of the public school, indicating the intention of the board of education to support the conversion to a community school. A proposing person or group that has a preliminary agreement under this division may proceed to finalize plans for the school, establish a governing authority for the school, and negotiate a contract with the board of education. Provided the proposing person or group adheres to the preliminary agreement and all provisions of this chapter, the board of education shall negotiate in good faith to enter into a contract in accordance with section 3314.03 of the Revised Code and division (C) of this section.

(C)(1) Any person or group of individuals may propose under this division the establishment of a new start-up school to be located in a challenged school district. The proposal may be made to any of the following entities:

(a) The board of education of the district in which the school is proposed to be located;

(b) The board of education of any joint vocational school district with territory in the county in which is located the majority of the territory of the district in which the school is proposed to be located;

(c) The board of education of any other city, local, or exempted village school district having territory in the same county where the district in which the school is proposed to be located has the major portion of its territory;

(d) The governing board of any educational service center;

(e) A sponsoring authority designated by the board of trustees of any of the thirteen state universities listed in section 3345.011 of the Revised Code or the board of trustees itself as long as a mission of the proposed school to be specified in the contract under division (A)(2) of section 3314.03 of the Revised Code and as approved by the department of education under division (B)(2) of section 3314.015 of the Revised Code will be the practical demonstration of teaching methods, educational technology, or other

teaching practices that are included in the curriculum of the university's teacher preparation program approved by the state board of education;

(f) Any qualified tax-exempt entity under section 501(c)(3) of the Internal Revenue Code as long as all of the following conditions are satisfied:

(i) The entity has been in operation for at least five years prior to applying to be a community school sponsor.

(ii) The entity has assets of at least five hundred thousand dollars and a demonstrated record of financial responsibility.

(iii) The department of education has determined that the entity is an education-oriented entity under division (B)(3) of section 3314.015 of the Revised Code and the entity has a demonstrated record of successful implementation of educational programs.

(iv) The entity is not a community school.

Any entity described in division (C)(1) of this section may enter into a preliminary agreement pursuant to division (C)(2) of this section with the proposing person or group.

(2) A preliminary agreement indicates the intention of an entity described in division (C)(1) of this section to sponsor the community school. A proposing person or group that has such a preliminary agreement may proceed to finalize plans for the school, establish a governing authority as described in division (E) of this section for the school, and negotiate a contract with the entity. Provided the proposing person or group adheres to the preliminary agreement and all provisions of this chapter, the entity shall negotiate in good faith to enter into a contract in accordance with section 3314.03 of the Revised Code.

(3) A new start-up school that is established in a school district while that district is either in a state of academic emergency or in a state of academic watch under section 3302.03 of the Revised Code may continue in existence once the school district is no longer in a state of academic emergency or academic watch, provided there is a valid contract between the school and a sponsor.

(4) A copy of every preliminary agreement entered into under this division shall be filed with the superintendent of public instruction.

(D) A majority vote of the board of a sponsoring entity and a majority vote of the members of the governing authority of a community school shall be required to adopt a contract and convert the public school to a community school or establish the new start-up school. Beginning on the effective date of this amendment September 29, 2005, adoption of the contract shall occur not later than the fifteenth day of March, and signing of the contract shall

occur not later than the fifteenth day of May, prior to the school year in which the school will open. The governing authority shall notify the department of education when the contract has been signed. Subject to sections 3314.013 and 3314.014 of the Revised Code, an unlimited number of community schools may be established in any school district provided that a contract is entered into for each community school pursuant to this chapter.

(E) As used in this division, "immediate relatives" are limited to spouses, children, parents, grandparents, siblings, and in-laws.

Each new start-up community school established under this chapter shall be under the direction of a governing authority which shall consist of a board of not less than five individuals who are not owners or employees, or immediate relatives of owners or employees, of any for-profit firm that operates or manages a school for the governing authority.

No person shall serve on the governing authority or operate the community school under contract with the governing authority so long as the person owes the state any money or is in a dispute over whether the person owes the state any money concerning the operation of a community school that has closed.

(F) Nothing in this chapter shall be construed to permit the establishment of a community school in more than one school district under the same contract.

(G)(1) A new start-up school that is established prior to August 15, 2003, in an urban school district that is not also a big-eight school district may continue to operate after that date and the contract between the school's governing authority and the school's sponsor may be renewed, as provided under this chapter, after that date, but no additional new start-up schools may be established in such a district unless the district is a challenged school district as defined in this section as it exists on and after that date.

(2) A community school that was established prior to June 29, 1999, and is located in a county contiguous to the pilot project area and in a school district that is not a challenged school district may continue to operate after that date, provided the school complies with all provisions of this chapter. The contract between the school's governing authority and the school's sponsor may be renewed, but no additional start-up community school may be established in that district unless the district is a challenged school district.

Sec. 3314.03. A copy of every contract entered into under this section shall be filed with the superintendent of public instruction.

(A) Each contract entered into between a sponsor and the governing

authority of a community school shall specify the following:

- (1) That the school shall be established as either of the following:
 - (a) A nonprofit corporation established under Chapter 1702. of the Revised Code, if established prior to April 8, 2003;
 - (b) A public benefit corporation established under Chapter 1702. of the Revised Code, if established after April 8, 2003;
- (2) The education program of the school, including the school's mission, the characteristics of the students the school is expected to attract, the ages and grades of students, and the focus of the curriculum;
- (3) The academic goals to be achieved and the method of measurement that will be used to determine progress toward those goals, which shall include the statewide achievement tests;
- (4) Performance standards by which the success of the school will be evaluated by the sponsor. If the sponsor will evaluate the school in accordance with division (D) of section 3314.36 of the Revised Code, the contract shall specify the number of school years that the school will be evaluated under that division.
- (5) The admission standards of section 3314.06 of the Revised Code and, if applicable, section 3314.061 of the Revised Code;
- (6)
 - (a) Dismissal procedures;
 - (b) A requirement that the governing authority adopt an attendance policy that includes a procedure for automatically withdrawing a student from the school if the student without a legitimate excuse fails to participate in one hundred five consecutive hours of the learning opportunities offered to the student.
- (7) The ways by which the school will achieve racial and ethnic balance reflective of the community it serves;
- (8) Requirements for financial audits by the auditor of state. The contract shall require financial records of the school to be maintained in the same manner as are financial records of school districts, pursuant to rules of the auditor of state, and the audits shall be conducted in accordance with section 117.10 of the Revised Code.
- (9) The facilities to be used and their locations;
- (10) Qualifications of teachers, including a requirement that the school's classroom teachers be licensed in accordance with sections 3319.22 to 3319.31 of the Revised Code, except that a community school may engage noncertificated persons to teach up to twelve hours per week pursuant to section 3319.301 of the Revised Code;
- (11) That the school will comply with the following requirements:
 - (a) The school will provide learning opportunities to a minimum of

twenty-five students for a minimum of nine hundred twenty hours per school year;

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

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

(d) The school will comply with sections 9.90, 9.91, 109.65, 121.22, 149.43, 2151.358, 2151.421, 2313.18, 3301.0710, 3301.0711, 3301.0712, 3301.0715, 3313.50, 3313.608, 3313.6012, 3313.643, 3313.648, 3313.66, 3313.661, 3313.662, 3313.67, 3313.671, 3313.672, 3313.673, 3313.69, 3313.71, 3313.716, 3313.80, 3313.96, 3319.073, 3319.321, 3319.39, 3321.01, 3321.13, 3321.14, 3321.17, 3321.18, 3321.19, 3321.191, 3327.10, 4111.17, 4113.52, and 5705.391 and Chapters 117., 1347., 2744., 3365., 3742., 4112., 4123., 4141., and 4167. of the Revised Code as if it were a school district and will comply with section 3301.0714 of the Revised Code in the manner specified in section 3314.17 of the Revised Code;

(e) ~~The school shall comply with Chapter 102. of the Revised Code except that nothing in that chapter shall prohibit a member of the school's governing board from also being an employee of the school and nothing in that chapter or and section 2921.42 of the Revised Code shall prohibit a member of the school's governing board from having an interest in a contract into which the governing board enters that is not a contract with a for-profit firm for the operation or management of a school under the auspices of the governing authority;~~

(f) The school will comply with sections 3313.61, 3313.611, and 3313.614 of the Revised Code, except that the requirement in sections 3313.61 and 3313.611 of the Revised Code that a person must successfully complete the curriculum in any high school prior to receiving a high school diploma may be met by completing the curriculum adopted by the governing authority of the community school rather than the curriculum specified in Title XXXIII of the Revised Code or any rules of the state board of education;

(g) The school governing authority will submit within four months after the end of each school year a report of its activities and progress in meeting the goals and standards of divisions (A)(3) and (4) of this section and its financial status to the sponsor, the parents of all students enrolled in the school, and the legislative office of education oversight. The school will collect and provide any data that the legislative office of education oversight requests in furtherance of any study or research that the general assembly

requires the office to conduct, including the studies required under Section 50.39 of Am. Sub. H.B. 215 of the 122nd general assembly and Section 50.52.2 of Am. Sub. H.B. 215 of the 122nd general assembly, as amended.

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

(13) The length of the contract, which shall begin at the beginning of an academic year. No contract shall exceed five years unless such contract has been renewed pursuant to division (E) of this section.

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

(15) A financial plan detailing an estimated school budget for each year of the period of the contract and specifying the total estimated per pupil expenditure amount for each such year. The plan shall specify for each year the base formula amount that will be used for purposes of funding calculations under section 3314.08 of the Revised Code. This base formula amount for any year shall not exceed the formula amount defined under section 3317.02 of the Revised Code. The plan may also specify for any year a percentage figure to be used for reducing the per pupil amount of the subsidy calculated pursuant to section 3317.029 of the Revised Code the school is to receive that year under section 3314.08 of the Revised Code.

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

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

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

(19) A provision requiring the governing authority to adopt a policy regarding the admission of students who reside outside the district in which the school is located. That policy shall comply with the admissions procedures specified in sections 3314.06 and 3314.061 of the Revised Code and, at the sole discretion of the authority, shall do one of the following:

(a) Prohibit the enrollment of students who reside outside the district in which the school is located;

(b) Permit the enrollment of students who reside in districts adjacent to the district in which the school is located;

(c) Permit the enrollment of students who reside in any other district in the state.

(20) A provision recognizing the authority of the department of education to take over the sponsorship of the school in accordance with the provisions of division (C) of section 3314.015 of the Revised Code;

(21) A provision recognizing the sponsor's authority to assume the operation of a school under the conditions specified in division (B) of section 3314.073 of the Revised Code;

(22) A provision recognizing both of the following:

(a) The authority of public health and safety officials to inspect the facilities of the school and to order the facilities closed if those officials find that the facilities are not in compliance with health and safety laws and regulations;

(b) The authority of the department of education as the community school oversight body to suspend the operation of the school under section 3314.072 of the Revised Code if the department has evidence of conditions or violations of law at the school that pose an imminent danger to the health and safety of the school's students and employees and the sponsor refuses to take such action;

(23) A description of the learning opportunities that will be offered to students including both classroom-based and non-classroom-based learning opportunities that is in compliance with criteria for student participation established by the department under division (L)(2) of section 3314.08 of the Revised Code;

(24) The school will comply with section 3302.04 of the Revised Code, including division (E) of that section to the extent possible, except that any action required to be taken by a school district pursuant to that section shall be taken by the sponsor of the school. However, the sponsor shall not be required to take any action described in division (F) of that section.

(25) Beginning in the 2006-2007 school year, the school will open for operation not later than the thirtieth day of September each school year, unless the mission of the school as specified under division (A)(2) of this section is solely to serve dropouts. In its initial year of operation, if the school fails to open by the thirtieth day of September, or within one year after the adoption of the contract pursuant to division (D) of section 3314.02 of the Revised Code if the mission of the school is solely to serve dropouts, the contract shall be void.

(B) The community school shall also submit to the sponsor a

comprehensive plan for the school. The plan shall specify the following:

(1) The process by which the governing authority of the school will be selected in the future;

(2) The management and administration of the school;

(3) If the community school is a currently existing public school, alternative arrangements for current public school students who choose not to attend the school and teachers who choose not to teach in the school after conversion;

(4) The instructional program and educational philosophy of the school;

(5) Internal financial controls.

(C) A contract entered into under section 3314.02 of the Revised Code between a sponsor and the governing authority of a community school may provide for the community school governing authority to make payments to the sponsor, which is hereby authorized to receive such payments as set forth in the contract between the governing authority and the sponsor. The total amount of such payments for oversight and monitoring of the school shall not exceed three per cent of the total amount of payments for operating expenses that the school receives from the state.

(D) The contract shall specify the duties of the sponsor which shall be in accordance with the written agreement entered into with the department of education under division (B) of section 3314.015 of the Revised Code and shall include the following:

(1) Monitor the community school's compliance with all laws applicable to the school and with the terms of the contract;

(2) Monitor and evaluate the academic and fiscal performance and the organization and operation of the community school on at least an annual basis;

(3) Report on an annual basis the results of the evaluation conducted under division (D)(2) of this section to the department of education and to the parents of students enrolled in the community school;

(4) Provide technical assistance to the community school in complying with laws applicable to the school and terms of the contract;

(5) Take steps to intervene in the school's operation to correct problems in the school's overall performance, declare the school to be on probationary status pursuant to section 3314.073 of the Revised Code, suspend the operation of the school pursuant to section 3314.072 of the Revised Code, or terminate the contract of the school pursuant to section 3314.07 of the Revised Code as determined necessary by the sponsor;

(6) Have in place a plan of action to be undertaken in the event the community school experiences financial difficulties or closes prior to the

end of a school year.

(E) Upon the expiration of a contract entered into under this section, the sponsor of a community school may, with the approval of the governing authority of the school, renew that contract for a period of time determined by the sponsor, but not ending earlier than the end of any school year, if the sponsor finds that the school's compliance with applicable laws and terms of the contract and the school's progress in meeting the academic goals prescribed in the contract have been satisfactory. Any contract that is renewed under this division remains subject to the provisions of sections 3314.07, 3314.072, and 3314.073 of the Revised Code.

(F) If a community school fails to open for operation within one year after the contract entered into under this section is adopted pursuant to division (D) of section 3314.02 of the Revised Code or permanently closes prior to the expiration of the contract, the contract shall be void and the school shall not enter into a contract with any other sponsor. A school shall not be considered permanently closed because the operations of the school have been suspended pursuant to section 3314.072 of the Revised Code. Any contract that becomes void under this division shall not count toward any statewide limit on the number of such contracts prescribed by section 3314.013 of the Revised Code.

Sec. 3314.08. (A) As used in this section:

(1) "Base formula amount" means the amount specified as such in a community school's financial plan for a school year pursuant to division (A)(15) of section 3314.03 of the Revised Code.

(2) "Cost-of-doing-business factor" has the same meaning as in section 3317.02 of the Revised Code.

(3) "IEP" means an individualized education program as defined in section 3323.01 of the Revised Code.

(4) "Applicable special education weight" means the multiple specified in section 3317.013 of the Revised Code for a handicap described in that section.

(5) "Applicable vocational education weight" means:

(a) For a student enrolled in vocational education programs or classes described in division (A) of section 3317.014 of the Revised Code, the multiple specified in that division;

(b) For a student enrolled in vocational education programs or classes described in division (B) of section 3317.014 of the Revised Code, the multiple specified in that division.

(6) "Entitled to attend school" means entitled to attend school in a district under section 3313.64 or 3313.65 of the Revised Code.

(7) A community school student is "included in the poverty student count" of a school district if the student is entitled to attend school in the district and the student's family receives assistance under the Ohio works first program.

(8) "Poverty-based assistance reduction factor" means the percentage figure, if any, for reducing the per pupil amount of poverty-based assistance a community school is entitled to receive pursuant to divisions (D)(5) and (6) of this section in any year, as specified in the school's financial plan for the year pursuant to division (A)(15) of section 3314.03 of the Revised Code.

(9) "All-day kindergarten" has the same meaning as in section 3317.029 of the Revised Code.

(10) "SF-3 payment" means the sum of the payments to a school district in a fiscal year under divisions (A), (C)(1), (C)(4), (D), (E), and (F) of section 3317.022, divisions ~~(J)~~(G), ~~(P)~~(L), and ~~(R)~~(N) of section 3317.024, and sections 3317.029, 3317.0216, 3317.0217, 3317.04, 3317.05, 3317.052, and 3317.053 of the Revised Code after making the adjustments required by sections 3313.981 and 3313.979, divisions (B), (C), (D), (E), (K), (L), (M), (N), and (O) of section 3317.023, and division (C) of section 3317.20 of the Revised Code.

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

(1) The board of education of each city, exempted village, and local school district to annually report the number of students entitled to attend school in the district who are enrolled in grades one through twelve in a community school established under this chapter, the number of students entitled to attend school in the district who are enrolled in kindergarten in a community school, the number of those kindergartners who are enrolled in all-day kindergarten in their community school, and for each child, the community school in which the child is enrolled.

(2) The governing authority of each community school established under this chapter to annually report all of the following:

(a) The number of students enrolled in grades one through twelve and the number of students enrolled in kindergarten in the school who are not receiving special education and related services pursuant to an IEP;

(b) The number of enrolled students in grades one through twelve and the number of enrolled students in kindergarten, who are receiving special education and related services pursuant to an IEP;

(c) The number of students reported under division (B)(2)(b) of this section receiving special education and related services pursuant to an IEP

for a handicap described in each of divisions (A) to (F) of section 3317.013 of the Revised Code;

(d) The full-time equivalent number of students reported under divisions (B)(2)(a) and (b) of this section who are enrolled in vocational education programs or classes described in each of divisions (A) and (B) of section 3317.014 of the Revised Code that are provided by the community school;

(e) Twenty per cent of the number of students reported under divisions (B)(2)(a) and (b) of this section who are not reported under division (B)(2)(d) of this section but who are enrolled in vocational education programs or classes described in each of divisions (A) and (B) of section 3317.014 of the Revised Code at a joint vocational school district under a contract between the community school and the joint vocational school district and are entitled to attend school in a city, local, or exempted village school district whose territory is part of the territory of the joint vocational district;

(f) The number of enrolled preschool handicapped students receiving special education services in a state-funded unit;

(g) The community school's base formula amount;

(h) For each student, the city, exempted village, or local school district in which the student is entitled to attend school;

(i) Any poverty-based assistance reduction factor that applies to a school year.

(C) From the SF-3 payment made to a city, exempted village, or local school district and, if necessary, from the payment made to the district under sections 321.24 and 323.156 of the Revised Code, the department of education shall annually subtract the sum of the amounts described in divisions (C)(1) to (9) of this section. However, when deducting payments on behalf of students enrolled in internet- or computer-based community schools, the department shall deduct only those amounts described in divisions (C)(1) and (2) of this section. Furthermore, the aggregate amount deducted under this division shall not exceed the sum of the district's SF-3 payment and its payment under sections 321.24 and 323.156 of the Revised Code.

(1) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the number of the district's students reported under divisions (B)(2)(a), (b), and (e) of this section who are enrolled in grades one through twelve, and one-half the number of students reported under those divisions who are enrolled in kindergarten, in that community school is multiplied by the greater of the following:

(a) The fiscal year 2005 base formula amount of that community school as adjusted by the school district's fiscal year 2005 cost-of-doing-business factor;

(b) The sum of (the current base formula amount of that community school times the school district's current cost-of-doing-business factor) plus the per pupil amount of the base funding supplements specified in divisions (C)(1) to (4) of section 3317.012 of the Revised Code.

(2) The sum of the amounts calculated under divisions (C)(2)(a) and (b) of this section:

(a) For each of the district's students reported under division (B)(2)(c) of this section as enrolled in a community school in grades one through twelve and receiving special education and related services pursuant to an IEP for a handicap described in section 3317.013 of the Revised Code, the product of the applicable special education weight times the community school's base formula amount;

(b) For each of the district's students reported under division (B)(2)(c) of this section as enrolled in kindergarten in a community school and receiving special education and related services pursuant to an IEP for a handicap described in section 3317.013 of the Revised Code, one-half of the amount calculated as prescribed in division (C)(2)(a) of this section.

(3) For each of the district's students reported under division (B)(2)(d) of this section for whom payment is made under division (D)(4) of this section, the amount of that payment;

(4) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the number of the district's students enrolled in that community school who are included in the district's poverty student count is multiplied by the per pupil amount of poverty-based assistance the school district receives that year pursuant to division (B) or (C) of section 3317.029 of the Revised Code, as adjusted by any poverty-based assistance reduction factor of that community school. If the district receives poverty-based assistance under division (B) of that section, the per pupil amount of that aid is the quotient of the amount the district received under that division divided by the district's poverty student count, as defined in that section. If the district receives poverty-based assistance under division (C) of section 3317.029 of the Revised Code, the per pupil amount of that aid for the district shall be calculated by the department.

(5) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the district's per pupil amount of aid received under division (E) of section 3317.029 of the

Revised Code, as adjusted by any poverty-based assistance reduction factor of the community school, is multiplied by the sum of the following:

(a) The number of the district's students reported under division (B)(2)(a) of this section who are enrolled in grades one to three in that community school and who are not receiving special education and related services pursuant to an IEP;

(b) One-half of the district's students who are enrolled in all-day or any other kindergarten class in that community school and who are not receiving special education and related services pursuant to an IEP;

(c) One-half of the district's students who are enrolled in all-day kindergarten in that community school and who are not receiving special education and related services pursuant to an IEP.

The district's per pupil amount of aid under division (E) of section 3317.029 of the Revised Code is the quotient of the amount the district received under that division divided by the district's kindergarten through third grade ADM, as defined in that section.

(6) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the district's per pupil amount received under division (F) of section 3317.029 of the Revised Code, as adjusted by any poverty-based assistance reduction factor of that community school, is multiplied by the number of the district's students enrolled in the community school who are identified as limited-English proficient.

(7) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the district's per pupil amount received under division (G) of section 3317.029 of the Revised Code, as adjusted by any poverty-based assistance reduction factor of that community school, is multiplied by the sum of the following:

(a) The number of the district's students enrolled in grades one through twelve in that community school;

(b) One-half of the number of the district's students enrolled in kindergarten in that community school.

The district's per pupil amount under division (G) of section 3317.029 of the Revised Code is the district's amount per teacher calculated under division (G)(1) or (2) of that section divided by 17, times a multiple of 0.40 in fiscal year 2006 and 0.70 in fiscal year 2007.

(8) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the district's per pupil amount received under divisions (H) and (I) of section 3317.029 of the Revised Code, as adjusted by any poverty-based assistance reduction factor

of that community school, is multiplied by the sum of the following:

(a) The number of the district's students enrolled in grades one through twelve in that community school;

(b) One-half of the number of the district's students enrolled in kindergarten in that community school.

The district's per pupil amount under divisions (H) and (I) of section 3317.029 of the Revised Code is the amount calculated under each division divided by the district's formula ADM, as defined in section 3317.02 of the Revised Code.

(9) An amount equal to the per pupil state parity aid funding calculated for the school district under either division (C) or (D) of section 3317.0217 of the Revised Code multiplied by the sum of the number of students in grades one through twelve, and one-half of the number of students in kindergarten, who are entitled to attend school in the district and are enrolled in a community school as reported under division (B)(1) of this section.

(D) The department shall annually pay to a community school established under this chapter the sum of the amounts described in divisions (D)(1) to (10) of this section. However, the department shall calculate and pay to each internet- or computer-based community school only the amounts described in divisions (D)(1) to (3) of this section. Furthermore, the sum of the payments to all community schools under divisions (D)(1), (2), and (4) to (10) of this section for the students entitled to attend school in any particular school district shall not exceed the sum of that district's SF-3 payment and its payment under sections 321.24 and 323.156 of the Revised Code. If the sum of the payments calculated under those divisions for the students entitled to attend school in a particular school district exceeds the sum of that district's SF-3 payment and its payment under sections 321.24 and 323.156 of the Revised Code, the department shall calculate and apply a proration factor to the payments to all community schools under those divisions for the students entitled to attend school in that district.

(1) Subject to section 3314.085 of the Revised Code, an amount equal to the sum of the amounts obtained when the number of students enrolled in grades one through twelve, plus one-half of the kindergarten students in the school, reported under divisions (B)(2)(a), (b), and (e) of this section who are not receiving special education and related services pursuant to an IEP for a handicap described in section 3317.013 of the Revised Code is multiplied by the greater of the following:

(a) The community school's fiscal year 2005 base formula amount, as adjusted by the fiscal year 2005 cost-of-doing-business factor of the school

district in which the student is entitled to attend school;

(b) The sum of (the community school's current base formula amount times the current cost-of-doing-business factor of the school district in which the student is entitled to attend school) plus the per pupil amount of the base funding supplements specified in divisions (C)(1) to (4) of section 3317.012 of the Revised Code.

(2) Prior to fiscal year 2007, the greater of the amount calculated under division (D)(2)(a) or (b) of this section, and in fiscal year 2007 and thereafter, the amount calculated under division (D)(2)(b) of this section:

(a) The aggregate amount that the department paid to the community school in fiscal year 1999 for students receiving special education and related services pursuant to IEPs, excluding federal funds and state disadvantaged pupil impact aid funds;

(b) The sum of the amounts calculated under divisions (D)(2)(b)(i) and (ii) of this section:

(i) For each student reported under division (B)(2)(c) of this section as enrolled in the school in grades one through twelve and receiving special education and related services pursuant to an IEP for a handicap described in section 3317.013 of the Revised Code, the following amount:

the greater of (the community school's fiscal year 2005
base formula amount X the fiscal year 2005
cost-of-doing-business factor of the district
where the student is entitled to attend school)
or [(the school's current base formula amount times
the current cost-of-doing-business factor of the school district
where the student is entitled to attend school) plus
the per pupil amount of the base funding supplements specified in
divisions (C)(1) to (4) of section 3317.012 of the Revised Code]
+ (the applicable special education weight X the
community school's base formula amount);

(ii) For each student reported under division (B)(2)(c) of this section as enrolled in kindergarten and receiving special education and related services pursuant to an IEP for a handicap described in section 3317.013 of the Revised Code, one-half of the amount calculated under the formula prescribed in division (D)(2)(b)(i) of this section.

(3) An amount received from federal funds to provide special education and related services to students in the community school, as determined by the superintendent of public instruction.

(4) For each student reported under division (B)(2)(d) of this section as enrolled in vocational education programs or classes that are described in

section 3317.014 of the Revised Code, are provided by the community school, and are comparable as determined by the superintendent of public instruction to school district vocational education programs and classes eligible for state weighted funding under section 3317.014 of the Revised Code, an amount equal to the applicable vocational education weight times the community school's base formula amount times the percentage of time the student spends in the vocational education programs or classes.

(5) An amount equal to the sum of the amounts obtained when, for each school district where the community school's students are entitled to attend school, the number of that district's students enrolled in the community school who are included in the district's poverty student count is multiplied by the per pupil amount of poverty-based assistance that school district receives that year pursuant to division (B) or (C) of section 3317.029 of the Revised Code, as adjusted by any poverty-based assistance reduction factor of the community school. The per pupil amount of aid shall be determined as described in division (C)(4) of this section.

(6) An amount equal to the sum of the amounts obtained when, for each school district where the community school's students are entitled to attend school, the district's per pupil amount of aid received under division (E) of section 3317.029 of the Revised Code, as adjusted by any poverty-based assistance reduction factor of the community school, is multiplied by the sum of the following:

(a) The number of the district's students reported under division (B)(2)(a) of this section who are enrolled in grades one to three in that community school and who are not receiving special education and related services pursuant to an IEP;

(b) One-half of the district's students who are enrolled in all-day or any other kindergarten class in that community school and who are not receiving special education and related services pursuant to an IEP;

(c) One-half of the district's students who are enrolled in all-day kindergarten in that community school and who are not receiving special education and related services pursuant to an IEP.

The district's per pupil amount of aid under division (E) of section 3317.029 of the Revised Code shall be determined as described in division (C)(5) of this section.

(7) An amount equal to the sum of the amounts obtained when, for each school district where the community school's students are entitled to attend school, the number of that district's students enrolled in the community school who are identified as limited-English proficient is multiplied by the district's per pupil amount received under division (F) of section 3317.029

of the Revised Code, as adjusted by any poverty-based assistance reduction factor of the community school.

(8) An amount equal to the sum of the amounts obtained when, for each school district where the community school's students are entitled to attend school, the district's per pupil amount received under division (G) of section 3317.029 of the Revised Code, as adjusted by any poverty-based assistance reduction factor of the community school, is multiplied by the sum of the following:

(a) The number of the district's students enrolled in grades one through twelve in that community school;

(b) One-half of the number of the district's students enrolled in kindergarten in that community school.

The district's per pupil amount under division (G) of section 3317.029 of the Revised Code shall be determined as described in division (C)(7) of this section.

(9) An amount equal to the sum of the amounts obtained when, for each school district where the community school's students are entitled to attend school, the district's per pupil amount received under divisions (H) and (I) of section 3317.029 of the Revised Code, as adjusted by any poverty-based assistance reduction factor of the community school, is multiplied by the sum of the following:

(a) The number of the district's students enrolled in grades one through twelve in that community school;

(b) One-half of the number of the district's students enrolled in kindergarten in that community school.

The district's per pupil amount under divisions (H) and (I) of section 3317.029 of the Revised Code shall be determined as described in division (C)(8) of this section.

(10) An amount equal to the sum of the amounts obtained when, for each school district where the community school's students are entitled to attend school, the district's per pupil amount of state parity aid funding calculated under either division (C) or (D) of section 3317.0217 of the Revised Code is multiplied by the sum of the number of that district's students enrolled in grades one through twelve, and one-half of the number of that district's students enrolled in kindergarten, in the community school as reported under division (B)(2)(a) and (b) of this section.

(E)(1) If a community school's costs for a fiscal year for a student receiving special education and related services pursuant to an IEP for a handicap described in divisions (B) to (F) of section 3317.013 of the Revised Code exceed the threshold catastrophic cost for serving the student

as specified in division (C)(3)(b) of section 3317.022 of the Revised Code, the school may submit to the superintendent of public instruction documentation, as prescribed by the superintendent, of all its costs for that student. Upon submission of documentation for a student of the type and in the manner prescribed, the department shall pay to the community school an amount equal to the school's costs for the student in excess of the threshold catastrophic costs.

(2) The community school shall only report under division (E)(1) of this section, and the department shall only pay for, the costs of educational expenses and the related services provided to the student in accordance with the student's individualized education program. Any legal fees, court costs, or other costs associated with any cause of action relating to the student may not be included in the amount.

(F) A community school may apply to the department of education for preschool handicapped or gifted unit funding the school would receive if it were a school district. Upon request of its governing authority, a community school that received unit funding as a school district-operated school before it became a community school shall retain any units awarded to it as a school district-operated school provided the school continues to meet eligibility standards for the unit.

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

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

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

(I) No community school shall charge tuition for the enrollment of any student.

(J)(1)(a) A community school may borrow money to pay any necessary and actual expenses of the school in anticipation of the receipt of any portion of the payments to be received by the school pursuant to division (D) of this section. The school may issue notes to evidence such borrowing. The proceeds of the notes shall be used only for the purposes for which the anticipated receipts may be lawfully expended by the school.

(b) A school may also borrow money for a term not to exceed fifteen years for the purpose of acquiring facilities.

(2) Except for any amount guaranteed under section 3318.50 of the Revised Code, the state is not liable for debt incurred by the governing authority of a community school.

(K) For purposes of determining the number of students for which divisions (D)(5) and (6) of this section applies in any school year, a community school may submit to the department of job and family services, no later than the first day of March, a list of the students enrolled in the school. For each student on the list, the community school shall indicate the student's name, address, and date of birth and the school district where the student is entitled to attend school. Upon receipt of a list under this division, the department of job and family services shall determine, for each school district where one or more students on the list is entitled to attend school, the number of students residing in that school district who were included in the department's report under section 3317.10 of the Revised Code. The department shall make this determination on the basis of information readily available to it. Upon making this determination and no later than ninety days after submission of the list by the community school, the department shall report to the state department of education the number of students on the list who reside in each school district who were included in the department's report under section 3317.10 of the Revised Code. In complying with this division, the department of job and family services shall not report to the state department of education any personally identifiable information on any student.

(L) The department of education shall adjust the amounts subtracted and paid under divisions (C) and (D) of this section to reflect any enrollment of students in community schools for less than the equivalent of a full school year. The state board of education within ninety days after April 8, 2003, shall adopt in accordance with Chapter 119. of the Revised Code rules governing the payments to community schools under this section including initial payments in a school year and adjustments and reductions made in subsequent periodic payments to community schools and corresponding deductions from school district accounts as provided under divisions (C) and (D) of this section. For purposes of this section:

(1) A student shall be considered enrolled in the community school for any portion of the school year the student is participating at a college under Chapter 3365. of the Revised Code.

(2) A student shall be considered to be enrolled in a community school during a school year for the period of time beginning on the later of the date

on which the school both has received documentation of the student's enrollment from a parent and the student has commenced participation in learning opportunities as defined in the contract with the sponsor, or thirty days prior to the date on which the student is entered into the education management information system established under section 3301.0714 of the Revised Code. For purposes of applying this division to a community school student, "learning opportunities" shall be defined in the contract, which shall describe both classroom-based and non-classroom-based learning opportunities and shall be in compliance with criteria and documentation requirements for student participation which shall be established by the department. Any student's instruction time in non-classroom-based learning opportunities shall be certified by an employee of the community school. A student's enrollment shall be considered to cease on the date on which any of the following occur:

(a) The community school receives documentation from a parent terminating enrollment of the student.

(b) The community school is provided documentation of a student's enrollment in another public or private school.

(c) The community school ceases to offer learning opportunities to the student pursuant to the terms of the contract with the sponsor or the operation of any provision of this chapter.

(3) A student's percentage of full-time equivalency shall be considered to be the percentage the hours of learning opportunity offered to that student is of nine hundred and twenty hours. However, no internet- or computer-based community school shall be credited for any time a student spends participating in learning opportunities beyond ten hours within any period of twenty-four consecutive hours.

(M) The department of education shall reduce the amounts paid under division (D) of this section to reflect payments made to colleges under division (B) of section 3365.07 of the Revised Code.

(N)(1) No student shall be considered enrolled in any internet- or computer-based community school or, if applicable to the student, in any community school that is required to provide the student with a computer pursuant to division (C) of section 3314.22 of the Revised Code, unless both of the following conditions are satisfied:

(a) The student possesses or has been provided with all required hardware and software materials and all such materials are operational so that the student is capable of fully participating in the learning opportunities specified in the contract between the school and the school's sponsor as required by division (A)(23) of section 3314.03 of the Revised Code;

(b) The school is in compliance with division (A)(1) or (2) of section 3314.22 of the Revised Code, relative to such student.

(2) In accordance with policies adopted jointly by the superintendent of public instruction and the auditor of state, the department shall reduce the amounts otherwise payable under division (D) of this section to any community school that includes in its program the provision of computer hardware and software materials to any student, if such hardware and software materials have not been delivered, installed, and activated for each such student in a timely manner or other educational materials or services have not been provided according to the contract between the individual community school and its sponsor.

The superintendent of public instruction and the auditor of state shall jointly establish a method for auditing any community school to which this division pertains to ensure compliance with this section.

The superintendent, auditor of state, and the governor shall jointly make recommendations to the general assembly for legislative changes that may be required to assure fiscal and academic accountability for such schools.

(O)(1) If the department determines that a review of a community school's enrollment is necessary, such review shall be completed and written notice of the findings shall be provided to the governing authority of the community school and its sponsor within ninety days of the end of the community school's fiscal year, unless extended for a period not to exceed thirty additional days for one of the following reasons:

(a) The department and the community school mutually agree to the extension.

(b) Delays in data submission caused by either a community school or its sponsor.

(2) If the review results in a finding that additional funding is owed to the school, such payment shall be made within thirty days of the written notice. If the review results in a finding that the community school owes moneys to the state, the following procedure shall apply:

(a) Within ten business days of the receipt of the notice of findings, the community school may appeal the department's determination to the state board of education or its designee.

(b) The board or its designee shall conduct an informal hearing on the matter within thirty days of receipt of such an appeal and shall issue a decision within fifteen days of the conclusion of the hearing.

(c) If the board has enlisted a designee to conduct the hearing, the designee shall certify its decision to the board. The board may accept the decision of the designee or may reject the decision of the designee and issue

its own decision on the matter.

(d) Any decision made by the board under this division is final.

(3) If it is decided that the community school owes moneys to the state, the department shall deduct such amount from the school's future payments in accordance with guidelines issued by the superintendent of public instruction.

(P) The department shall not subtract from a school district's state aid account under division (C) of this section and shall not pay to a community school under division (D) of this section any amount for any of the following:

(1) Any student who has graduated from the twelfth grade of a public or nonpublic high school;

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

(3) Any student who was enrolled in the community school during the previous school year when tests were administered under section 3301.0711 of the Revised Code but did not take one or more of the tests required by that section and was not excused pursuant to division (C)(1) or (3) of that section, unless the superintendent of public instruction grants the student a waiver from the requirement to take the test and a parent is not paying tuition for the student pursuant to section 3314.26 of the Revised Code. The superintendent may grant a waiver only for good cause in accordance with rules adopted by the state board of education.

(4) Any student who has attained the age of twenty-two years, except for veterans of the armed services whose attendance was interrupted before completing the recognized twelve-year course of the public schools by reason of induction or enlistment in the armed forces and who apply for enrollment in a community school not later than four years after termination of war or their honorable discharge. If, however, any such veteran elects to enroll in special courses organized for veterans for whom tuition is paid under federal law, or otherwise, the department shall not subtract from a school district's state aid account under division (C) of this section and shall not pay to a community school under division (D) of this section any amount for that veteran.

Sec. 3314.18. (A) Subject to division (C) of this section, the governing board of each community school shall establish a breakfast program pursuant to the "National School Lunch Act," 60 Stat. 230 (1946), 42 U.S.C. 1751, as amended, and the "Child Nutrition Act of 1966," 80 Stat. 885, 42 U.S.C. 1771, as amended, if at least one-fifth of the pupils in the school are eligible under federal requirements for free breakfasts, and shall establish a lunch program pursuant to those acts if at least one-fifth of the pupils are

eligible for free lunches. The governing board required to establish a breakfast program under this division may make a charge in accordance with federal requirements for each reduced price breakfast or paid breakfast to cover the cost incurred in providing that meal.

(B) Subject to division (C) of this section, the governing board of each community school shall establish one of the following for summer intervention services described in division (D) of section 3301.0711 and section 3313.608 of the Revised Code and any other summer intervention program required by law:

(1) An extension of the school breakfast program pursuant to the "National School Lunch Act" and the "Child Nutrition Act of 1966";

(2) An extension of the school lunch program pursuant to those acts;

(3) A summer food service program pursuant to those acts.

(C) If the governing board of a community school determines that, for financial reasons, it cannot comply with division (A) or (B) of this section, the governing board may choose not to comply with either or both divisions. In that case, the governing board shall communicate to the parents of its students, in the manner it determines appropriate, its decision not to comply.

(D) The governing board of each community school required to establish a school breakfast, school lunch, or summer food service program under this section shall apply for state and federal funds allocated by the state board of education under division (B) of section 3313.813 of the Revised Code and shall comply with the state board's standards adopted under that division.

(E) This section does not apply to internet- or computer-based community schools.

Sec. 3314.26. (A) Each internet- or computer-based community school shall withdraw from the school any student who, for two consecutive school years, has failed to participate in the spring administration of any test prescribed under section 3301.0710 or 3301.0712 of the Revised Code for the student's grade level and was not excused from the test pursuant to division (C)(1) or (3) of section 3301.0711 of the Revised Code, regardless of whether a waiver was granted for the student under division (P)(3) of section 3314.08 of the Revised Code. The school shall report any such student's data verification code, as assigned pursuant to section 3301.0714 of the Revised Code, to the department of education. The department shall maintain a list of all data verification codes reported under this division and section 3313.6410 of the Revised Code and provide that list to each internet- or computer-based community school and to each school to which section 3313.6410 of the Revised Code applies.

(B) No internet- or computer-based community school shall receive any state funds under this chapter for any enrolled student whose data verification code appears on the list maintained by the department under division (A) of this section.

Notwithstanding any provision of the ~~Revised~~ Revised Code to the contrary, the parent of any such student shall pay tuition to the internet- or computer-based community school in an amount equal to the state funds the school otherwise would receive for that student, as determined by the department. An internet- or computer-based community school may withdraw any student for whom the parent does not pay ~~tuition~~ tuition as required by this division.

Sec. 3314.35. (A) This section applies to any community school established under this chapter that meets one or more of the following criteria:

(1) The school is declared to be in need of continuous improvement, under an academic watch, or in a state of academic emergency pursuant to section 3302.03 of the Revised Code.

(2) The school has not been in operation for at least two full school years.

(3) The school does not offer any grade level for which an achievement test is prescribed under section 3301.0710 of the Revised Code or the number of students enrolled in each grade level offered by the school for which an achievement test is prescribed is too small to yield statistically reliable data about student performance, as determined by the department of education.

(B) Beginning in the ~~2006-2007~~ 2007-2008 school year, each community school to which this section applies shall administer a reading and mathematics assessment approved by the department in the fall and spring of the school year to each student who is enrolled in any of grades one through twelve to measure the academic progress made by students during the school year. For each grade level, the community school shall administer the same assessment in the spring that the school administers in the fall.

(C) Each community school that administers the assessments required by division (B) of this section shall be responsible for all costs associated with the administration and scoring of the assessments. Each community school shall report the scores of all students taking the assessments to the department in a manner prescribed by the department.

(D) The department shall establish a list of nationally normed assessments in reading and mathematics that it approves for use by

community schools under this section. The department may approve assessments in other subject areas, but no community school shall be required to administer an assessment in a subject area other than reading or mathematics under this section.

(E) The sponsor of any community school to which this section does not apply may elect to have the school administer reading and mathematics assessments in accordance with this section.

Sec. 3314.36. (A) Not later than July 1, ~~2006~~ 2007, the state board of education shall adopt rules establishing reasonable standards for expected gains in student achievement between the fall and spring administrations of the reading and mathematics assessments administered under section 3314.35 of the Revised Code and for expected gains in the graduation rate.

(B) Any community school that is declared to be under an academic watch or in a state of academic emergency pursuant to section 3302.03 of the Revised Code after July 1, ~~2006~~ 2007, or to which division (A)(3) of section 3314.35 of the Revised Code applies shall be subject to division (C) of this section beginning the next school year if either of the following apply to the school:

(1) The percentage of the school's total student population showing the expected gains in student achievement established under division (A) of this section on the reading or mathematics assessments administered most recently under section 3314.35 of the Revised Code is less than fifty-five per cent.

(2) The school offers a high school diploma but is not showing the expected gains in the graduation rate established under division (A) of this section.

A community school that has been in operation for one school year shall not be subject to division (C) of this section.

(C)(1) In the first school year that a community school is subject to division (C) of this section, if the school is an internet- or computer-based community school, the school shall not enroll any students in excess of the number of students the school enrolled at the conclusion of the preceding school year.

(2) In the second consecutive school year that a community school is subject to division (C) of this section, if the school is an internet- or computer-based community school, the school shall do both of the following:

(a) Continue to comply with division (C)(1) of this section;

(b) Withdraw from the school at the conclusion of the school year any student for whom any of the following conditions apply, unless the student's

parent agrees to pay tuition to the school in an amount equal to the state funds the school otherwise would receive for that student as determined by the department of education:

(i) For two consecutive school years, the student has taken the reading and mathematics assessments administered under section 3314.35 of the Revised Code but has failed to show the expected gains in student achievement established under division (A) of this section for both reading and mathematics.

(ii) For two consecutive school years, the student has not taken one or more of the reading and mathematics assessments described in division (C)(2)(b)(i) of this section.

(iii) For one of two consecutive school years, the student took the reading and mathematics assessments described in division (C)(2)(b)(i) of this section but failed to show the expected gains in student achievement also described in that division for both reading and mathematics, and, for the other school year, the student did not take one or more of those assessments.

After the conclusion of the school year, the school shall not receive state funds for any student who is required to be withdrawn or for whom tuition is owed under division (C)(2)(b) of this section.

(3) In the third consecutive school year that any community school is subject to division (C) of this section, the following shall apply:

(a) If the school is an internet- or computer-based community school, the school shall continue to comply with division (C)(1)(a) of this section.

(b) The school shall be permanently closed at the conclusion of the school year.

(D) The sponsor of any community school that is declared to be in need of continuous improvement, effective, or excellent pursuant to section 3302.03 of the Revised Code and offers one or more grade levels for which an achievement test is prescribed under section 3301.0710 of the Revised Code may elect to evaluate the performance of the school in accordance with division (B) of this section, provided the school administers reading and mathematics assessments under section 3314.35 of the Revised Code. If the sponsor so elects, the evaluation method shall be used for a minimum of three school years and shall be specified in the contract required by section 3314.03 of the Revised Code. Nothing in this division requires the sponsor of a community school that elects to evaluate the school in accordance with division (B) of this section to take any action specified in division (C) of this section, unless the contract requires such action.

(E) In calculating the gains in student achievement demonstrated by a community school for the purposes of division (B) of this section, the

department shall include the scores of all students who participated in the fall and spring administrations of the assessments administered under section 3314.35 of the Revised Code. If the school's participation rate for any grade level is less than ninety per cent, the department shall calculate the gains in academic achievement demonstrated by the students in that grade level as if the participation rate was ninety per cent by assuming a score of zero for each student that it is necessary to add to the participation rate to make that rate equal ninety per cent.

Sec. 3315.01. (A) Except as provided in division (B) of this section and notwithstanding sections 3315.12 and 3315.14 of the Revised Code, the board of education of any school district may adopt a resolution requiring the treasurer of the district to credit the earnings made on the investment of the principal of the moneys specified in the resolution to the fund from which the earnings arose or any other fund of the district as the board specifies in its resolution.

(B) This section does not apply to the earnings made on the investment of the bond retirement fund, the sinking fund, a project construction fund established pursuant to sections 3318.01 to 3318.20 of the Revised Code, or the payments received by school districts pursuant to division ~~(L)~~(I) of section 3317.024 of the Revised Code.

Sec. 3317.01. As used in this section and section 3317.011 of the Revised Code, "school district," unless otherwise specified, means any city, local, exempted village, joint vocational, or cooperative education school district and any educational service center.

This chapter shall be administered by the state board of education. The superintendent of public instruction shall calculate the amounts payable to each school district and shall certify the amounts payable to each eligible district to the treasurer of the district as provided by this chapter. As soon as possible after such amounts are calculated, the superintendent shall certify to the treasurer of each school district the district's adjusted charge-off increase, as defined in section 5705.211 of the Revised Code. No moneys shall be distributed pursuant to this chapter without the approval of the controlling board.

The state board of education shall, in accordance with appropriations made by the general assembly, meet the financial obligations of this chapter.

Annually, the department of education shall calculate and report to each school district the district's total state and local funds for providing an adequate basic education to the district's nonhandicapped students, utilizing the determination in section 3317.012 of the Revised Code. In addition, the department shall calculate and report separately for each school district the

district's total state and local funds for providing an adequate education for its handicapped students, utilizing the determinations in both sections 3317.012 and 3317.013 of the Revised Code.

Not later than the thirty-first day of August of each fiscal year, the department of education shall provide to each school district and county MR/DD board a preliminary estimate of the amount of funding that the department calculates the district will receive under each of divisions (C)(1) and (4) of section 3317.022 of the Revised Code. No later than the first day of December of each fiscal year, the department shall update that preliminary estimate.

Moneys distributed pursuant to this chapter shall be calculated and paid on a fiscal year basis, beginning with the first day of July and extending through the thirtieth day of June. The moneys appropriated for each fiscal year shall be distributed at least monthly to each school district unless otherwise provided for. The state board shall submit a yearly distribution plan to the controlling board at its first meeting in July. The state board shall submit any proposed midyear revision of the plan to the controlling board in January. Any year-end revision of the plan shall be submitted to the controlling board in June. If moneys appropriated for each fiscal year are distributed other than monthly, such distribution shall be on the same basis for each school district.

The total amounts paid each month shall constitute, as nearly as possible, one-twelfth of the total amount payable for the entire year.

Until fiscal year ~~2006~~ 2007, payments made during the first six months of the fiscal year may be based on an estimate of the amounts payable for the entire year. Payments made in the last six months shall be based on the final calculation of the amounts payable to each school district for that fiscal year. Payments made in the last six months may be adjusted, if necessary, to correct the amounts distributed in the first six months, and to reflect enrollment increases when such are at least three per cent.

Beginning in fiscal year ~~2006~~ 2007, payments shall be calculated to reflect the biannual reporting of average daily membership. In fiscal year ~~2006~~ 2007 and in each fiscal year thereafter, annualized periodic payments for ~~July through December~~ each school district shall be based on the district's student counts certified pursuant to section 3317.03 of the Revised Code for the first full week in October, and payments for January through June shall be based on the average of student counts certified pursuant to that section for the first full week of the previous October and the third full week in February. as follows:

the sum of one-half of the number of students reported

for the first full week in October plus one-half of the average of the numbers reported for the first full week in October and for the first full week in February

Except as otherwise provided, payments under this chapter shall be made only to those school districts in which:

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

(B) The school year next preceding the fiscal year for which such payments are authorized meets the requirement of section 3313.48 or 3313.481 of the Revised Code, with regard to the minimum number of days or hours school must be open for instruction with pupils in attendance, for individualized parent-teacher conference and reporting periods, and for professional meetings of teachers. This requirement shall be waived by the superintendent of public instruction if it had been necessary for a school to be closed because of disease epidemic, hazardous weather conditions, inoperability of school buses or other equipment necessary to the school's operation, damage to a school building, or other temporary circumstances due to utility failure rendering the school building unfit for school use, provided that for those school districts operating pursuant to section 3313.48 of the Revised Code the number of days the school was actually open for instruction with pupils in attendance and for individualized parent-teacher conference and reporting periods is not less than one hundred seventy-five, or for those school districts operating on a trimester plan the number of days the school was actually open for instruction with pupils in attendance not less than seventy-nine days in any trimester, for those school districts operating on a quarterly plan the number of days the school was actually open for instruction with pupils in attendance not less than fifty-nine days in any quarter, or for those school districts operating on a pentameter plan the number of days the school was actually open for instruction with pupils in attendance not less than forty-four days in any pentameter.

A school district shall not be considered to have failed to comply with this division or section 3313.481 of the Revised Code because schools were

open for instruction but either twelfth grade students were excused from attendance for up to three days or only a portion of the kindergarten students were in attendance for up to three days in order to allow for the gradual orientation to school of such students.

The superintendent of public instruction shall waive the requirements of this section with reference to the minimum number of days or hours school must be in session with pupils in attendance for the school year succeeding the school year in which a board of education initiates a plan of operation pursuant to section 3313.481 of the Revised Code. The minimum requirements of this section shall again be applicable to such a district beginning with the school year commencing the second July succeeding the initiation of one such plan, and for each school year thereafter.

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

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

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

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

Sec. 3317.015. (A) In addition to the information certified to the department of education under division (A) of section 3317.021 of the Revised Code, the tax commissioner shall, at the same time, certify the following information for each city, exempted village, and local school district to be used for the same purposes as described under that division:

(1) The taxable value of the school district's carryover property, as defined in section 319.301 of the Revised Code, for the preceding tax year;

(2) The ~~school district's~~ increase in such carryover ~~valuation value~~, if any, between the second preceding tax year and the preceding tax year as used in calculating the percentage reduction under section 319.301 of the Revised Code.

(B) ~~In any~~ For each fiscal year the department of education shall calculate each school district's recognized valuation in the following manner:

(1) For a school district located in a county in which a reappraisal or triennial update occurred in the preceding tax year, the recognized valuation equals the district's total taxable value for the preceding tax year minus two-thirds times the increase in the carryover value from the second preceding tax year to the preceding tax year.

(2) For a school district located in a county in which a reappraisal or triennial update occurred in the second preceding tax year, the recognized valuation equals the district's total taxable value for the preceding tax year minus one-third times the increase in the carryover value from the third preceding tax year to the second preceding tax year.

(3) For a school district located in a county in which a reappraisal or triennial update occurred in the third preceding tax year, the recognized valuation equals the district's total taxable value for the preceding tax year.

Sec. 3317.02. As used in this chapter:

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

(B) "Formula amount" means the base cost for the fiscal year specified in division (B)(4) of section 3317.012 of the Revised Code.

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

(D) "Formula ADM" means, for a city, local, or exempted village school district, the number reported pursuant to division (A) of section 3317.03 of the Revised Code, and for a joint vocational school district, the number reported pursuant to division (D) of section 3317.03 of the Revised Code. Beginning in fiscal year ~~2006~~ 2007, for payments in which formula ADM is a factor, ~~for the months of July through December, the formula ADM means for each school district for the fiscal year is the sum of one-half of the number reported in for October of that fiscal year, and for the months of January through June, formula ADM means plus one-half of the average of the numbers reported in the previous for October and in February of that fiscal year.~~

(E) "Three-year average formula ADM" means the average of formula

ADMs for the current and preceding two fiscal years.

(F)(1) "Category one special education ADM" means the average daily membership of handicapped children receiving special education services for the handicap specified in division (A) of section 3317.013 of the Revised Code and reported under division (B)(5) or (D)(2)(b) of section 3317.03 of the Revised Code. Beginning in fiscal year 2007, the district's category one special education ADM for a fiscal year is the sum of one-half of the number reported for October of that fiscal year plus one-half of the average of the numbers reported for October and February of that fiscal year.

(2) "Category two special education ADM" means the average daily membership of handicapped children receiving special education services for those handicaps specified in division (B) of section 3317.013 of the Revised Code and reported under division (B)(6) or (D)(2)(c) of section 3317.03 of the Revised Code. Beginning in fiscal year 2007, the district's category two special education ADM for a fiscal year is the sum of one-half of the number reported for October of that fiscal year plus one-half of the average of the numbers reported for October and February of that fiscal year.

(3) "Category three special education ADM" means the average daily membership of students receiving special education services for those handicaps specified in division (C) of section 3317.013 of the Revised Code, and reported under division (B)(7) or (D)(2)(d) of section 3317.03 of the Revised Code. Beginning in fiscal year 2007, the district's category three special education ADM for a fiscal year is the sum of one-half of the number reported for October of that fiscal year plus one-half of the average of the numbers reported for October and February of that fiscal year.

(4) "Category four special education ADM" means the average daily membership of students receiving special education services for those handicaps specified in division (D) of section 3317.013 of the Revised Code and reported under division (B)(8) or (D)(2)(e) of section 3317.03 of the Revised Code. Beginning in fiscal year 2007, the district's category four special education ADM for a fiscal year is the sum of one-half of the number reported for October of that fiscal year plus one-half of the average of the numbers reported for October and February of that fiscal year.

(5) "Category five special education ADM" means the average daily membership of students receiving special education services for the handicap specified in division (E) of section 3317.013 of the Revised Code and reported under division (B)(9) or (D)(2)(f) of section 3317.03 of the Revised Code. Beginning in fiscal year 2007, the district's category five special education ADM for a fiscal year is the sum of one-half of the

number reported for October of that fiscal year plus one-half of the average of the numbers reported for October and February of that fiscal year.

(6) "Category six special education ADM" means the average daily membership of students receiving special education services for the handicap specified in division (F) of section 3317.013 of the Revised Code and reported under division (B)(10) or (D)(2)(g) of section 3317.03 of the Revised Code. Beginning in fiscal year 2007, the district's category six special education ADM for a fiscal year is the sum of one-half of the number reported for October of that fiscal year plus one-half of the average of the numbers reported for October and February of that fiscal year.

(7) "Category one vocational education ADM" means the average daily membership of students receiving vocational education services described in division (A) of section 3317.014 of the Revised Code and reported under division (B)(11) or (D)(2)(h) of section 3317.03 of the Revised Code. Beginning in fiscal year 2007, the district's category one vocational education ADM for a fiscal year is the sum of one-half of the number reported for October of that fiscal year plus one-half of the average of the numbers reported for October and February of that fiscal year.

(8) "Category two vocational education ADM" means the average daily membership of students receiving vocational education services described in division (B) of section 3317.014 of the Revised Code and reported under division (B)(12) or (D)(2)(i) of section 3317.03 of the Revised Code. Beginning in fiscal year 2007, the district's category two vocational education ADM for a fiscal year is the sum of one-half of the number reported for October of that fiscal year plus one-half of the average of the numbers reported for October and February of that fiscal year.

~~Beginning in fiscal year 2006, for payments in which category one through six special education ADM or category one or two vocational education ADM is a factor, for the months of July through December, those terms mean the numbers as described in division (F)(1) through (8) of this section, respectively, reported in October of that year, and for the months of January through June, those terms mean the average of the numbers as described in division (F)(1) through (8) of this section, respectively, reported in the previous October and in February.~~

(G) "Handicapped preschool child" means a handicapped child, as defined in section 3323.01 of the Revised Code, who is at least age three but is not of compulsory school age, as defined in section 3321.01 of the Revised Code, and who is not currently enrolled in kindergarten.

(H) "County MR/DD board" means a county board of mental retardation and developmental disabilities.

(I) "Recognized valuation" means the amount calculated for a school district pursuant to section 3317.015 of the Revised Code.

(J) "Transportation ADM" means the number of children reported under division (B)(13) of section 3317.03 of the Revised Code.

(K) "Average efficient transportation use cost per student" means a statistical representation of transportation costs as calculated under division (D)(2) of section 3317.022 of the Revised Code.

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

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

(N) "Cost-of-doing-business factor" means the amount indicated in division (N)(1) or (2) of this section for the county in which a city, local, exempted village, or joint vocational school district is located. If a city, local, or exempted village school district is located in more than one county, the factor is the amount indicated for the county to which the district is assigned by the state department of education. If a joint vocational school district is located in more than one county, the factor is the amount indicated for the county in which the joint vocational school with the greatest formula ADM operated by the district is located.

(1) In fiscal year 2006, the cost-of-doing-business factor for each county is:

COUNTY	COST-OF-DOING-BUSINESS FACTOR AMOUNT
Adams	1.00233
Allen	1.01373
Ashland	1.01980
Ashtabula	1.02647
Athens	1.00093
Auglaize	1.01647
Belmont	1.00427
Brown	1.01180
Butler	1.04307
Carroll	1.00913
Champaign	1.02973
Clark	1.02980
Clermont	1.03607

Clinton	1.02193
Columbiana	1.01427
Coshocton	1.01153
Crawford	1.01093
Cuyahoga	1.04173
Darke	1.02253
Defiance	1.00973
Delaware	1.03520
Erie	1.02587
Fairfield	1.02440
Fayette	1.02127
Franklin	1.04053
Fulton	1.0220
Gallia	1.00000
Geauga	1.03340
Greene	1.02960
Guernsey	1.00440
Hamilton	1.05000
Hancock	1.01433
Hardin	1.02373
Harrison	1.00493
Henry	1.02120
Highland	1.00987
Hocking	1.01253
Holmes	1.01187
Huron	1.01953
Jackson	1.00920
Jefferson	1.00487
Knox	1.01860
Lake	1.03493
Lawrence	1.00540
Licking	1.02540
Logan	1.02567
Lorain	1.03433
Lucas	1.02600
Madison	1.03253
Mahoning	1.02307
Marion	1.02040
Medina	1.03573
Meigs	1.00173

Mercer	1.01353
Miami	1.02740
Monroe	1.00333
Montgomery	1.03020
Morgan	1.00593
Morrow	1.02007
Muskingum	1.00847
Noble	1.00487
Ottawa	1.03240
Paulding	1.00767
Perry	1.01067
Pickaway	1.02607
Pike	1.00687
Portage	1.03147
Preble	1.02947
Putnam	1.01440
Richland	1.01327
Ross	1.01007
Sandusky	1.02140
Scioto	1.00080
Seneca	1.01487
Shelby	1.01853
Stark	1.01700
Summit	1.03613
Trumbull	1.02340
Tuscarawas	1.00593
Union	1.03333
Van Wert	1.00887
Vinton	1.00633
Warren	1.04387
Washington	1.00400
Wayne	1.02320
Williams	1.01520
Wood	1.02400
Wyandot	1.01140

(2) In fiscal year 2007, the cost-of-doing-business factor for each county is:

COUNTY	COST-OF-DOING-BUSINESS FACTOR AMOUNT
Adams	1.00117

Allen	1.00687
Ashland	1.00990
Ashtabula	1.01323
Athens	1.00047
Auglaize	1.00823
Belmont	1.00213
Brown	1.00590
Butler	1.02153
Carroll	1.00457
Champaign	1.01487
Clark	1.01490
Clermont	1.01803
Clinton	1.01097
Columbiana	1.00713
Coshocton	1.00577
Crawford	1.00547
Cuyahoga	1.02087
Darke	1.01127
Defiance	1.00487
Delaware	1.01760
Erie	1.01293
Fairfield	1.01220
Fayette	1.01063
Franklin	1.02027
Fulton	1.01100
Gallia	1.00000
Geauga	1.01670
Greene	1.01480
Guernsey	1.00220
Hamilton	1.02500
Hancock	1.00717
Hardin	1.01187
Harrison	1.00247
Henry	1.01060
Highland	1.00493
Hocking	1.00627
Holmes	1.00593
Huron	1.00977
Jackson	1.00460
Jefferson	1.00243

Knox	1.00930
Lake	1.01747
Lawrence	1.00270
Licking	1.01270
Logan	1.01283
Lorain	1.01717
Lucas	1.01300
Madison	1.01627
Mahoning	1.01153
Marion	1.01020
Medina	1.01787
Meigs	1.00087
Mercer	1.00677
Miami	1.01370
Monroe	1.00167
Montgomery	1.01510
Morgan	1.00297
Morrow	1.01003
Muskingum	1.00423
Noble	1.00243
Ottawa	1.01620
Paulding	1.00383
Perry	1.00533
Pickaway	1.01303
Pike	1.00343
Portage	1.01573
Preble	1.01473
Putnam	1.00720
Richland	1.00663
Ross	1.00503
Sandusky	1.01070
Scioto	1.00040
Seneca	1.00743
Shelby	1.00927
Stark	1.00850
Summit	1.01807
Trumbull	1.01170
Tuscarawas	1.00297
Union	1.01667
Van Wert	1.00443

Vinton	1.00317
Warren	1.02193
Washington	1.00200
Wayne	1.01160
Williams	1.00760
Wood	1.01200
Wyandot	1.00570

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

(P) "Potential value" of a school district means the recognized valuation of a school district plus the tax exempt value of the district.

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

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

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

(T) "Medically fragile child" means a child to whom all of the following apply:

(1) The child requires the services of a doctor of medicine or osteopathic medicine at least once a week due to the instability of the child's medical condition.

(2) The child requires the services of a registered nurse on a daily basis.

(3) The child is at risk of institutionalization in a hospital, skilled nursing facility, or intermediate care facility for the mentally retarded.

(U) A child may be identified as "other health handicapped-major" if the child's condition meets the definition of "other health impaired" established in rules adopted by the state board of education prior to July 1, 2001, and if either of the following apply:

(1) The child is identified as having a medical condition that is among those listed by the superintendent of public instruction as conditions where a substantial majority of cases fall within the definition of "medically fragile child." The superintendent of public instruction shall issue an initial list no

later than September 1, 2001.

(2) The child is determined by the superintendent of public instruction to be a medically fragile child. A school district superintendent may petition the superintendent of public instruction for a determination that a child is a medically fragile child.

(V) A child may be identified as "other health handicapped-minor" if the child's condition meets the definition of "other health impaired" established in rules adopted by the state board of education prior to July 1, 2001, but the child's condition does not meet either of the conditions specified in division (U)(1) or (2) of this section.

(W) "SF-3 payment" means the sum of the payments to a school district in a fiscal year under divisions (A), (C)(1), (C)(4), (D), (E), and (F) of section 3317.022, divisions ~~(J)(G)~~, ~~(P)(L)~~, and ~~(R)(N)~~ of section 3317.024, and sections 3317.029, 3317.0216, 3317.0217, 3317.04, 3317.05, 3317.052, and 3317.053 of the Revised Code after making the adjustments required by sections 3313.981 and 3313.979 of the Revised Code, divisions (B), (C), (D), (E), (K), (L), (M), (N), and (O) of section 3317.023, and division (C) of section 3317.20 of the Revised Code.

(X) "Property exemption value" means zero in fiscal year 2006, and in fiscal year 2007 and each fiscal year thereafter, the amount certified for a school district under divisions (A)(6) and (7) of section 3317.021 of the Revised Code.

Sec. 3317.021. (A) On or before the first day of June of each year, the tax commissioner shall certify to the department of education the ~~following~~ information described in divisions (A)(1) to (8) of this section for each city, exempted village, and local school district, and the information required by divisions (A)(1) and (2) of this section for each joint vocational school district, and it shall be used, along with the information certified under division (B) of this section, in making the computations for the district under sections 3317.022, 3317.0216, and 3317.0217 or section 3317.16 of the Revised Code~~;~~.

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

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

(3)(a) The total property tax rate and total taxes charged and payable for the current expenses for the preceding tax year and the total property tax rate and the total taxes charged and payable to a joint vocational district for the

preceding tax year that are limited to or to the extent apportioned to current expenses;

(b) The portion of the amount of taxes charged and payable reported for each city, local, and exempted village school district under division (A)(3)(a) of this section attributable to a joint vocational school district.

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

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

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

(5) The total federal adjusted gross income of the residents of the school district, based on tax returns filed by the residents of the district, for the most recent year for which this information is available;

(6) The sum of the school district compensation value as indicated on the list of exempted property for the preceding tax year under section 5713.08 of the Revised Code as if such property had been assessed for taxation that year and the other compensation value for the school district, minus the amounts described in divisions (A)(6)(c) to (i) of this section. The portion of school district compensation value or other compensation value attributable to an incentive district exemption may be subtracted only once even if that incentive district satisfies more than one of the criteria in divisions (A)(6)(c) to (i) of this section.

(a) "School district compensation value" means the aggregate value of real property in the school district exempted from taxation pursuant to an ordinance or resolution adopted by the legislative authority of a municipal corporation under division (C) of section 5709.40 of the Revised Code or pursuant to a resolution adopted by a board of township trustees or board of county commissioners under division (C) of section 5709.73, or division (B) of section 5709.78 of the Revised Code, respectively, but not including to the extent that the exempted value results in the charging of payments in lieu of taxes provided required to be paid to the school district under division (D)(1) or (2) of section 5709.40, division (D)(1) of section 5709.73, or division (C)(1) of section 5709.78 of the Revised Code, respectively, as indicated on the list of exempted property for the preceding tax year under section 5713.08 of the Revised Code and as if such property had been assessed for taxation that year, minus the following amounts:

(a) The aggregate value of the improvements to parcels of real property

~~in the school district.~~

(b) "Other compensation value" means the quotient that results from dividing (i) the dollar value of compensation received by the school district during the preceding tax year pursuant to division (B), (C), or (D) of section 5709.82 of the Revised Code and the amounts received pursuant to an agreement as specified in division (D)(2) of section 5709.40, division (D) of section 5709.73, or division (C) of section 5709.78 of the Revised Code to the extent those amounts were not previously reported or included in division (A)(6)(a) of this section, and so that any such amount is reported only once under division (A)(6)(b) of this section, in relation to exemptions from taxation granted pursuant to an ordinance or resolution adopted under division (C) of section 5709.40, division (C) of section 5709.73, or division (B) of section 5709.78 of the Revised Code, by (ii) the real property tax rate in effect for the preceding tax year for nonresidential/agricultural real property after making the reductions required by section 319.301 of the Revised Code.

(c) The portion of school district compensation value or other compensation value that was exempted from taxation pursuant to such an ordinance or resolution for the preceding tax year, if the ordinance or resolution is adopted prior to January 1, 2006, and the legislative authority or board of township trustees or county commissioners, prior to January 1, 2006, executes a contract or agreement with a developer, whether for-profit or not-for-profit, with respect to the development of a project undertaken or to be undertaken and identified in the ordinance or resolution, and upon which parcels such project is being, or will be, undertaken;

~~(b) The product determined by multiplying (i) the aggregate value of the improvements to parcels of real property in the school district exempted from taxation pursuant to any such ordinance or resolution, minus the aggregate value of any improvement excluded pursuant to division (A)(6)(a) of this section, by (ii) a fraction, the numerator of which is the difference between (I) the amount of anticipated revenue such school district would have received in the preceding fiscal year if the real property exempted from taxation pursuant to such ordinance or resolution had not been exempted from taxation and (II) the aggregate amount of payments and other compensation received in the preceding fiscal year by the school district pursuant to all agreements between the school district and a legislative authority or board of township trustees or county commissioners that were entered into in relation to such ordinance or resolution, and the denominator of which is the amount of anticipated revenue such school district would have received in the preceding fiscal year if the real property exempted from~~

~~taxation pursuant to such ordinance or resolution had not been exempted from taxation;~~

~~(e) The aggregate value of the improvements to parcels of real property in the school district exempted from taxation (d) The portion of school district compensation value that was exempted from taxation for the preceding tax year and for which payments in lieu of taxes for the preceding tax year were provided to the school district under division (D)(1) of section 5709.40 of the Revised Code.~~

(e) The portion of school district compensation value that was exempted from taxation for the preceding tax year pursuant to such an ordinance or resolution, if and to the extent that, on or before April 1, 2006, the fiscal officer of the municipal corporation that adopted the ordinance, or of the township or county that adopted the resolution, certifies and provides appropriate supporting documentation to the tax commissioner and the director of development that, based on hold-harmless provisions in any agreement between the school district and the legislative authority of the municipal corporation, board of township trustees, or board of county commissioners that was entered into on or before June 1, 2005, the ability or obligation of the municipal corporation, township, or county to repay bonds, notes, or other financial obligations issued or entered into prior to January 1, 2006, will be impaired, including obligations to or of any other body corporate and politic with whom the legislative authority of the municipal corporation or board of township trustees or county commissioners has entered into an agreement pertaining to the use of service payments derived from the improvements exempted;

~~(d) The aggregate value of the improvements to parcels of real property in the school district exempted from taxation (f) The portion of school district compensation value that was exempted from taxation for the preceding tax year pursuant to such an ordinance or resolution, if the ordinance or resolution is adopted prior to January 1, 2006, in a municipal corporation with a population that exceeds one hundred thousand, as shown by the most recent federal decennial census, that includes a major employment center and that is adjacent to historically distressed neighborhoods, if the legislative authority of the municipal corporation, the board of township trustees, or the board of county commissioners that exempted the property prepares an economic analysis that demonstrates that all taxes generated within the incentive district accruing to the state by reason of improvements constructed within the district during its existence exceed the amount the state pays the school district under section 3317.022 of the Revised Code attributable to such property exemption from the school~~

district's recognized valuation. The analysis shall be submitted to and approved by the department of development prior to January 1, 2006, and the department shall not unreasonably withhold approval. ~~Approval shall permit use of the aggregate value for the life of the incentive district as designated in the ordinance or resolution creating it.~~

~~(e) The aggregate value of the improvements to parcels of real property in the school district exempted from taxation~~ (g) The portion of school district compensation value that was exempted from taxation for the preceding tax year under such an ordinance or resolution, if the ordinance or resolution is adopted prior to January 1, 2006, and if service payments have been pledged to be used for mixed-use riverfront entertainment development in any county with a population that exceeds six hundred thousand, as shown by the most recent federal decennial census;

~~(f) The aggregate value of the improvements to parcels of real property in the school district exempted from taxation~~ (h) The portion of school district compensation value that was exempted from taxation for the preceding tax year under such an ordinance or resolution, if, prior to January 1, 2006, the legislative authority of a municipal corporation, board of township trustees, or board of county commissioners has pledged service payments for a designated transportation capacity project approved by the transportation review advisory council under Chapter 5512. of the Revised Code;

~~(g) The aggregate value of the improvements to parcels of real property in the school district exempted from taxation~~ (i) The portion of school district compensation value that was exempted from taxation for the preceding tax year under such an ordinance or resolution if the legislative authority of a municipal corporation, board of township trustees, or board of county commissioners have, by January 1, 2006, pledged proceeds for designated transportation improvement projects that involve federal funds for which the proceeds are used to meet a local share match requirement for such funding.

As used in division (A)(6) of this section, "project" has the same meaning as in section 5709.40 of the Revised Code.

(7) The aggregate value of real property in the school district for which an exemption from taxation is granted by an ordinance or resolution adopted on or after January 1, 2006, under Chapter 725. or 1728., sections 3735.65 to 3735.70, or section 5709.62, 5709.63, 5709.632, 5709.84, or 5709.88 of the Revised Code, as indicated on the list of exempted property for the preceding tax year under section 5713.08 of the Revised Code and as if such property had been assessed for taxation that year, but not including

~~compensation for tax revenue foregone pursuant to an agreement entered into on or after January 1, 2006, under section 5709.82 of the Revised Code, and~~ minus the product determined by multiplying (a) the aggregate value of the real property in the school district exempted from taxation for the preceding tax year under any of the chapters or sections specified in this division, by (b) a fraction, the numerator of which is the difference between (i) the amount of anticipated revenue such school district would have received ~~in~~ for the preceding ~~fiscal~~ tax year if the real property exempted from taxation had not been exempted from taxation and (ii) the aggregate amount of payments in lieu of taxes on the exempt real property for the preceding tax year and other compensation received ~~in~~ for the preceding ~~fiscal~~ tax year by the school district pursuant to any agreements entered into on or after January 1, 2006, under section 5709.82 of the Revised Code between the school district and the legislative authority of a political subdivision that acted under the authority of a chapter or statute specified in this division, that were entered into in relation to such exemption, and the denominator of which is the amount of anticipated revenue such school district would have received in the preceding fiscal year if the real property exempted from taxation had not been exempted.

(8) For each school district receiving payments under division (B) or (C) of section 3317.0216 of the Revised Code during the current fiscal year, as included on the most recent list of such districts sent to the tax commissioner under division (F) of that section, the following:

(a) The portion of the total amount of taxes charged and payable for current expenses certified under division (A)(3)(a) of this section that is attributable to each new levy approved and charged in the preceding tax year and the respective tax rate of each of those new levies;

(b) The portion of the total taxes collected for current expenses under a school district income tax adopted pursuant to section 5748.03 or 5748.08 of the Revised Code, as certified under division (A)(2) of section 3317.08 of the Revised Code, that is attributable to each new school district income tax first effective in the current taxable year or in the preceding taxable year.

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

(C) If a public utility has properly and timely filed a petition for reassessment under section 5727.47 of the Revised Code with respect to an assessment issued under section 5727.23 of the Revised Code affecting

taxable property apportioned by the tax commissioner to a school district, the taxable value of public utility tangible personal property included in the certification under divisions (A)(2) and (B) of this section for the school district shall include only the amount of taxable value on the basis of which the public utility paid tax for the preceding year as provided in division (B)(1) or (2) of section 5727.47 of the Revised Code.

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

The tax commissioner shall make the determination required by this division as follows:

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

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

(3) Divide the amount estimated under division (D)(2) of this section by the product obtained under division (D)(1) of this section.

(E)(1) On or before June 1, 2006, and the first day of ~~June~~ April of each year thereafter, the director of development shall ~~certify~~ report to the department of education and the tax commissioner the total ~~amount~~ amounts of payments received by each city, local, exempted village, or joint vocational school district ~~during~~ for the preceding tax year pursuant to ~~an agreement entered into under division (B)~~ division (D) of section 5709.40, division (D) of section 5709.73, division (C) of section 5709.78, or division (B)(1), (B)(2), (C), or (D) of section 5709.82 of the Revised Code in relation to exemptions from taxation granted pursuant to an ordinance adopted by the legislative authority of a municipal corporation under division (C)(4) of section 5709.40 of the Revised Code, or a resolution adopted by a board of township trustees or board of county commissioners under division (C)(4) of

section 5709.73 or division (B)(4) of section 5709.78 of the Revised Code, respectively. On or before April 1, 2006, and the first day of ~~April~~ March of each year thereafter, the treasurer of each city, local, exempted village, or joint vocational school district that has entered into such an agreement shall report to the director of development the total ~~amount~~ amounts of such payments the district received ~~during for~~ for the preceding tax year ~~pursuant to each such agreement as provided in this section.~~ The state board of education, in accordance with sections 3319.31 and 3319.311 of the Revised Code, may suspend or revoke the license of a treasurer found to have willfully reported erroneous, inaccurate, or incomplete data under this division.

(2) On or before April 1, 2007, and the first day of April of each year thereafter, the director of development shall report to the department of education and to the tax commissioner the total amounts of payments received by each city, local, exempted village, or joint vocational school district for the preceding tax year pursuant to divisions (B), (C), and (D) of section 5709.82 of the Revised Code in relation to exemptions from taxation granted pursuant to ordinances or resolutions adopted on or after January 1, 2006, under Chapter 725. or 1728., sections 3735.65 to 3735.70, or section 5709.62, 5709.63, 5709.632, 5709.84, or 5709.88 of the Revised Code. On or before March 1, 2007, and the first day of March of each year thereafter, the treasurer of each city, local, exempted village, or joint vocational school district that has entered into such an agreement shall report to the director of development the total amounts of such payments the district received for the preceding tax year as provided by this section. The state board of education, in accordance with sections 3319.31 and 3319.311 of the Revised Code, may suspend or revoke the license of a treasurer found to have willfully reported erroneous, inaccurate, or incomplete data under this division.

Sec. 3317.022. (A) The department of education shall compute and distribute state base cost funding to each school district for the fiscal year using the information obtained under section 3317.021 of the Revised Code in the calendar year in which the fiscal year begins.

(1) Compute the following for each eligible district:

[(cost-of-doing-business factor X
the formula amount X formula ADM) +
the sum of the base funding supplements
prescribed in divisions (C)(1) to (4)
of section 3317.012 of the Revised Code] -
[.023 x (the sum of recognized valuation
and property exemption (value))]

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

(2) Compute both of the following for each school district:

(a) The difference of (i) the district's fiscal year 2005 base cost payment under the version of division (A)(1) of this section in effect in fiscal year 2005, minus (ii) the amount computed for the district for the current fiscal year under current division (A)(1) of this section;

(b) The following amount:

[(fiscal year 2005 base cost payment/fiscal
year 2005 formula ADM) X
current year formula ADM] minus
the amount computed for the district
under current division (A)(1) of this section

If one of the amounts computed under division (A)(2)(a) or (b) of this section is a positive amount, the department shall pay the district that amount in addition to the amount calculated under division (A)(1) of this section. If both amounts are positive amounts, the department shall pay the district the lesser of the two amounts in addition to the amount calculated under division (A)(1) of this section.

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

(b) For each school district to which division (A)(3)(a) of this section applies, the department shall adjust the recognized valuation used in the calculation under division (A)(1) of this section by subtracting from it the amount calculated under division (A)(3)(a) of this section.

(B) As used in this section:

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

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

(b) The district's category two special education ADM multiplied by the multiple specified in division (B) of section 3317.013 of the Revised Code;

(c) The district's category three special education ADM multiplied by the multiple specified in division (C) of section 3317.013 of the Revised Code;

(d) The district's category four special education ADM multiplied by the multiple specified in division (D) of section 3317.013 of the Revised Code;

(e) The district's category five special education ADM multiplied by the multiple specified in division (E) of section 3317.013 of the Revised Code;

(f) The district's category six special education ADM multiplied by the multiple specified in division (F) of section 3317.013 of the Revised Code.

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

(a) Calculate the state base cost funding amount for the district for the fiscal year under division (A) of this section. If the district would not receive any state base cost funding for that year under that division, the district's state share percentage is zero.

(b) If the district would receive state base cost funding under that division, divide that amount by an amount equal to the following:

(Cost-of-doing-business factor X
the formula amount X formula ADM) +
the sum of the base funding supplements
prescribed in divisions (C)(1) to (4)
of section 3317.012 of the Revised Code

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

(3) "Related services" includes:

(a) Child study, special education supervisors and coordinators, speech and hearing services, adaptive physical development services, occupational or physical therapy, teacher assistants for handicapped children whose handicaps are described in division (B) of section 3317.013 or division (F)(3) of section 3317.02 of the Revised Code, behavioral intervention, interpreter services, work study, nursing services, and specialized integrative services as those terms are defined by the department;

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

(c) Any related service not specifically covered by other state funds but specified in federal law, including but not limited to, audiology and school psychological services;

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

(e) Any other related service needed by handicapped children in accordance with their individualized education plans.

(4) The "total vocational education weight" for a district means the sum of the following amounts:

(a) The district's category one vocational education ADM multiplied by the multiple specified in division (A) of section 3317.014 of the Revised

Code;

(b) The district's category two vocational education ADM multiplied by the multiple specified in division (B) of section 3317.014 of the Revised Code.

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

The district's state share percentage
X the formula amount for the year
for which the aid is calculated

X the district's total special education weight

(2) The attributed local share of special education and related services additional weighted costs equals:

(1 - the district's state share percentage) X
the district's total special education weight X
the formula amount

(3)(a) The department shall compute and pay in accordance with this division additional state aid to school districts for students in categories two through six special education ADM. If a district's costs for the fiscal year for a student in its categories two through six special education ADM exceed the threshold catastrophic cost for serving the student, the district may submit to the superintendent of public instruction documentation, as prescribed by the superintendent, of all its costs for that student. Upon submission of documentation for a student of the type and in the manner prescribed, the department shall pay to the district an amount equal to the sum of the following:

(i) One-half of the district's costs for the student in excess of the threshold catastrophic cost;

(ii) The product of one-half of the district's costs for the student in excess of the threshold catastrophic cost multiplied by the district's state share percentage.

(b) For purposes of division (C)(3)(a) of this section, the threshold catastrophic cost for serving a student equals:

(i) For a student in the school district's category two, three, four, or five special education ADM, twenty-five thousand dollars in fiscal year 2002, twenty-five thousand seven hundred dollars in fiscal years 2003, 2004, and 2005, and twenty-six thousand five hundred dollars in fiscal years 2006 and 2007;

(ii) For a student in the district's category six special education ADM, thirty thousand dollars in fiscal year 2002, thirty thousand eight hundred

forty dollars in fiscal years 2003, 2004, and 2005, and thirty-one thousand eight hundred dollars in fiscal years 2006 and 2007.

(c) The district shall only report under division (C)(3)(a) of this section, and the department shall only pay for, the costs of educational expenses and the related services provided to the student in accordance with the student's individualized education program. Any legal fees, court costs, or other costs associated with any cause of action relating to the student may not be included in the amount.

(4)(a) As used in this division, the "personnel allowance" means thirty thousand dollars in fiscal years 2002, 2003, 2004, ; 2005, 2006, and 2007.

(b) For the provision of speech language pathology services to students, including students who do not have individualized education programs prepared for them under Chapter 3323. of the Revised Code, and for no other purpose, the department of education shall pay each school district an amount calculated under the following formula:

$$\begin{aligned} & (\text{formula ADM divided by } 2000) \times \\ & \quad \text{the personnel allowance} \times \\ & \quad \text{the state share percentage} \end{aligned}$$

(5) In any fiscal year, a school district shall spend for purposes that the department designates as approved for special education and related services expenses at least the amount calculated as follows:

$$\begin{aligned} & (\text{cost-of-doing-business factor} \times \\ & \quad \text{formula amount} \times \text{the sum of categories} \\ & \quad \text{one through six special education ADM}) + \\ & (\text{total special education weight} \times \text{formula amount}) \end{aligned}$$

The purposes approved by the department for special education expenses shall include, but shall not be limited to, identification of handicapped children, compliance with state rules governing the education of handicapped children and prescribing the continuum of program options for handicapped children, provision of speech language pathology services, and the portion of the school district's overall administrative and overhead costs that are attributable to the district's special education student population.

The department shall require school districts to report data annually to allow for monitoring compliance with division (C)(5) of this section. The department shall annually report to the governor and the general assembly the amount of money spent by each school district for special education and related services.

(6) In any fiscal year, a school district shall spend for the provision of speech language pathology services not less than the sum of the amount

calculated under division (C)(1) of this section for the students in the district's category one special education ADM and the amount calculated under division (C)(4) of this section.

(D)(1) As used in this division:

(a) "Daily bus miles per student" equals the number of bus miles traveled per day, divided by transportation base.

(b) "Transportation base" equals total student count as defined in section 3301.011 of the Revised Code, minus the number of students enrolled in preschool handicapped units, plus the number of nonpublic school students included in transportation ADM.

(c) "Transported student percentage" equals transportation ADM divided by transportation base.

(d) "Transportation cost per student" equals total operating costs for board-owned or contractor-operated school buses divided by transportation base.

(2) Analysis of student transportation cost data has resulted in a finding that an average efficient transportation use cost per student can be calculated by means of a regression formula that has as its two independent variables the number of daily bus miles per student and the transported student percentage. For fiscal year 1998 transportation cost data, the average efficient transportation use cost per student is expressed as follows:

$$51.79027 + (139.62626 \times \text{daily bus miles per student}) + (116.25573 \times \text{transported student percentage})$$

The department of education shall annually determine the average efficient transportation use cost per student in accordance with the principles stated in division (D)(2) of this section, updating the intercept and regression coefficients of the regression formula modeled in this division, based on an annual statewide analysis of each school district's daily bus miles per student, transported student percentage, and transportation cost per student data. The department shall conduct the annual update using data, including daily bus miles per student, transported student percentage, and transportation cost per student data, from the prior fiscal year. The department shall notify the office of budget and management of such update by the fifteenth day of February of each year.

(3) In addition to funds paid under divisions (A), (C), and (E) of this section, each district with a transported student percentage greater than zero shall receive a payment equal to a percentage of the product of the district's transportation base from the prior fiscal year times the annually updated average efficient transportation use cost per student, times an inflation factor of two and eight tenths per cent to account for the one-year difference

between the data used in updating the formula and calculating the payment and the year in which the payment is made. The percentage shall be the following percentage of that product specified for the corresponding fiscal year:

FISCAL YEAR	PERCENTAGE
2000	52.5%
2001	55%
2002	57.5%
2003 and thereafter	The greater of 60% or the district's state share percentage

The payments made under division (D)(3) of this section each year shall be calculated based on all of the same prior year's data used to update the formula.

(4) In addition to funds paid under divisions (D)(2) and (3) of this section, a school district shall receive a rough road subsidy if both of the following apply:

- (a) Its county rough road percentage is higher than the statewide rough road percentage, as those terms are defined in division (D)(5) of this section;
- (b) Its district student density is lower than the statewide student density, as those terms are defined in that division.

(5) The rough road subsidy paid to each district meeting the qualifications of division (D)(4) of this section shall be calculated in accordance with the following formula:

$$\text{(per rough mile subsidy X total rough road miles) X density multiplier}$$

where:

(a) "Per rough mile subsidy" equals the amount calculated in accordance with the following formula:

$$0.75 - \{0.75 \times [(\text{maximum rough road percentage} - \text{county rough road percentage}) / (\text{maximum rough road percentage} - \text{statewide rough road percentage})]\}$$

(i) "Maximum rough road percentage" means the highest county rough road percentage in the state.

(ii) "County rough road percentage" equals the percentage of the mileage of state, municipal, county, and township roads that is rated by the department of transportation as type A, B, C, E2, or F in the county in which the school district is located or, if the district is located in more than one county, the county to which it is assigned for purposes of determining its cost-of-doing-business factor.

(iii) "Statewide rough road percentage" means the percentage of the

statewide total mileage of state, municipal, county, and township roads that is rated as type A, B, C, E2, or F by the department of transportation.

(b) "Total rough road miles" means a school district's total bus miles traveled in one year times its county rough road percentage.

(c) "Density multiplier" means a figure calculated in accordance with the following formula:

$$1 - \left[\frac{\text{minimum student density} - \text{district student density}}{\text{minimum student density} - \text{statewide student density}} \right]$$

(i) "Minimum student density" means the lowest district student density in the state.

(ii) "District student density" means a school district's transportation base divided by the number of square miles in the district.

(iii) "Statewide student density" means the sum of the transportation bases for all school districts divided by the sum of the square miles in all school districts.

(6) In addition to funds paid under divisions (D)(2) to (5) of this section, each district shall receive in accordance with rules adopted by the state board of education a payment for students transported by means other than board-owned or contractor-operated buses and whose transportation is not funded under division ~~(H)~~(G) of section 3317.024 of the Revised Code. The rules shall include provisions for school district reporting of such students.

(E)(1) The department shall compute and distribute state vocational education additional weighted costs funds to each school district in accordance with the following formula:

$$\frac{\text{state share percentage X}}{\text{the formula amount X}} \times \text{total vocational education weight}$$

In any fiscal year, a school district receiving funds under division (E)(1) of this section shall spend those funds only for the purposes that the department designates as approved for vocational education expenses. Vocational educational expenses approved by the department shall include only expenses connected to the delivery of career-technical programming to career-technical students. The department shall require the school district to report data annually so that the department may monitor the district's compliance with the requirements regarding the manner in which funding received under division (E)(1) of this section may be spent.

(2) The department shall compute for each school district state funds for vocational education associated services in accordance with the following formula:

state share percentage X .05 X
the formula amount X the sum of categories one and two
vocational education ADM

In any fiscal year, a school district receiving funds under division (E)(2) of this section, or through a transfer of funds pursuant to division (L) of section 3317.023 of the Revised Code, shall spend those funds only for the purposes that the department designates as approved for vocational education associated services expenses, which may include such purposes as apprenticeship coordinators, coordinators for other vocational education services, vocational evaluation, and other purposes designated by the department. The department may deny payment under division (E)(2) of this section to any district that the department determines is not operating those services or is using funds paid under division (E)(2) of this section, or through a transfer of funds pursuant to division (L) of section 3317.023 of the Revised Code, for other purposes.

(F) The actual local share in any fiscal year for the combination of special education and related services additional weighted costs funding calculated under division (C)(1) of this section, transportation funding calculated under divisions (D)(2) and (3) of this section, and vocational education and associated services additional weighted costs funding calculated under divisions (E)(1) and (2) of this section shall not exceed for any school district the product of three and three-tenths mills times the district's recognized valuation. The department annually shall pay each school district as an excess cost supplement any amount by which the sum of the district's attributed local shares for that funding exceeds that product. For purposes of calculating the excess cost supplement:

(1) The attributed local share for special education and related services additional weighted costs funding is the amount specified in division (C)(2) of this section.

(2) The attributed local share of transportation funding equals the difference of the total amount calculated for the district using the formula developed under division (D)(2) of this section minus the actual amount paid to the district after applying the percentage specified in division (D)(3) of this section.

(3) The attributed local share of vocational education and associated services additional weighted costs funding is the amount determined as follows:

(1 - state share percentage) X
[(total vocational education weight X
the formula amount) + the payment under

division (E)(2) of this section]

Sec. 3317.024. In addition to the moneys paid to eligible school districts pursuant to section 3317.022 of the Revised Code, moneys appropriated for the education programs in divisions (A) to ~~(H)~~, ~~(J) to (L)~~(I), ~~(O)~~(K), ~~(P)~~(L), and ~~(R)~~(N) of this section shall be distributed to school districts meeting the requirements of section 3317.01 of the Revised Code; in the case of divisions ~~(J)~~(G) and ~~(P)~~(L) of this section, to educational service centers as provided in section 3317.11 of the Revised Code; in the case of divisions ~~(E)~~, ~~(M)~~, (D) and ~~(N)~~(J) of this section, to county MR/DD boards; in the case of division ~~(R)~~(N) of this section, to joint vocational school districts; in the case of division ~~(K)~~(H) of this section, to cooperative education school districts; and in the case of division ~~(Q)~~(M) of this section, to the institutions defined under section 3317.082 of the Revised Code providing elementary or secondary education programs to children other than children receiving special education under section 3323.091 of the Revised Code. The following shall be distributed monthly, quarterly, or annually as may be determined by the state board of education:

~~(A) A per pupil amount to each school district that establishes a summer school remediation program that complies with rules of the state board of education.~~

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

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

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

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

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

not included in the calculation of the district's average daily membership for the preceding school year.

~~(G)~~ In fiscal year 2000 only, an amount to each school district for supplemental salary allowances for each licensed employee except those licensees serving as superintendents, assistant superintendents, principals, or assistant principals, whose term of service in any year is extended beyond the term of service of regular classroom teachers, as described in section 3301.0725 of the Revised Code;

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

~~(I)~~ Notwithstanding section 3317.01 of the Revised Code, but only until June 30, 1999, to each city, local, and exempted village school district, an amount for conducting driver education courses at high schools for which the state board of education prescribes minimum standards and to joint vocational and cooperative education school districts and educational service centers, an amount for conducting driver education courses to pupils enrolled in a high school for which the state board prescribes minimum standards. No payments shall be made under this division after June 30, 1999.

~~(J)~~(G) An amount for the approved cost of transporting eligible pupils with disabilities attending a special education program approved by the department of education whom it is impossible or impractical to transport by regular school bus in the course of regular route transportation provided by the district or service center. No district or service center is eligible to receive a payment under this division for the cost of transporting any pupil whom it transports by regular school bus and who is included in the district's transportation ADM. The state board of education shall establish standards and guidelines for use by the department of education in determining the approved cost of such transportation for each district or service center.

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

~~(L)~~(I) An amount to each school district, for each pupil attending a chartered nonpublic elementary or high school within the district. The amount shall equal the amount appropriated for the implementation of

section 3317.06 of the Revised Code divided by the average daily membership in grades kindergarten through twelve in nonpublic elementary and high schools within the state as determined during the first full week in October of each school year.

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

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

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

~~(P)~~(L) An amount to each school district or educational service center for the total number of gifted units approved pursuant to section 3317.05 of the Revised Code. The amount for each such unit shall be the sum of the minimum salary for the teacher of the unit, calculated on the basis of the teacher's training level and years of experience pursuant to the salary schedule prescribed in the version of section 3317.13 of the Revised Code in effect prior to July 1, 2001, plus fifteen per cent of that minimum salary amount, plus two thousand six hundred seventy-eight dollars.

~~(Q)~~(M) An amount to each institution defined under section 3317.082 of the Revised Code providing elementary or secondary education to children other than children receiving special education under section 3323.091 of the Revised Code. This amount for any institution in any fiscal year shall equal the total of all tuition amounts required to be paid to the institution under division (A)(1) of section 3317.082 of the Revised Code.

~~(R)~~(N) A grant to each school district and joint vocational school district that operates a "graduation, reality, and dual-role skills" (GRADS) program for pregnant and parenting students that is approved by the department. The amount of the payment shall be the district's state share percentage, as defined in section 3317.022 or 3317.16 of the Revised Code, times the GRADS personnel allowance times the full-time-equivalent number of GRADS teachers approved by the department. The GRADS personnel allowance is \$47,555 in fiscal years 2004, 2005, 2006, and 2007.

The state board of education or any other board of education or

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

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

(1) "Poverty percentage" means the quotient obtained by dividing the five-year average number of children ages five to seventeen residing in the school district and living in a family receiving assistance under the Ohio works first program or an antecedent program known as TANF or ADC, as certified or adjusted under section 3317.10 of the Revised Code, by the district's three-year average formula ADM.

(2) "Statewide poverty percentage" means the five-year average of the total number of children ages five to seventeen years residing in the state and receiving assistance under the Ohio works first program or an antecedent program known as TANF or ADC, divided by the sum of the three-year average formula ADMs for all school districts in the state.

(3) "Poverty index" means the quotient obtained by dividing the school district's poverty percentage by the statewide poverty percentage.

(4) "Poverty student count" means the five-year average number of children ages five to seventeen residing in the school district and living in a family receiving assistance under the Ohio works first program or an antecedent program known as TANF or ADC, as certified under section 3317.10 of the Revised Code.

(5) "Kindergarten ADM" means the number of students reported under section 3317.03 of the Revised Code as enrolled in kindergarten, excluding any kindergarten students reported under division (B)(3)(e) or (f) of section 3317.03 of the Revised Code.

(6) "Kindergarten through third grade ADM" means the amount calculated as follows:

(a) Multiply the kindergarten ADM by the sum of one plus the all-day kindergarten percentage;

(b) Add the number of students in grades one through three;

(c) Subtract from the sum calculated under division (A)(6)(b) of this section the number of special education students in grades kindergarten through three.

"Kindergarten through third grade ADM" shall not include any students reported under division (B)(3)(e) or (f) of section 3317.03 of the Revised Code.

(7) "All-day kindergarten" means a kindergarten class that is in session five days per week for not less than the same number of clock hours each day as for pupils in grades one through six.

(8) "All-day kindergarten percentage" means the percentage of a district's actual total number of students enrolled in kindergarten who are enrolled in all-day kindergarten.

(9) "Buildings with the highest concentration of need" means the school buildings in a district with percentages of students in grades kindergarten through three receiving assistance under Ohio works first at least as high as the district-wide percentage of students receiving such assistance.

If, in any fiscal year, the information provided by the department of job and family services under section 3317.10 of the Revised Code is insufficient to determine the Ohio works first percentage in each building, "buildings with the highest concentration of need" has the meaning given in rules that the department of education shall adopt. The rules shall base the definition of "buildings with the highest concentration of need" on family income of students in grades kindergarten through three in a manner that, to the extent possible with available data, approximates the intent of this division and division (K) of this section to designate buildings where the Ohio works first percentage in those grades equals or exceeds the district-wide Ohio works first percentage.

(B) In addition to the amounts required to be paid to a school district under section 3317.022 of the Revised Code, the department of education shall compute and distribute to each school district for poverty-based assistance the greater of the following:

(1) The amount the district received in fiscal year 2005 for disadvantaged pupil impact aid pursuant to Section 41.10 of Am. Sub. H.B. 95 of the 125th General Assembly, as amended, minus the amount deducted from the district under Section 16 of Am. Sub. S.B. 2 of the 125th General Assembly that year for payments to internet- and computer-based community schools;

(2) The sum of the computations made under divisions (C) to (I) of this section.

(C) A payment for academic intervention programs, if the district's poverty index is greater than or equal to 0.25, calculated as follows:

(1) If the district's poverty index is greater than or equal to 0.25, calculate the district's level one amount for large-group academic intervention for all students as follows:

(a) If the district's poverty index is greater than or equal to 0.25 but less than 0.75:

large-group intervention units X hourly rate X
level one hours X [(poverty index – 0.25)/0.5]
X phase-in percentage

Where:

(i) "Large-group intervention units" equals the district's formula ADM divided by 20;

(ii) "Hourly rate" equals \$20.00 in fiscal year 2006 and \$20.40 in fiscal year 2007;

(iii) "Level one hours" equals 25 hours;

(iv) "Phase-in percentage" equals 0.60 in fiscal year 2006 and 1.00 in fiscal year 2007.

(b) If the district's poverty index is greater than or equal to 0.75:

large-group intervention units X hourly rate X
level one hours X phase-in percentage

Where "large-group intervention units," "hourly rate," "level one hours," and "phase-in percentage" have the same meanings as in division (C)(1)(a) of this section.

(2) If the district's poverty index is greater than or equal to 0.75, calculate the district's level two amount for medium-group academic intervention for all students as follows:

(a) If the district's poverty index is greater than or equal to 0.75 but less than 1.50:

medium-group intervention units X hourly rate
X {level one hours + [25 hours X ((poverty index – 0.75)/0.75)]}
X phase-in percentage

Where:

(i) "Medium group intervention units" equals the district's formula ADM divided by 15;

(ii) "Hourly rate," "level one hours," and "phase-in percentage" have the same meanings as in division (C)(1)(a) of this section.

(b) If the district's poverty index is greater than or equal to 1.50:

medium-group intervention units X hourly rate X
level two hours X phase-in percentage

Where:

(i) "Medium group intervention units" has the same meaning as in division (C)(2)(a)(i) of this section;

(ii) "Hourly rate" and "phase-in percentage" have the same meanings as in division (C)(1)(a) of this section;

(iii) "Level two hours" equals 50 hours.

(3) If the district's poverty index is greater than or equal to 1.50,

calculate the district's level three amount for small-group academic intervention for impoverished students as follows:

(a) If the district's poverty index is greater than or equal to 1.50 but less than 2.50:

$$\text{small group intervention units} \times \text{hourly rate} \times \{ \text{level one hours} + [\text{level three hours} \times (\text{poverty index} - 1.50)] \} \times \text{phase-in percentage}$$

Where:

(i) "Small group intervention units" equals the quotient of (the district's poverty student count times 3) divided by 10;

(ii) "Hourly rate," "level one hours," and "phase-in percentage" have the same meanings as in division (C)(1)(a) of this section;

(iii) "Level three hours" equals 135 hours.

(b) If the district's poverty index is greater than or equal to 2.50:

$$\text{small group intervention units} \times \text{hourly rate} \times \text{level three hours} \times \text{phase-in percentage}$$

Where:

(i) "Small group intervention units" has the same meaning as in division (C)(3)(a)(i) of this section;

(ii) "Hourly rate" and "phase-in percentage" have the same meanings as in division (C)(1)(a) of this section;

(iii) "Level three hours" equals 160 hours.

Any district that receives funds under division (C)(2) or (3) of this section annually shall submit to the department of education by a date established by the department a plan describing how the district will deploy those funds. The deployment measures described in that plan shall comply with any applicable spending requirements prescribed in division (J)(6) of this section or with any order issued by the superintendent of public instruction under section 3317.017 of the Revised Code.

(D) A payment for all-day kindergarten if the poverty index of the school district is greater than or equal to 1.0 or if the district's three-year average formula ADM exceeded seventeen thousand five hundred. In addition, the department shall make a payment under this division to any school district that, in a prior fiscal year, qualified for this payment and provided all-day kindergarten, regardless of changes to the district's poverty index. The department shall calculate the payment under this division by multiplying the all-day kindergarten percentage by the kindergarten ADM and multiplying that product by the formula amount.

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

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

(a) If the poverty index of the school district is less than 1.0, the formula number of teachers is 50.0, which is the number of teachers per one thousand students at a student-teacher ratio of twenty to one;

(b) If the poverty index of the school district is greater than or equal to 1.0, but less than 1.5, the formula number of teachers is calculated as follows:

$$50.0 + \{[(\text{poverty index} - 1.0)/0.5] \times 16.667\}$$

Where 50.0 is the number of teachers per one thousand students at a student-teacher ratio of twenty to one; 0.5 is the interval from a poverty index of 1.0 to a poverty index of 1.5; and 16.667 is the difference in the number of teachers per one thousand students at a student-teacher ratio of fifteen to one and the number of teachers per one thousand students at a student-teacher ratio of twenty to one.

(c) If the poverty index of the school district is greater than or equal to 1.5, the formula number of teachers is 66.667, which is the number of teachers per one thousand students at a student-teacher ratio of fifteen to one.

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

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

(a) Multiply the kindergarten through third grade ADM by 50.0, which is the number of teachers per one thousand students at a student-teacher ratio of twenty to one, and divide that product by one thousand;

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

(4) Multiply the greater of the difference obtained under division (E)(3) of this section or zero by the statewide average teachers compensation. For this purpose, the "statewide average teacher compensation" is \$53,680 in fiscal year 2006 and \$54,941 in fiscal year 2007, which includes an amount for the value of fringe benefits.

(F) A payment for services to limited English proficient students, if the district's poverty index is greater than or equal to 1.0 and the proportion of its students who are limited English proficient, as reported in 2003 on its school district report issued under section 3302.03 of the Revised Code for the 2002-2003 school year, is greater than or equal to 2.0%, calculated as follows:

(1) If the district's poverty index is greater than or equal to 1.0, but less than 1.75, determine the amount per limited English proficient student as follows:

$$\{0.125 + [0.125 \times ((\text{poverty index} - 1.0)/0.75)]\} \\ \times \text{formula amount}$$

(2) If the district's poverty index is greater than or equal to 1.75, the amount per limited English proficient student equals:

$$0.25 \times \text{formula amount}$$

(3) Multiply the per student amount determined for the district under division (F)(1) or (2) of this section by the number of the district's limited English proficient students, times a phase-in percentage of 0.40 in fiscal year 2006 and 0.70 in fiscal year 2007. For purposes of this calculation, the number of limited English proficient students for each district shall be the number determined by the department when it calculated the district's percentage of limited English proficient students for its school district report card issued in 2003 for the 2002-2003 school year.

Not later than December 31, 2006, the department of education shall recommend to the general assembly and the director of budget and management a method of identifying the number of limited English proficient students for purposes of calculating payments under this division after fiscal year 2007.

(G) A payment for professional development of teachers, if the district's poverty index is greater than or equal to 1.0, calculated as follows:

(1) If the district's poverty index is greater than or equal to 1.0, but less than 1.75, determine the amount per teacher as follows:

$$[(\text{poverty index} - 1.0) / 0.75] \times 0.045 \times \text{formula amount}$$

(2) If the district's poverty index is greater than or equal to 1.75, the amount per teacher equals:

$$0.045 \times \text{formula amount}$$

(3) Determine the number of teachers, as follows:

$$(\text{formula ADM}/17)$$

(4) Multiply the per teacher amount determined for the district under division (G)(1) or (2) of this section by the number of teachers determined under division (G)(3) of this section, times a phase-in percentage of 0.40 in fiscal year 2006 and 0.70 in fiscal year 2007.

(H) A payment for dropout prevention, if the district is a big eight school district as defined in section 3314.02 of the Revised Code, calculated as follows:

$$0.005 \times \text{formula amount} \times \text{poverty index} \\ \times \text{formula ADM} \times \text{phase-in percentage}$$

Where "phase-in percentage" equals 0.40 in fiscal year 2006 and 0.70 in fiscal year 2007.

(I) An amount for community outreach, if the district is an urban school district as defined in section 3314.02 of the Revised Code, calculated as follows:

$$0.005 \times \text{formula amount} \times \text{poverty index} \times \text{formula ADM} \times \text{phase-in percentage}$$

Where "phase-in percentage" equals 0.40 in fiscal year 2006 and 0.70 in fiscal year 2007.

(J) This division applies only to school districts whose poverty index is 1.0 or greater.

(1) Each school district subject to this division shall first utilize funds received under this section so that, when combined with other funds of the district, sufficient funds exist to provide all-day kindergarten to at least the number of children in the district's all-day kindergarten percentage. To satisfy this requirement, a district may use funds paid under division (C), (F), (G), (H), or (I) of this section to provide all-day kindergarten in addition to the all-day kindergarten payment under division (D) of this section.

(2) ~~Each~~ Except as permitted under division (J)(1) of this section, each school district shall use its payment under division (F) of this section for one or more of the following purposes:

(a) To hire teachers for limited English proficient students or other personnel to provide intervention services for those students;

(b) To contract for intervention services for those students;

(c) To provide other services to assist those students in passing the third-grade reading achievement test, and to provide for those students the intervention services required by section 3313.608 of the Revised Code.

(3) ~~Each~~ Except as permitted under division (J)(1) of this section, each school district shall use its payment under division (G) of this section for professional development of teachers or other licensed personnel providing educational services to students only in one or more of the following areas:

(a) Data-based decision making;

(b) Standards-based curriculum models;

(c) Job-embedded professional development activities that are research-based, as defined in federal law.

In addition, each district shall use the payment only to implement programs identified on a list of eligible professional development programs provided by the department of education. The department annually shall provide the list to each district receiving a payment under division (G) of this section. However, a district may apply to the department for a waiver to

implement an alternative professional development program in one or more of the areas specified in divisions (J)(3)(a) to (c) of this section. If the department grants the waiver, the district may use its payment under division (G) of this section to implement the alternative program.

(4) ~~Each~~ Except as permitted under division (J)(1) of this section, each big eight school district shall use its payment under division (H) of this section either for preventing at-risk students from dropping out of school, for safety and security measures described in division (J)(5)(b) of this section, for academic intervention services described in division (J)(6) of this section, or for a combination of those purposes. Not later than September 1, 2005, the department of education shall provide each big eight school district with a list of dropout prevention programs that it has determined are successful. The department subsequently may update the list. Each district that elects to use its payment under division (H) of this section for dropout prevention shall use the payment only to implement a dropout prevention program specified on the department's list. However, a district may apply to the department for a waiver to implement an alternative dropout prevention program. If the department grants the waiver, the district may use its payment under division (H) of this section to implement the alternative program.

(5) ~~Each~~ Except as permitted under division (J)(1) of this section, each urban school district that has a poverty index greater than or equal to 1.0 shall use its payment under division (I) of this section for one or a combination of the following purposes:

(a) To hire or contract for community liaison officers, attendance or truant officers, or safety and security personnel;

(b) To implement programs designed to ensure that schools are free of drugs and violence and have a disciplined environment conducive to learning;

(c) To implement academic intervention services described in division (J)(6) of this section.

(6) ~~Each~~ Except as permitted under division (J)(1) of this section, each school district with a poverty index greater than or equal to 1.0 shall use the amount of its payment under division (C) of this section, and may use any amount of its payment under division (H) or (I) of this section, for academic intervention services for students who have failed or are in danger of failing any of the tests administered pursuant to section 3301.0710 of the Revised Code, including intervention services required by section 3313.608 of the Revised Code. ~~No~~ Except as permitted under division (J)(1) of this section, no district shall spend any portion of its payment under division (C) of this

section for any other purpose. Notwithstanding any provision to the contrary in Chapter 4117. of the Revised Code, no collective bargaining agreement entered into after ~~the effective date of this amendment~~ June 30, 2005, shall require use of the payment for any other purpose.

(7) Except as otherwise required by division (K) or permitted under division (O) of this section, all remaining funds distributed under this section to districts with a poverty index greater than or equal to 1.0 shall be utilized for the purpose of the third grade guarantee. The third grade guarantee consists of increasing the amount of instructional attention received per pupil in kindergarten through third grade, either by reducing the ratio of students to instructional personnel or by increasing the amount of instruction and curriculum-related activities by extending the length of the school day or the school year.

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

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

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

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

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

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

(K) Each district shall not expend any funds received under division (E) of this section in any school buildings that are not buildings with the highest concentration of need, unless there is a ratio of instructional personnel to students of no more than fifteen to one in each kindergarten and first grade

class in all buildings with the highest concentration of need. This division does not require that the funds used in buildings with the highest concentration of need be spent solely to reduce the ratio of instructional personnel to students in kindergarten and first grade. A school district may spend the funds in those buildings in any manner permitted by division (J)(7) of this section, but may not spend the money in other buildings unless the fifteen-to-one ratio required by this division is attained.

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

(2) Annually by the end of December, the department of education, utilizing data from the information system established under section 3301.0714 of the Revised Code ~~and after consultation with the legislative office of education oversight~~, shall determine for each school district subject to division (J) of this section whether in the preceding fiscal year the district's ratio of instructional personnel to students and its number of kindergarten students receiving all-day kindergarten appear reasonable, given the amounts of money the district received for that fiscal year pursuant to divisions (D) and (E) of this section. If the department is unable to verify from the data available that students are receiving reasonable amounts of instructional attention and all-day kindergarten, given the funds the district has received under this section and that class-size reduction funds are being used in school buildings with the highest concentration of need as required by division (K) of this section, the department shall conduct a more intensive investigation to ensure that funds have been expended as required by this section. The department shall file an annual report of its findings under this division with the chairpersons of the committees in each house of the general assembly dealing with finance and education.

(M)(1) Each school district with a poverty index less than 1.0 ~~and a three-year average formula ADM exceeding seventeen thousand five hundred~~ that receives a payment under division (D) of this section shall first utilize funds received under this section so that, when combined with other funds of the district, sufficient funds exist to provide all-day kindergarten to at least the number of children in the district's all-day kindergarten percentage. To satisfy this requirement, a district may use funds paid under division (C) or (I) of this section to provide all-day kindergarten in addition

to the all-day kindergarten payment under division (D) of this section.

(2) ~~Each~~ Except as permitted under division (M)(1) of this section, each school district with a poverty index less than 1.0 that receives a payment under division (C) of this section shall use its payment under that division in accordance with all requirements of division (J)(6) of this section.

(3) ~~Each~~ Except as permitted under division (M)(1) of this section, each school district with a poverty index less than 1.0 that receives a payment under division (I) of this section shall use its payment under that division for one or a combination of the following purposes:

(a) To hire or contract for community liaison officers, attendance or truant officers, or safety and security personnel;

(b) To implement programs designed to ensure that schools are free of drugs and violence and have a disciplined environment conducive to learning;

(c) To implement academic intervention services described in division (J)(6) of this section.

(4) Each school district to which division (M)(1), (2), or (3) of this section applies shall expend the remaining funds received under this section, and any other district with a poverty index less than 1.0 shall expend all funds received under this section, for any of the following purposes:

(a) The purchase of technology for instructional purposes for remediation;

(b) All-day kindergarten;

(c) Reduction of class sizes in grades kindergarten through three, as described in division (J)(7) of this section;

(d) Summer school remediation;

(e) Dropout prevention programs approved by the department of education under division (J)(4) of this section;

(f) Guaranteeing that all third graders are ready to progress to more advanced work;

(g) Summer education and work programs;

(h) Adolescent pregnancy programs;

(i) Head start, preschool, early childhood education, or early learning programs;

(j) Reading improvement and remediation programs described by the department of education;

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

(l) Furnishing, free of charge, materials used in courses of instruction, except for the necessary textbooks or electronic textbooks required to be

furnished without charge pursuant to section 3329.06 of the Revised Code, to pupils living in families participating in Ohio works first in accordance with section 3313.642 of the Revised Code;

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

(N) If at any time the superintendent of public instruction determines that a school district receiving funds under division (D) of this section has enrolled less than the all-day kindergarten percentage reported for that fiscal year, the superintendent shall withhold from the funds otherwise due the district under this section a proportional amount as determined by the difference in the certified all-day kindergarten percentage and the percentage actually enrolled in all-day kindergarten.

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

(O)(1) A district may use a portion of the funds calculated for it under division (D) of this section to modify or purchase classroom space to provide all-day kindergarten, if both of the following conditions are met:

(a) The district certifies to the department, in a manner acceptable to the department, that it has a shortage of space for providing all-day kindergarten.

(b) The district provides all-day kindergarten to the number of children in the all-day kindergarten percentage it certified under this section.

(2) A district may use a portion of the funds described in division (J)(7) of this section to modify or purchase classroom space to enable it to further reduce class size in grades kindergarten through two with a goal of attaining class sizes of fifteen students per licensed teacher. To do so, the district must certify its need for additional space to the department, in a manner satisfactory to the department.

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

(1) "Total taxes charged and payable for current expenses" means the sum of the taxes charged and payable as certified under division (A)(3)(a) of section 3317.021 of the Revised Code less any amounts reported under division (A)(3)(b) of that section, and the tax distribution for the preceding year under any school district income tax levied by the district pursuant to Chapter 5748. of the Revised Code to the extent the revenue from the income tax is allocated or apportioned to current expenses.

(2) "Charge-off amount" means two and three-tenths per cent ~~multiplied~~ multiplied by (the sum of recognized valuation and property exemption value).

(3) Until fiscal year 2003, the "actual local share of special education, transportation, and vocational education funding" for any school district means the sum of the district's attributed local shares described in divisions (F)(1) to (3) of section 3317.022 of the Revised Code. Beginning in fiscal year 2003, the "actual local share of special education, transportation, and vocational education funding" means that sum minus the amount of any excess cost supplement payment calculated for the district under division (F) of section 3317.022 of the Revised Code.

(4) "Current expense revenues from the tangible property tax replacement fund" means payments received from the school district tangible property tax replacement fund or the general revenue fund under section 5751.21 of the Revised Code for fixed-rate levies for current expenses and for fixed-sum levies for current expenses, including school district emergency levies under sections 5705.194 to 5705.197 of the Revised Code.

(B) Upon receiving the certifications under section 3317.021 of the Revised Code, the department of education shall determine for each city, local, and exempted village school district whether the district's charge-off amount is greater than the sum of the district's total taxes charged and payable for current expenses and current expense revenues from the tangible property tax replacement fund, and if the charge-off amount is greater, shall pay the district the amount of the difference. A payment shall not be made to any school district for which the computation under division (A) of section 3317.022 of the Revised Code equals zero.

(C)(1) If a district's charge-off amount is equal to or greater than the sum of its total taxes charged and payable for current expenses and current expense revenues from the tangible property tax replacement fund, the department shall, in addition to the payment required under division (B) of this section, pay the district the amount of its actual local share of special education, transportation, and vocational education funding.

(2) If a district's charge-off amount is less than the sum of its total taxes charged and payable for current expenses and current expense revenues from the tangible property tax replacement fund, the department shall pay the district any amount by which its actual local share of special education, transportation, and vocational education funding exceeds the sum of its total taxes charged and payable for current expenses and current expense revenues from the tangible property tax replacement fund minus its charge-off amount.

(D) If a school district that received a payment under division (B) or (C) of this section in the prior fiscal year is ineligible for payment under those

divisions in the current fiscal year, the department shall determine if the ineligibility is the result of a property tax or income tax levy approved by the district's voters to take effect in tax year 2005 or thereafter. If the department determines that is the case, and calculates that the levy causing the ineligibility exceeded by at least one mill the equivalent millage of the prior year's payment under divisions (B) and (C) of this section, the department shall make a payment to the district for the first three years that the district loses eligibility for payment under divisions (B) and (C) of this section, as follows:

(1) In the first year of ineligibility, the department shall pay the district seventy-five per cent of the amount it last paid the district under divisions (B) and (C) of this section.

(2) In the second year of ineligibility, the department shall pay the district fifty per cent of the amount it last paid the district under those divisions.

(3) In the third year of ineligibility, the department shall pay the district twenty-five per cent of the amount it last paid the district under those divisions.

(E) A district that receives payment under division (D) of this section and subsequently qualifies for payment under division (B) or (C) of this section is ineligible for future payments under division (D) of this section.

(F) To enable the department of education to make the determinations and to calculate payments under division (D) of this section, on the effective date of this amendment, and on or before the first day of March of each year thereafter, the department shall send to the tax commissioner a list of school districts receiving payments under division (B) or (C) of this section for the current fiscal year. On or before the first day of the following June, the tax commissioner shall certify to the department of education for those school districts the information required by division (A)(8) of section 3317.021 of the Revised Code.

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

(A) The superintendent of each city and exempted village school district and of each educational service center shall, for the schools under the superintendent's supervision, certify to the state board of education on or before the fifteenth day of October in each year for the first full school week in October the formula ADM. Beginning in fiscal year ~~2006~~ 2007, each superintendent also shall certify to the state board, for the schools under the superintendent's supervision, the formula ADM for the ~~third~~ first full week

in February. If a school under the superintendent's supervision is closed for one or more days during that week due to hazardous weather conditions or other circumstances described in the first paragraph of division (B) of section 3317.01 of the Revised Code, the superintendent may apply to the superintendent of public instruction for a waiver, under which the superintendent of public instruction may exempt the district superintendent from certifying the formula ADM for that school for that week and specify an alternate week for certifying the formula ADM of that school.

The formula ADM shall consist of the average daily membership during such week of the sum of the following:

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

(a) Students enrolled in adult education classes;

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

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

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

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

(a) A community school pursuant to Chapter 3314. of the Revised Code, including any participation in a college pursuant to Chapter 3365. of the Revised Code while enrolled in such community school;

(b) An alternative school pursuant to sections 3313.974 to 3313.979 of the Revised Code as described in division (I)(2)(a) or (b) of this section;

(c) A college pursuant to Chapter 3365. of the Revised Code, except when the student is enrolled in the college while also enrolled in a community school pursuant to Chapter 3314. of the Revised Code;

(d) An adjacent or other school district under an open enrollment policy adopted pursuant to section 3313.98 of the Revised Code;

(e) An educational service center or cooperative education district;

(f) Another school district under a cooperative education agreement, compact, or contract;

(g) A chartered nonpublic school with a scholarship paid under section 3310.08 of the Revised Code.

(3) Twenty per cent of the number of students enrolled in a joint vocational school district or under a vocational education compact, excluding any students entitled to attend school in the district under section 3313.64 or 3313.65 of the Revised Code who are enrolled in another school district through an open enrollment policy as reported under division (A)(2)(d) of this section and then enroll in a joint vocational school district or under a vocational education compact;

(4) The number of handicapped children, other than handicapped preschool children, entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised Code who are placed with a county MR/DD board, minus the number of such children placed with a county MR/DD board in fiscal year 1998. If this calculation produces a negative number, the number reported under division (A)(4) of this section shall be zero.

(5) ~~It~~ Beginning in fiscal year 2007, in the case of the report submitted for the ~~third~~ first full week in February, or the alternative week if specified by the superintendent of public instruction, the number of students reported under division (A)(1) or (2) of this section for the first full week of the preceding October but who since that week have received high school diplomas.

(B) To enable the department of education to obtain the data needed to complete the calculation of payments pursuant to this chapter, in addition to the formula ADM, each superintendent shall report separately the following student counts for the same week for which formula ADM is certified:

(1) The total average daily membership in regular day classes included in the report under division (A)(1) or (2) of this section for kindergarten, and each of grades one through twelve in schools under the superintendent's supervision;

(2) The number of all handicapped preschool children enrolled as of the first day of December in classes in the district that are eligible for approval under division (B) of section 3317.05 of the Revised Code and the number of those classes, which shall be reported not later than the fifteenth day of December, in accordance with rules adopted under that section;

(3) The number of children entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised Code who are:

(a) Participating in a pilot project scholarship program established under sections 3313.974 to 3313.979 of the Revised Code as described in division (I)(2)(a) or (b) of this section;

(b) Enrolled in a college under Chapter 3365. of the Revised Code, except when the student is enrolled in the college while also enrolled in a community school pursuant to Chapter 3314. of the Revised Code;

(c) Enrolled in an adjacent or other school district under section 3313.98 of the Revised Code;

(d) Enrolled in a community school established under Chapter 3314. of the Revised Code that is not an internet- or computer-based community school as defined in section 3314.02 of the Revised Code, including any participation in a college pursuant to Chapter 3365. of the Revised Code while enrolled in such community school;

(e) Enrolled in an internet- or computer-based community school, as defined in section 3314.02 of the Revised Code, including any participation in a college pursuant to Chapter 3365. of the Revised Code while enrolled in the school;

(f) Enrolled in a chartered nonpublic school with a scholarship paid under section 3310.08 of the Revised Code;

(g) Participating in a program operated by a county MR/DD board or a state institution;

(4) The number of pupils enrolled in joint vocational schools;

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

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

(7) The average daily membership of handicapped children reported under division (A)(1) or (2) of this section receiving special education services for category three handicaps described in division (C) of section 3317.013 of the Revised Code;

(8) The average daily membership of handicapped children reported under division (A)(1) or (2) of this section receiving special education services for category four handicaps described in division (D) of section 3317.013 of the Revised Code;

(9) The average daily membership of handicapped children reported under division (A)(1) or (2) of this section receiving special education services for the category five handicap described in division (E) of section 3317.013 of the Revised Code;

(10) The average daily membership of handicapped children reported

under division (A)(1) or (2) of this section receiving special education services for category six handicaps described in division (F) of section 3317.013 of the Revised Code;

(11) The average daily membership of pupils reported under division (A)(1) or (2) of this section enrolled in category one vocational education programs or classes, described in division (A) of section 3317.014 of the Revised Code, operated by the school district or by another district, other than a joint vocational school district, or by an educational service center, excluding any student reported under division (B)(3)(e) of this section as enrolled in an internet- or computer-based community school, notwithstanding division (C) of section 3317.02 of the Revised Code and division (C)(3) of this section;

(12) The average daily membership of pupils reported under division (A)(1) or (2) of this section enrolled in category two vocational education programs or services, described in division (B) of section 3317.014 of the Revised Code, operated by the school district or another school district, other than a joint vocational school district, or by an educational service center, excluding any student reported under division (B)(3)(e) of this section as enrolled in an internet- or computer-based community school, notwithstanding division (C) of section 3317.02 of the Revised Code and division (C)(3) of this section;

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

(14)(a) The number of children, other than handicapped preschool children, the district placed with a county MR/DD board in fiscal year 1998;

(b) The number of handicapped children, other than handicapped preschool children, placed with a county MR/DD board in the current fiscal year to receive special education services for the category one handicap described in division (A) of section 3317.013 of the Revised Code;

(c) The number of handicapped children, other than handicapped preschool children, placed with a county MR/DD board in the current fiscal year to receive special education services for category two handicaps described in division (B) of section 3317.013 of the Revised Code;

(d) The number of handicapped children, other than handicapped preschool children, placed with a county MR/DD board in the current fiscal year to receive special education services for category three handicaps described in division (C) of section 3317.013 of the Revised Code;

(e) The number of handicapped children, other than handicapped preschool children, placed with a county MR/DD board in the current fiscal

year to receive special education services for category four handicaps described in division (D) of section 3317.013 of the Revised Code;

(f) The number of handicapped children, other than handicapped preschool children, placed with a county MR/DD board in the current fiscal year to receive special education services for the category five handicap described in division (E) of section 3317.013 of the Revised Code;

(g) The number of handicapped children, other than handicapped preschool children, placed with a county MR/DD board in the current fiscal year to receive special education services for category six handicaps described in division (F) of section 3317.013 of the Revised Code.

(C)(1) Except as otherwise provided in this section for kindergarten students, the average daily membership in divisions (B)(1) to (12) of this section shall be based upon the number of full-time equivalent students. The state board of education shall adopt rules defining full-time equivalent students and for determining the average daily membership therefrom for the purposes of divisions (A), (B), and (D) of this section.

(2) A student enrolled in a community school established under Chapter 3314. of the Revised Code shall be counted in the formula ADM and, if applicable, the category one, two, three, four, five, or six special education ADM of the school district in which the student is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code for the same proportion of the school year that the student is counted in the enrollment of the community school for purposes of section 3314.08 of the Revised Code.

(3) No child shall be counted as more than a total of one child in the sum of the average daily memberships of a school district under division (A), divisions (B)(1) to (12), or division (D) of this section, except as follows:

(a) A child with a handicap described in section 3317.013 of the Revised Code may be counted both in formula ADM and in category one, two, three, four, five, or six special education ADM and, if applicable, in category one or two vocational education ADM. As provided in division (C) of section 3317.02 of the Revised Code, such a child shall be counted in category one, two, three, four, five, or six special education ADM in the same proportion that the child is counted in formula ADM.

(b) A child enrolled in vocational education programs or classes described in section 3317.014 of the Revised Code may be counted both in formula ADM and category one or two vocational education ADM and, if applicable, in category one, two, three, four, five, or six special education ADM. Such a child shall be counted in category one or two vocational education ADM in the same proportion as the percentage of time that the

child spends in the vocational education programs or classes.

(4) Based on the information reported under this section, the department of education shall determine the total student count, as defined in section 3301.011 of the Revised Code, for each school district.

(D)(1) The superintendent of each joint vocational school district shall certify to the superintendent of public instruction on or before the fifteenth day of October in each year for the first full school week in October the formula ADM. Beginning in fiscal year ~~2006~~ 2007, each superintendent also shall certify to the state superintendent the formula ADM for the ~~third~~ first full week in February. If a school operated by the joint vocational school district is closed for one or more days during that week due to hazardous weather conditions or other circumstances described in the first paragraph of division (B) of section 3317.01 of the Revised Code, the superintendent may apply to the superintendent of public instruction for a waiver, under which the superintendent of public instruction may exempt the district superintendent from certifying the formula ADM for that school for that week and specify an alternate week for certifying the formula ADM of that school.

The formula ADM, except as otherwise provided in this division, shall consist of the average daily membership during such week, on an FTE basis, of the number of students receiving any educational services from the district, including students enrolled in a community school established under Chapter 3314. of the Revised Code who are attending the joint vocational district under an agreement between the district board of education and the governing authority of the community school and are entitled to attend school in a city, local, or exempted village school district whose territory is part of the territory of the joint vocational district. ~~In~~ Beginning in fiscal year 2007, in the case of the report submitted for the ~~third~~ first week in February, or the alternative week if specified by the superintendent of public instruction, the superintendent of the joint vocational school district may include the number of students reported under division (D)(1) of this section for the first full week of the preceding October but who since that week have received high school diplomas.

The following categories of students shall not be included in the determination made under division (D)(1) of this section:

- (a) Students enrolled in adult education classes;
- (b) Adjacent or other district joint vocational students enrolled in the district under an open enrollment policy pursuant to section 3313.98 of the Revised Code;
- (c) Students receiving services in the district pursuant to a compact,

cooperative education agreement, or a contract, but who are entitled to attend school in a city, local, or exempted village school district whose territory is not part of the territory of the joint vocational district;

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

(2) To enable the department of education to obtain the data needed to complete the calculation of payments pursuant to this chapter, in addition to the formula ADM, each superintendent shall report separately the average daily membership included in the report under division (D)(1) of this section for each of the following categories of students for the same week for which formula ADM is certified:

(a) Students enrolled in each grade included in the joint vocational district schools;

(b) Handicapped children receiving special education services for the category one handicap described in division (A) of section 3317.013 of the Revised Code;

(c) Handicapped children receiving special education services for the category two handicaps described in division (B) of section 3317.013 of the Revised Code;

(d) Handicapped children receiving special education services for category three handicaps described in division (C) of section 3317.013 of the Revised Code;

(e) Handicapped children receiving special education services for category four handicaps described in division (D) of section 3317.013 of the Revised Code;

(f) Handicapped children receiving special education services for the category five handicap described in division (E) of section 3317.013 of the Revised Code;

(g) Handicapped children receiving special education services for category six handicaps described in division (F) of section 3317.013 of the Revised Code;

(h) Students receiving category one vocational education services, described in division (A) of section 3317.014 of the Revised Code;

(i) Students receiving category two vocational education services, described in division (B) of section 3317.014 of the Revised Code.

The superintendent of each joint vocational school district shall also indicate the city, local, or exempted village school district in which each joint vocational district pupil is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code.

(E) In each school of each city, local, exempted village, joint vocational,

and cooperative education school district there shall be maintained a record of school membership, which record shall accurately show, for each day the school is in session, the actual membership enrolled in regular day classes. For the purpose of determining average daily membership, the membership figure of any school shall not include any pupils except those pupils described by division (A) of this section. The record of membership for each school shall be maintained in such manner that no pupil shall be counted as in membership prior to the actual date of entry in the school and also in such manner that where for any cause a pupil permanently withdraws from the school that pupil shall not be counted as in membership from and after the date of such withdrawal. There shall not be included in the membership of any school any of the following:

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

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

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

(4) Any pupil who has attained the age of twenty-two years, except for veterans of the armed services whose attendance was interrupted before completing the recognized twelve-year course of the public schools by reason of induction or enlistment in the armed forces and who apply for reenrollment in the public school system of their residence not later than four years after termination of war or their honorable discharge.

If, however, any veteran described by division (E)(4) of this section elects to enroll in special courses organized for veterans for whom tuition is paid under the provisions of federal laws, or otherwise, that veteran shall not be included in average daily membership.

Notwithstanding division (E)(3) of this section, the membership of any school may include a pupil who did not take a test required by section 3301.0711 of the Revised Code if the superintendent of public instruction grants a waiver from the requirement to take the test to the specific pupil and a parent is not paying tuition for the pupil pursuant to section 3313.6410 of the Revised Code. The superintendent may grant such a waiver only for good cause in accordance with rules adopted by the state board of education.

Except as provided in divisions (B)(2) and (F) of this section, the average daily membership figure of any local, city, exempted village, or joint vocational school district shall be determined by dividing the figure

representing the sum of the number of pupils enrolled during each day the school of attendance is actually open for instruction during the week for which the formula ADM is being certified by the total number of days the school was actually open for instruction during that week. For purposes of state funding, "enrolled" persons are only those pupils who are attending school, those who have attended school during the current school year and are absent for authorized reasons, and those handicapped children currently receiving home instruction.

The average daily membership figure of any cooperative education school district shall be determined in accordance with rules adopted by the state board of education.

(F)(1) If the formula ADM for the first full school week in February is at least three per cent greater than that certified for the first full school week in the preceding October, the superintendent of schools of any city, exempted village, or joint vocational school district or educational service center shall certify such increase to the superintendent of public instruction. Such certification shall be submitted no later than the fifteenth day of February. For the balance of the fiscal year, beginning with the February payments, the superintendent of public instruction shall use the increased formula ADM in calculating or recalculating the amounts to be allocated in accordance with section 3317.022 or 3317.16 of the Revised Code. In no event shall the superintendent use an increased membership certified to the superintendent after the fifteenth day of February. Division (F)(1) of this section does not apply after fiscal year ~~2005~~ 2006.

(2) If on the first school day of April the total number of classes or units for handicapped preschool children that are eligible for approval under division (B) of section 3317.05 of the Revised Code exceeds the number of units that have been approved for the year under that division, the superintendent of schools of any city, exempted village, or cooperative education school district or educational service center shall make the certifications required by this section for that day. If the department determines additional units can be approved for the fiscal year within any limitations set forth in the acts appropriating moneys for the funding of such units, the department shall approve additional units for the fiscal year on the basis of such average daily membership. For each unit so approved, the department shall pay an amount computed in the manner prescribed in section 3317.052 or 3317.19 and section 3317.053 of the Revised Code.

(3) If a student attending a community school under Chapter 3314. of the Revised Code is not included in the formula ADM certified for the school district in which the student is entitled to attend school under section

3313.64 or 3313.65 of the Revised Code, the department of education shall adjust the formula ADM of that school district to include the community school student in accordance with division (C)(2) of this section, and shall recalculate the school district's payments under this chapter for the entire fiscal year on the basis of that adjusted formula ADM. This requirement applies regardless of whether the student was enrolled, as defined in division (E) of this section, in the community school during the first full school week in October.

(G)(1)(a) The superintendent of an institution operating a special education program pursuant to section 3323.091 of the Revised Code shall, for the programs under such superintendent's supervision, certify to the state board of education, in the manner prescribed by the superintendent of public instruction, both of the following:

(i) The average daily membership of all handicapped children other than handicapped preschool children receiving services at the institution for each category of handicap described in divisions (A) to (F) of section 3317.013 of the Revised Code;

(ii) The average daily membership of all handicapped preschool children in classes or programs approved annually by the department of education for unit funding under section 3317.05 of the Revised Code.

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

(2) The superintendent of each county MR/DD board that maintains special education classes under section 3317.20 of the Revised Code or units approved pursuant to section 3317.05 of the Revised Code shall do both of the following:

(a) Certify to the state board, in the manner prescribed by the board, the average daily membership in classes under section 3317.20 of the Revised Code for each school district that has placed children in the classes;

(b) Certify to the state board, in the manner prescribed by the board, the number of all handicapped preschool children enrolled as of the first day of December in classes eligible for approval under division (B) of section 3317.05 of the Revised Code, and the number of those classes.

(3)(a) If on the first school day of April the number of classes or units maintained for handicapped preschool children by the county MR/DD board that are eligible for approval under division (B) of section 3317.05 of the Revised Code is greater than the number of units approved for the year

under that division, the superintendent shall make the certification required by this section for that day.

(b) If the department determines that additional classes or units can be approved for the fiscal year within any limitations set forth in the acts appropriating moneys for the funding of the classes and units described in division (G)(3)(a) of this section, the department shall approve and fund additional units for the fiscal year on the basis of such average daily membership. For each unit so approved, the department shall pay an amount computed in the manner prescribed in sections 3317.052 and 3317.053 of the Revised Code.

(H) Except as provided in division (I) of this section, when any city, local, or exempted village school district provides instruction for a nonresident pupil whose attendance is unauthorized attendance as defined in section 3327.06 of the Revised Code, that pupil's membership shall not be included in that district's membership figure used in the calculation of that district's formula ADM or included in the determination of any unit approved for the district under section 3317.05 of the Revised Code. The reporting official shall report separately the average daily membership of all pupils whose attendance in the district is unauthorized attendance, and the membership of each such pupil shall be credited to the school district in which the pupil is entitled to attend school under division (B) of section 3313.64 or section 3313.65 of the Revised Code as determined by the department of education.

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

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

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

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

(J) The superintendent of each cooperative education school district shall certify to the superintendent of public instruction, in a manner prescribed by the state board of education, the applicable average daily memberships for all students in the cooperative education district, also

indicating the city, local, or exempted village district where each pupil is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code.

Sec. 3317.051. (A)(1) Notwithstanding sections 3317.05 and 3317.11 of the Revised Code, a unit funded pursuant to division ~~(P)~~(L) of section 3317.024 or division (A)(2) of section 3317.052 of the Revised Code shall not be approved for state funding in one school district, including any cooperative education school district or any educational service center, to the extent that such unit provides programs in or services to another district which receives payment pursuant to section 3317.04 of the Revised Code.

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

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

Sec. 3317.053. (A) As used in this section:

(1) "State share percentage" has the same meaning as in section 3317.022 of the Revised Code.

(2) "Dollar amount" means the amount shown in the following table for the corresponding type of unit:

TYPE OF UNIT	DOLLAR AMOUNT
Division (B) of section 3317.05 of the Revised Code	\$8,334
Division (C) of that section	\$3,234
Division (E) of that section	\$5,550

(3) "Average unit amount" means the amount shown in the following table for the corresponding type of unit:

TYPE OF UNIT	AVERAGE UNIT AMOUNT
Division (B) of section 3317.05 of the Revised Code	\$7,799
Division (C) of that section	\$2,966

Division (E) of that section \$5,251

(B) In the case of each unit described in division (B), (C), or (E) of section 3317.05 of the Revised Code and allocated to a city, local, or exempted village school district, the department of education, in addition to the amounts specified in division ~~(P)~~(L) of section 3317.024 and sections 3317.052 and 3317.19 of the Revised Code, shall pay a supplemental unit allowance equal to the sum of the following amounts:

(1) An amount equal to 50% of the average unit amount for the unit;

(2) An amount equal to the percentage of the dollar amount for the unit that equals the district's state share percentage.

If, prior to the fifteenth day of May of a fiscal year, a school district's aid computed under section 3317.022 of the Revised Code is recomputed pursuant to section 3317.027 or 3317.028 of the Revised Code, the department shall also recompute the district's entitlement to payment under this section utilizing a new state share percentage. Such new state share percentage shall be determined using the district's recomputed basic aid amount pursuant to section 3317.027 or 3317.028 of the Revised Code. During the last six months of the fiscal year, the department shall pay the district a sum equal to one-half of the recomputed payment in lieu of one-half the payment otherwise calculated under this section.

(C)(1) In the case of each unit allocated to an institution pursuant to division (A) of section 3317.05 of the Revised Code, the department, in addition to the amount specified in section 3317.052 of the Revised Code, shall pay a supplemental unit allowance of \$7,227.

(2) In the case of each unit described in division (B) of section 3317.05 of the Revised Code that is allocated to any entity other than a city, exempted village, or local school district, the department, in addition to the amount specified in section 3317.052 of the Revised Code, shall pay a supplemental unit allowance of \$7,799.

(3) In the case of each unit described in division (C) of section 3317.05 of the Revised Code and allocated to any entity other than a city, exempted village, or local school district, the department, in addition to the amounts specified in section 3317.052 of the Revised Code, shall pay a supplemental unit allowance of \$2,966.

(4) In the case of each unit described in division (E) of section 3317.05 of the Revised Code and allocated to an educational service center, the department, in addition to the amounts specified in division ~~(P)~~(L) of section 3317.024 of the Revised Code, shall pay a supplemental unit allowance of \$5,251.

Sec. 3317.06. Moneys paid to school districts under division ~~(L)~~(I) of

section 3317.024 of the Revised Code shall be used for the following independent and fully severable purposes:

(A) To purchase such secular textbooks or electronic textbooks as have been approved by the superintendent of public instruction for use in public schools in the state and to loan such textbooks or electronic textbooks to pupils attending nonpublic schools within the district or to their parents and to hire clerical personnel to administer such lending program. Such loans shall be based upon individual requests submitted by such nonpublic school pupils or parents. Such requests shall be submitted to the school district in which the nonpublic school is located. Such individual requests for the loan of textbooks or electronic textbooks shall, for administrative convenience, be submitted by the nonpublic school pupil or the pupil's parent to the nonpublic school, which shall prepare and submit collective summaries of the individual requests to the school district. As used in this section:

(1) "Textbook" means any book or book substitute that a pupil uses as a consumable or nonconsumable text, text substitute, or text supplement in a particular class or program in the school the pupil regularly attends.

(2) "Electronic textbook" means computer software, interactive videodisc, magnetic media, CD-ROM, computer courseware, local and remote computer assisted instruction, on-line service, electronic medium, or other means of conveying information to the student or otherwise contributing to the learning process through electronic means.

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

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

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

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

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

nonpublic schools within the district. Such services shall be provided in the public school, in nonpublic schools, in public centers, or in mobile units located on or off of the nonpublic premises. If such services are provided in the public school or in public centers, transportation to and from such facilities shall be provided by the school district in which the nonpublic school is located.

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

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

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

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

(K) To purchase or lease any secular, neutral, and nonideological computer software (including site-licensing), prerecorded video laserdiscs, digital video on demand (DVD), compact discs, and video cassette cartridges, wide area connectivity and related technology as it relates to internet access, mathematics or science equipment and materials, instructional materials, and school library materials that are in general use in the public schools of the state and loan such items to pupils attending nonpublic schools within the district or to their parents, and to hire clerical personnel to administer the lending program. Only such items that are incapable of diversion to religious use and that are susceptible of loan to individual pupils and are furnished for the use of individual pupils shall be purchased and loaned under this division. As used in this section, "instructional materials" means prepared learning materials that are secular,

neutral, and nonideological in character and are of benefit to the instruction of school children, and may include educational resources and services developed by the eTech Ohio commission.

(L) To purchase or lease instructional equipment, including computer hardware and related equipment in general use in the public schools of the state, for use by pupils attending nonpublic schools within the district and to loan such items to pupils attending nonpublic schools within the district or to their parents, and to hire clerical personnel to administer the lending program.

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

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

All services provided pursuant to this section may be provided under contract with educational service centers, the department of health, city or general health districts, or private agencies whose personnel are properly licensed by an appropriate state board or agency.

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

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

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

No school district shall provide services, materials, or equipment that contain religious content for use in religious courses, devotional exercises,

religious training, or any other religious activity.

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

Notwithstanding section 3317.01 of the Revised Code, payments shall be made under this section to any city, local, or exempted village school district within which is located one or more nonpublic elementary or high schools and any payments made to school districts under division ~~(L)~~(I) of section 3317.024 of the Revised Code for purposes of this section may be disbursed without submission to and approval of the controlling board.

The allocation of payments for materials, equipment, textbooks, electronic textbooks, health services, and remedial services to city, local, and exempted village school districts shall be on the basis of the state board of education's estimated annual average daily membership in nonpublic elementary and high schools located in the district.

Payments made to city, local, and exempted village school districts under this section shall be equal to specific appropriations made for the purpose. All interest earned by a school district on such payments shall be used by the district for the same purposes and in the same manner as the payments may be used.

The department of education shall adopt guidelines and procedures under which such programs and services shall be provided, under which districts shall be reimbursed for administrative costs incurred in providing such programs and services, and under which any unexpended balance of the amounts appropriated by the general assembly to implement this section may be transferred to the auxiliary services personnel unemployment compensation fund established pursuant to section 4141.47 of the Revised Code. The department shall also adopt guidelines and procedures limiting the purchase and loan of the items described in division (K) of this section to items that are in general use in the public schools of the state, that are incapable of diversion to religious use, and that are susceptible to individual use rather than classroom use. Within thirty days after the end of each biennium, each board of education shall remit to the department all moneys paid to it under division ~~(L)~~(I) of section 3317.024 of the Revised Code and any interest earned on those moneys that are not required to pay expenses incurred under this section during the biennium for which the money was appropriated and during which the interest was earned. If a board of education subsequently determines that the remittal of moneys leaves the board with insufficient money to pay all valid expenses incurred under this section during the biennium for which the remitted money was appropriated, the board may apply to the department of education for a refund of money,

not to exceed the amount of the insufficiency. If the department determines the expenses were lawfully incurred and would have been lawful expenditures of the refunded money, it shall certify its determination and the amount of the refund to be made to the director of job and family services who shall make a refund as provided in section 4141.47 of the Revised Code.

Sec. 3317.07. The state board of education shall establish rules for the purpose of distributing subsidies for the purchase of school buses under division ~~(E)~~(D) of section 3317.024 of the Revised Code.

No school bus subsidy payments shall be paid to any district unless such district can demonstrate that pupils residing more than one mile from the school could not be transported without such additional aid.

The amount paid to a county MR/DD board for buses purchased for transportation of children in special education programs operated by the board shall be based on a per pupil allocation for eligible students.

The amount paid to a school district for buses purchased for transportation of handicapped and nonpublic school pupils shall be determined by a per pupil allocation based on the number of special education and nonpublic school pupils for whom transportation is provided.

The state board of education shall adopt a formula to determine the amount of payments that shall be distributed to school districts to purchase school buses for pupils other than handicapped or nonpublic school pupils.

If any district or MR/DD board obtains bus services for pupil transportation pursuant to a contract, such district or board may use payments received under this section to defray the costs of contracting for bus services in lieu of for purchasing buses.

If the department of education determines that a county MR/DD board no longer needs a school bus because the board no longer transports children to a special education program operated by the board, or if the department determines that a school district no longer needs a school bus to transport pupils to a nonpublic school or special education program, the department may reassign a bus that was funded with payments provided pursuant to this section for the purpose of transporting such pupils. The department may reassign a bus to a county MR/DD board or school district that transports children to a special education program designated in the children's individualized education plans, or to a school district that transports pupils to a nonpublic school, and needs an additional school bus.

Sec. 3317.082. As used in this section, "institution" means a residential facility that receives and cares for children maintained by the department of youth services and that operates a school chartered by the state board of

education under section 3301.16 of the Revised Code.

(A) On or before the thirty-first day of each January and July, the superintendent of each institution that during the six-month period immediately preceding each January or July provided an elementary or secondary education for any child, other than a child receiving special education under section 3323.091 of the Revised Code, shall prepare and submit to the department of education, a statement for each such child indicating the child's name, any school district responsible to pay tuition for the child as determined by the superintendent in accordance with division (C)(2) or (3) of section 3313.64 of the Revised Code, and the period of time during that six-month period that the child received an elementary or secondary education. If any school district is responsible to pay tuition for any such child, the department of education, no later than the immediately succeeding last day of February or August, as applicable, shall calculate the amount of the tuition of the district under section 3317.08 of the Revised Code for the period of time indicated on the statement and do one of the following:

(1) If the tuition amount is equal to or less than the amount of state basic aid funds payable to the district under sections 3317.022 and 3317.023 of the Revised Code, pay to the institution submitting the statement an amount equal to the tuition amount, as provided under division ~~(Q)~~(M) of section 3317.024 of the Revised Code, and deduct the tuition amount from the state basic aid funds payable to the district, as provided under division (F)(2) of section 3317.023 of the Revised Code;

(2) If the tuition amount is greater than the amount of state basic aid funds payable to the district under sections 3317.022 and 3317.023 of the Revised Code, require the district to pay to the institution submitting the statement an amount equal to the tuition amount.

(B) In the case of any disagreement about the school district responsible to pay tuition for a child pursuant to this section, the superintendent of public instruction shall make the determination in any such case in accordance with division (C)(2) or (3) of section 3313.64 of the Revised Code.

Sec. 3317.11. (A) As used in this section:

(1) "Client school district" means a city or exempted village school district that has entered into an agreement under section 3313.843 of the Revised Code to receive any services from an educational service center.

(2) "Service center ADM" means the sum of the total student counts of all local school districts within an educational service center's territory and all of the service center's client school districts.

(3) "Total student count" has the same meaning as in section 3301.011 of the Revised Code.

(B)(1) The governing board of each educational service center shall provide supervisory services to each local school district within the service center's territory. Each city or exempted village school district that enters into an agreement under section 3313.843 of the Revised Code for a governing board to provide any services also is considered to be provided supervisory services by the governing board. Except as provided in division (B)(2) of this section, the supervisory services shall not exceed one supervisory teacher for the first fifty classroom teachers required to be employed in the districts, as calculated under section 3317.023 of the Revised Code, and one for each additional one hundred required classroom teachers, as so calculated.

The supervisory services shall be financed annually through supervisory units. Except as provided in division (B)(2) of this section, the number of supervisory units assigned to each district shall not exceed one unit for the first fifty classroom teachers required to be employed in the district, as calculated under section 3317.023 of the Revised Code, and one for each additional one hundred required classroom teachers, as so calculated. The cost of each supervisory unit shall be the sum of:

(a) The minimum salary prescribed by section 3317.13 of the Revised Code for the licensed supervisory employee of the governing board;

(b) An amount equal to fifteen per cent of the salary prescribed by section 3317.13 of the Revised Code;

(c) An allowance for necessary travel expenses, limited to the lesser of two hundred twenty-three dollars and sixteen cents per month or two thousand six hundred seventy-eight dollars per year.

(2) If a majority of the boards of education, or superintendents acting on behalf of the boards, of the local and client school districts receiving services from the educational service center agree to receive additional supervisory services and to pay the cost of a corresponding number of supervisory units in excess of the services and units specified in division (B)(1) of this section, the service center shall provide the additional services as agreed to by the majority of districts to, and the department of education shall apportion the cost of the corresponding number of additional supervisory units pursuant to division (B)(3) of this section among, all of the service center's local and client school districts.

(3) The department shall apportion the total cost for all supervisory units among the service center's local and client school districts based on each district's total student count. The department shall deduct each district's

apportioned share pursuant to division (E) of section 3317.023 of the Revised Code and pay the apportioned share to the service center.

(C) The department annually shall deduct from each local and client school district of each educational service center, pursuant to division (E) of section 3317.023 of the Revised Code, and pay to the service center an amount equal to six dollars and fifty cents times the school district's total student count. The board of education, or the superintendent acting on behalf of the board, of any local or client school district may agree to pay an amount in excess of six dollars and fifty cents per student in total student count. If a majority of the boards of education, or superintendents acting on behalf of the boards, of the local school districts within a service center's territory approve an amount in excess of six dollars and fifty cents per student in total student count, the department shall deduct the approved excess per student amount from all of the local school districts within the service center's territory and pay the excess amount to the service center.

(D) The department shall pay each educational service center the amounts due to it from school districts pursuant to contracts, compacts, or agreements under which the service center furnishes services to the districts or their students. In order to receive payment under this division, an educational service center shall furnish either a copy of the contract, compact, or agreement clearly indicating the amounts of the payments, or a written statement that clearly indicates the payments owed and is signed by the superintendent or treasurer of the responsible school district. The amounts paid to service centers under this division shall be deducted from payments to school districts pursuant to division (K)(3) of section 3317.023 of the Revised Code.

(E) Each school district's deduction under this section and divisions (E) and (K)(3) of section 3317.023 of the Revised Code shall be made from the total payment computed for the district under this chapter, after making any other adjustments in that payment required by law.

(F)(1) Except as provided in division (F)(2) of this section, the department annually shall pay the governing board of each educational service center state funds equal to thirty-seven dollars times its service center ADM.

(2) The department annually shall pay state funds equal to forty dollars and fifty-two cents times the service center ADM to each educational service center comprising territory that was included in the territory of at least three former service centers or county school districts, which former centers or districts engaged in one or more mergers under section 3311.053 of the Revised Code to form the present center.

(G) Each city, exempted village, local, joint vocational, or cooperative education school district shall pay to the governing board of an educational service center any amounts agreed to for each child enrolled in the district who receives special education and related services or career-technical education from the educational service center, unless these educational services are provided pursuant to a contract, compact, or agreement for which the department deducts and transfers payments under division (D) of this section and division (K)(3) of section 3317.023 of the Revised Code.

(H) An educational service center:

(1) May provide special education and career-technical education to students in its local or client school districts;

(2) Is eligible for transportation funding under division ~~(F)~~(G) of section 3317.024 of the Revised Code and for state subsidies for the purchase of school buses under section 3317.07 of the Revised Code;

(3) May apply for and receive gifted education units and provide gifted education services to students in its local or client school districts;

(4) May conduct driver education for high school students in accordance with Chapter 4508. of the Revised Code.

Sec. 3317.19. (A) As used in this section, "total unit allowance" means an amount equal to the sum of the following:

(1) The total of the salary allowances for the teachers employed in the cooperative education school district for all units approved under division (B) or (C) of section 3317.05 of the Revised Code. The salary allowance for each unit shall equal the minimum salary for the teacher of the unit calculated on the basis of the teacher's training level and years of experience pursuant to the salary schedule prescribed in the version of section 3317.13 of the Revised Code in effect prior to ~~the effective date of this amendment~~ July 1, 2001.

(2) Fifteen per cent of the total computed under division (A)(1) of this section;

(3) The total of the unit operating allowances for all approved units. The amount of each allowance shall equal one of the following:

(a) Eight thousand twenty-three dollars times the number of preschool handicapped units or fraction thereof approved for the year under division (B) of section 3317.05 of the Revised Code;

(b) Two thousand one hundred thirty-two dollars times the number of units or fraction thereof approved for the year under division (C) of section 3317.05 of the Revised Code.

(B) The state board of education shall compute and distribute to each cooperative education school district for each fiscal year an amount equal to

the sum of the following:

(1) An amount equal to the total of the amounts credited to the cooperative education school district pursuant to division (K) of section 3317.023 of the Revised Code;

(2) The total unit allowance;

(3) An amount for assisting in providing free lunches to needy children and an amount for assisting needy school districts in purchasing necessary equipment for food preparation pursuant to division ~~(K)~~(H) of section 3317.024 of the Revised Code.

(C) If a cooperative education school district has had additional special education units approved for the year under division (F)(2) of section 3317.03 of the Revised Code, the district shall receive an additional amount during the last half of the fiscal year. For each unit, the additional amount shall equal fifty per cent of the amount computed under division (A) of this section for a unit approved under division (B) of section 3317.05 of the Revised Code.

Sec. 3318.052. At any time after the electors of a school district have approved either or both a property tax levied under section 5705.21 or 5705.218 of the Revised Code for the purpose of permanent improvements, including general permanent improvements, or a school district income tax levied under Chapter 5748. of the Revised Code, the proceeds of either of which, pursuant to the ballot measures approved by the electors, are not so restricted that they cannot be used to pay the costs of a project or maintaining classroom facilities, the school district board may:

(A) Within one year following the date of the certification of the conditional approval of the school district's classroom facilities project by the Ohio school facilities commission, enter into a written agreement with the commission, which may be part of an agreement entered into under section 3318.08 of the Revised Code, and in which the school district board covenants and agrees to do one or both of the following:

(1) Apply a specified amount of available proceeds of that property tax levy, of that school district income tax, or of securities issued under this section, or of proceeds from any two or more of those sources, to pay all or part of the district's portion of the basic project cost of its classroom facilities project;

(2) Apply available proceeds of either or both a property tax levied under section 5705.21 or 5705.218 of the Revised Code in effect for a continuing period of time, or of a school district income tax levied under Chapter 5748. of the Revised Code in effect for a continuing period of time to the payment of costs of maintaining the classroom facilities.

(B) Receive, as a credit against the amount of bonds required under sections 3318.05 and 3318.06 of the Revised Code, to be approved by the electors of the district and issued by the district board for the district's portion of the basic project cost of its classroom facilities project in order for the district to receive state assistance for the project, an amount equal to the specified amount that the district board covenants and agrees with the commission to apply as set forth in division (A)(1) of this section;

(C) Receive, as a credit against the amount of the tax levy required under sections 3318.05 and 3318.06 of the Revised Code, to be approved by the electors of the district to pay the costs of maintaining the classroom facilities in order to receive state assistance for the classroom facilities project, an amount equivalent to the specified amount of proceeds the school district board covenants and agrees with the commission to apply as referred to in division (A)(2) of this section;

(D) Apply proceeds of either or both a school district income tax levied under Chapter 5748. of the Revised Code that may lawfully be used to pay the costs of a classroom facilities project or of a tax levied under section 5705.21 or 5705.218 of the Revised Code to the payment of debt charges on and financing costs related to securities issued under this section;

(E) Issue securities to provide moneys to pay all or part of the district's portion of the basic project cost of its classroom facilities project in accordance with an agreement entered into under division (A) of this section. Securities issued under this section shall be Chapter 133. securities and may be issued as general obligation securities or issued in anticipation of a school district income tax or as property tax anticipation notes under section 133.24 of the Revised Code. The district board's resolution authorizing the issuance and sale of general obligation securities under this section shall conform to the applicable requirements of section 133.22 or 133.23 of the Revised Code. Securities issued under this section shall have principal payments during each year after the year of issuance over a period of not more than twenty-three years and, if so determined by the district board, during the year of issuance. Securities issued under this section shall not be included in the calculation of net indebtedness of the district under section 133.06 of the Revised Code and shall not count toward the limitations on unvoted indebtedness specified in division (G) of that section and in section 3313.372 of the Revised Code, if the resolution of the district board authorizing their issuance and sale includes covenants to appropriate annually from lawfully available proceeds of a property tax levied under section 5705.21 or 5705.218 of the Revised Code or of a school district income tax levied under Chapter 5748. of the Revised Code and to continue

to levy and collect the tax in amounts necessary to pay the debt charges on and financing costs related to the securities as they become due. No property tax levied under section 5705.21 or 5705.218 of the Revised Code and no school district income tax levied under Chapter 5748. of the Revised Code that is pledged, or that the school district board has covenanted to levy, collect, and appropriate annually, to pay the debt charges on and financing costs related to securities issued under this section shall be repealed while those securities are outstanding. If such a tax is reduced by the electors of the district or by the district board while those securities are outstanding, the school district board shall continue to levy and collect the tax under the authority of the original election authorizing the tax at a rate in each year that the board reasonably estimates will produce an amount in that year equal to the debt charges on the securities in that year, except that in the case of a school district income tax that amount shall be rounded up to the nearest one-fourth of one per cent.

No state moneys shall be released for a project to which this section applies until the proceeds of the tax securities issued under this section that are dedicated for the payment of the district portion of the basic project cost of its classroom facilities project are first deposited into the district's project construction fund.

Sec. 3318.37. (A)(1) As used in this section:

(a) "Large land area school district" means a school district with a territory of greater than three hundred square miles in any percentile as determined under section 3318.011 of the Revised Code.

(b) "Low wealth school district" means a school district in the first through ~~fiftieth~~ seventy-fifth percentiles as determined under section 3318.011 of the Revised Code.

(c) A "school district with an exceptional need for immediate classroom facilities assistance" means a low wealth or large land area school district with an exceptional need for new facilities in order to protect the health and safety of all or a portion of its students.

(2) No school district reasonably expected to be eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code within three fiscal years after the year of the application for assistance under this section shall be eligible for assistance under this section, unless the district's entire classroom facilities plan consists of only a single building designed to house grades kindergarten through twelve and the district satisfies the conditions prescribed in divisions (A)(3)(a) and (b) of this section.

(3) No school district that participates in the school building assistance expedited local partnership program under section 3318.36 of the Revised

Code shall receive assistance under the program established under this section unless the following conditions are satisfied:

(a) The district board adopted a resolution certifying its intent to participate in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code prior to September 14, 2000.

(b) The district was selected by the Ohio school facilities commission for participation in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code in the manner prescribed by the commission under that section as it existed prior to September 14, 2000.

(B)(1) There is hereby established the exceptional needs school facilities assistance program. Under the program, the Ohio school facilities commission may set aside from the moneys annually appropriated to it for classroom facilities assistance projects up to twenty-five per cent for assistance to school districts with exceptional needs for immediate classroom facilities assistance.

(2)(a) After consulting with education and construction experts, the commission shall adopt guidelines for identifying school districts with an exceptional need for immediate classroom facilities assistance.

(b) The guidelines shall include application forms and instructions for school districts to use in applying for assistance under this section.

(3) The commission shall evaluate the classroom facilities, and the need for replacement classroom facilities from the applications received under this section. The commission, utilizing the guidelines adopted under division (B)(2)(a) of this section, shall prioritize the school districts to be assessed.

Notwithstanding section 3318.02 of the Revised Code, the commission may conduct on-site evaluation of the school districts prioritized under this section and approve and award funds until such time as all funds set aside under division (B)(1) of this section have been encumbered. However, the commission need not conduct the evaluation of facilities if the commission determines that a district's assessment conducted under section 3318.36 of the Revised Code is sufficient for purposes of this section.

(4) Notwithstanding division (A) of section 3318.05 of the Revised Code, the school district's portion of the basic project cost under this section shall be the "required percentage of the basic project costs," as defined in division (K) of section 3318.01 of the Revised Code.

(5) Except as otherwise specified in this section, any project undertaken with assistance under this section shall comply with all provisions of sections 3318.01 to 3318.20 of the Revised Code. A school district may

receive assistance under sections 3318.01 to 3318.20 of the Revised Code for the remainder of the district's classroom facilities needs as assessed under this section when the district is eligible for such assistance pursuant to section 3318.02 of the Revised Code, but any classroom facility constructed with assistance under this section shall not be included in a district's project at that time unless the commission determines the district has experienced the increased enrollment specified in division (B)(1) of section 3318.04 of the Revised Code.

(C) No school district shall receive assistance under this section for a classroom facility that has been included in the discrete part of the district's classroom facilities needs identified and addressed in the district's project pursuant to an agreement entered into under section 3318.36 of the Revised Code, unless the district's entire classroom facilities plan consists of only a single building designed to house grades kindergarten through twelve.

Sec. 3319.17. (A) As used in this section, "interdistrict contract" means any contract or agreement entered into by an educational service center governing board and another board or other public entity pursuant to section 3313.17, 3313.841, 3313.842, 3313.843, 3313.91, or 3323.08 of the Revised Code, including any such contract or agreement for the provision of services funded under division ~~(E)~~(I) of section 3317.024 of the Revised Code or provided in any unit approved under section 3317.05 of the Revised Code.

(B) When, for any of the following reasons that apply to any city, exempted village, local, or joint vocational school district or any educational service center, the board decides that it will be necessary to reduce the number of teachers it employs, it may make a reasonable reduction:

(1) In the case of any district or service center, return to duty of regular teachers after leaves of absence including leaves provided pursuant to division (B) of section 3314.10 of the Revised Code, suspension of schools, territorial changes affecting the district or center, or financial reasons;

(2) In the case of any city, exempted village, local, or joint vocational school district, decreased enrollment of pupils in the district;

(3) In the case of any governing board of a service center providing any particular service directly to pupils pursuant to one or more interdistrict contracts requiring such service, reduction in the total number of pupils the governing board is required to provide with the service under all interdistrict contracts as a result of the termination or nonrenewal of one or more of these interdistrict contracts;

(4) In the case of any governing board providing any particular service that it does not provide directly to pupils pursuant to one or more interdistrict contracts requiring such service, reduction in the total level of

the service the governing board is required to provide under all interdistrict contracts as a result of the termination or nonrenewal of one or more of these interdistrict contracts.

(C) In making any such reduction, any city, exempted village, local, or joint vocational school board shall proceed to suspend contracts in accordance with the recommendation of the superintendent of schools who shall, within each teaching field affected, give preference first to teachers on continuing contracts and then to teachers who have greater seniority. In making any such reduction, any governing board of a service center shall proceed to suspend contracts in accordance with the recommendation of the superintendent who shall, within each teaching field or service area affected, give preference first to teachers on continuing contracts and then to teachers who have greater seniority.

On a case-by-case basis, in lieu of suspending a contract in whole, a board may suspend a contract in part, so that an individual is required to work a percentage of the time the employee otherwise is required to work under the contract and receives a commensurate percentage of the full compensation the employee otherwise would receive under the contract.

The teachers whose continuing contracts are suspended by any board pursuant to this section shall have the right of restoration to continuing service status by that board in the order of seniority of service in the district or service center if and when teaching positions become vacant or are created for which any of such teachers are or become qualified. No teacher whose continuing contract has been suspended pursuant to this section shall lose that right of restoration to continuing service status by reason of having declined recall to a position that is less than full-time or, if the teacher was not employed full-time just prior to suspension of the teacher's continuing contract, to a position requiring a lesser percentage of full-time employment than the position the teacher last held while employed in the district or service center.

(D) Notwithstanding any provision to the contrary in Chapter 4117. of the Revised Code, the requirements of this section prevail over any conflicting provisions of agreements between employee organizations and public employers entered into after ~~the effective date of this amendment~~ September 29, 2005.

Sec. 3323.091. (A) The department of mental health, the department of mental retardation and developmental disabilities, the department of youth services, and the department of rehabilitation and correction shall establish and maintain special education programs for handicapped children in institutions under their jurisdiction according to standards adopted by the

state board of education.

(B) The superintendent of each state institution required to provide services under division (A) of this section, and each county MR/DD board, providing special education for handicapped preschool children under this chapter may apply to the state department of education for unit funding, which shall be paid in accordance with sections 3317.052 and 3317.053 of the Revised Code.

The superintendent of each state institution required to provide services under division (A) of this section may apply to the department of education for special education and related services weighted funding for handicapped children other than handicapped preschool children, calculated in accordance with section 3317.201 of the Revised Code.

Each county MR/DD board providing special education for handicapped children other than handicapped preschool children may apply to the department of education for base cost and special education and related services weighted funding calculated in accordance with section 3317.20 of the Revised Code.

(C) In addition to the authorization to apply for state funding described in division (B) of this section, each state institution required to provide services under division (A) of this section is entitled to tuition payments calculated in the manner described in division (C) of this section.

On or before the thirtieth day of June of each year, the superintendent of each institution that during the school year provided special education pursuant to this section shall prepare a statement for each handicapped child under twenty-two years of age who has received special education. The statement shall contain the child's ~~name~~ data verification code assigned pursuant to division (D)(2) of section 3301.0714 of the Revised Code and the name of the child's school district of residence. Within sixty days after receipt of such statement, the department of education shall perform one of the following:

(1) For any child except a handicapped preschool child described in division (C)(2) of this section, pay to the institution submitting the statement an amount equal to the tuition calculated under division (A) of section 3317.08 of the Revised Code for the period covered by the statement, and deduct the same from the amount of state funds, if any, payable under sections 3317.022 and 3317.023 of the Revised Code, to the child's school district of residence or, if the amount of such state funds is insufficient, require the child's school district of residence to pay the institution submitting the statement an amount equal to the amount determined under this division.

(2) For any handicapped preschool child not included in a unit approved under division (B) of section 3317.05 of the Revised Code, perform the following:

(a) Pay to the institution submitting the statement an amount equal to the tuition calculated under division (B) of section 3317.08 of the Revised Code for the period covered by the statement, except that in calculating the tuition under that section the operating expenses of the institution submitting the statement under this section shall be used instead of the operating expenses of the school district of residence;

(b) Deduct from the amount of state funds, if any, payable under sections 3317.022 and 3317.023 of the Revised Code to the child's school district of residence an amount equal to the amount paid under division (C)(2)(a) of this section.

Sec. 3323.13. (A) If a child who is a school resident of one school district receives special education from another district, the board of education of the district providing the education, subject to division (C) of this section, may require the payment by the board of education of the district of residence of a sum not to exceed one of the following, as applicable:

~~(A)(1)~~ For any child except a handicapped preschool child described in division ~~(B)(A)(2)~~ of this section, the tuition of the district providing the education for a child of normal needs of the same school grade. The determination of the amount of such tuition shall be in the manner provided for by division (A) of section 3317.08 of the Revised Code.

~~(B)(2)~~ For any handicapped preschool child not included in a unit approved under division (B) of section 3317.05 of the Revised Code, the tuition of the district providing the education for the child as calculated under division (B) of section 3317.08 of the Revised Code.

(B) The board of the district of residence may contract with the board of another district for the transportation of such child into any school in such other district, on terms agreed upon by such boards. Upon direction of the state board of education, the board of the district of residence shall pay for the child's transportation and the tuition.

(C) The board of education of a district providing the education for a child shall be entitled to require payment from the district of residence under this section or section 3323.14 of the Revised Code only if the district providing the education has done at least one of the following:

(1) Invited the district of residence to send representatives to attend the meetings of the team developing the child's individualized education program;

(2) Received from the district of residence a copy of the individualized education program or a multi-factored evaluation developed for the child by the district of residence;

(3) Informed the district of residence in writing that the district is providing the education for the child.

As used in division (C)(2) of this section, "multi-factored evaluation" means an evaluation, conducted by a multi-disciplinary team, of more than one area of the child's functioning so that no single procedure shall be the sole criterion for determining an appropriate educational program placement for the child.

Sec. 3323.143. If a handicapped child's custodial parent has made a unilateral placement of the child, the parent shall be responsible for payment of tuition to the program or facility the child is attending as a result of that placement as long as the district of residence has offered a free appropriate public education to that child. As used in this section, "unilateral placement" means withdrawing a handicapped child from a program or facility operated by the district of residence or from a program or facility with which the district of residence has arranged for education of the child and instead enrolling that child in another program or facility that is not a home, as defined in section 3313.64 of the Revised Code, or that is not a facility or program available to the child pursuant to an open enrollment policy under section 3313.98 or 3313.983 of the Revised Code.

Sec. 3323.20. On July 1, 2006, and on each first day of July thereafter, the department of education shall electronically report to the general assembly the number of handicapped preschool children who received services for which the department made a payment to any provider during the previous fiscal year, disaggregated according to each ~~category area~~ of ~~handicap described in divisions (A) to (F) of section 3317.013 of the Revised Code, regardless of whether payment for services was based on the multiples prescribed in those divisions~~ developmental deficiency identified by the department for the evaluation of such children.

Sec. 3325.12. Money deposited with the superintendent of the state school for the blind and the superintendent of the state school for the deaf by parents, relatives, guardians, and friends for the special benefit of any pupil shall remain in the hands of the respective superintendent for use accordingly. Each superintendent shall deposit the money into one or more personal deposit funds. Each superintendent shall keep itemized book accounts of the receipt and disposition of the money, which books shall be open at all times to the inspection of the superintendent of public instruction. The superintendent of the state school for the blind and the superintendent

of the state school for the deaf each shall adopt rules governing the deposit, transfer, withdrawal, or investment of the money and the investment earnings of the money.

Whenever a pupil ceases to be enrolled in the state school for the blind or the state school for the deaf, if personal money of the pupil remains in the hands of the respective superintendent and no demand is made upon the superintendent by the pupil or the pupil's parent or guardian, the superintendent shall hold the money in a personal deposit fund for a period of at least one year. During that time, the superintendent shall make every effort possible to locate the pupil or the pupil's parent or guardian. If, at the end of this period, no demand has been made for the money held by the state school for the blind, the superintendent of the state school for the blind shall dispose of the money by transferring it to the state school for the blind student activity and work-study fund established by section 3325.11 of the Revised Code. If at the end of this period, no demand has been made for the money held by the state school for the deaf, the superintendent of the state school for the deaf shall dispose of the money by transferring it to the state school for the deaf educational program expenses fund established by section 3325.16 of the Revised Code.

Sec. 3353.02. (A) There is hereby created the eTech Ohio commission as an independent agency to advance education and accelerate the learning of the citizens of this state through technology. The commission shall provide leadership and support in extending the knowledge of the citizens of this state by promoting access to and use of all forms of educational technology, including educational television and radio, radio reading services, broadband networks, videotapes, compact discs, digital video on demand (DVD), and the internet. The commission also shall administer programs to provide financial and other assistance to school districts and other educational institutions for the acquisition and utilization of educational technology.

The commission is a body corporate and politic, an agency of the state performing essential governmental functions of the state.

(B) The commission shall consist of thirteen members, nine of whom shall be voting members. Six of the voting members shall be representatives of the public. Of the representatives of the public, four shall be appointed by the governor with the advice and consent of the senate, one shall be appointed by the speaker of the house of representatives, and one shall be appointed by the president of the senate. The superintendent of public instruction or a designee of the superintendent, the chancellor of the Ohio board of regents or a designee of the chancellor, and the director of

~~administrative services~~ the office of information technology or a designee of the director shall be ex officio voting members. Of the nonvoting members, two shall be members of the house of representatives appointed by the speaker of the house of representatives and two shall be members of the senate appointed by the president of the senate. The members appointed from each chamber shall not be members of the same political party.

(C) Initial terms of office for members appointed by the governor shall be one year for one member, two years for one member, three years for one member, and four years for one member. At the first meeting of the commission, members appointed by the governor shall draw lots to determine the length of the term each member will serve. Thereafter, terms of office for members appointed by the governor shall be for four years. Terms of office for voting members appointed by the speaker of the house of representatives and the president of the senate shall be for four years. Any member who is a representative of the public may be reappointed by the member's respective appointing authority, but no such member may serve more than two consecutive four-year terms. Such a member may be removed by the member's respective appointing authority for cause.

Any legislative member appointed by the speaker of the house of representatives or the president of the senate who ceases to be a member of the legislative chamber from which the member was appointed shall cease to be a member of the commission. The speaker of the house of representatives and the president of the senate may remove their respective appointments to the commission at any time.

(D) Vacancies among appointed members shall be filled in the manner provided for original appointments. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. Any appointed member shall continue in office subsequent to the expiration of that member's term until the member's successor takes office or until a period of sixty days has elapsed, whichever occurs first.

(E) Members of the commission shall serve without compensation. The members who are representatives of the public shall be reimbursed, pursuant to office of budget and management guidelines, for actual and necessary expenses incurred in the performance of official duties.

(F) The governor shall appoint the chairperson of the commission from among the commission's voting members. The chairperson shall serve a term of two years and may be reappointed. The commission shall elect other officers as necessary from among its voting members and shall prescribe its rules of procedure.

(G) The commission shall establish advisory groups as needed to address topics of interest and to provide guidance to the commission regarding educational technology issues and the technology needs of educators, learners, and the public. Members of each advisory group shall be appointed by the commission and shall include representatives of individuals or organizations with an interest in the topic addressed by the advisory group.

Sec. 3354.10. (A) All funds under the control of a board of trustees of a community college district, regardless of the source thereof, may be deposited by such board to its credit in banks or trust companies designated by it. Such banks or trust companies shall furnish security for every such deposit to the extent and in the manner provided in section 135.18 of the Revised Code, but no such deposit shall otherwise be subject to sections 135.01 to 135.21 of the Revised Code. Thereupon, such funds may be disbursed by the board of trustees for the uses and purposes of such district. No contract of the board involving the expenditure of money shall become effective until there is placed thereon by the treasurer as fiscal officer of the district the certificate provided for by section 5705.41 of the Revised Code.

(B) ~~The board of trustees of a community college district may by resolution provide that moneys of such district be invested in obligations of such district, in bonds or other obligations of the United States or those for which the payment of principal and interest of which the faith of the United States is pledged, bonds issued by the home owners' loan corporation pursuant to the "Home Owners Loan Act of 1933," 48 Stat. 128, 12 U.S.C. 1461, and any amendments thereto, bonds of the state, and bonds of any municipal corporation, village, county, township, or other political subdivision of the state as to which there is no default of principal, interest, or coupons. Such investments shall not be made at a price in excess of the current market value of such bonds or other interest-bearing obligations. The board of trustees may by resolution sell such bonds or other interest-bearing obligations for cash and for a sum not less than their current market price~~ provide for the investment of district funds. Investments may be made in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve.

(C) Any community college district is subject to audit by the auditor of state, who shall furnish to the county or counties which created the district a copy of the audit report.

Sec. 3357.10. (A) The board of trustees of a technical college district shall elect a treasurer, who is not a member of the board, to serve at its pleasure. The treasurer may be the person serving as secretary under section 3357.06 of the Revised Code. The treasurer shall be the fiscal officer of the district and shall receive and disburse all funds of the district under the direction of the board. No contract of the board involving the expenditure of money shall become effective until the treasurer certifies that there are funds of the board otherwise unappropriated sufficient to provide therefor.

When the treasurer of the district ceases to hold such office, the treasurer or the treasurer's legal representatives shall deliver to the board or to the treasurer's successor all moneys, books, papers, and other property of the district in the treasurer's possession as treasurer. In case of the death or incapacity of the treasurer, the treasurer's legal representatives shall, in like manner, deliver all moneys, books, papers, and other property of the district to the board or to the person named as the treasurer's successor.

(B) All funds under the control of a board of trustees of a technical college district, regardless of the source of the funds, may be deposited by the board to its credit in banks or trust companies designated by it. The banks or trust companies shall furnish security for every deposit to the extent and in the manner provided in section 135.18 of the Revised Code, but no deposit shall otherwise be subject to sections 135.01 to 135.21 of the Revised Code. Funds deposited in a bank or trust company may be disbursed by the board of trustees for the uses and purposes of the district.

(C) The board may provide for the investment of district funds. Investments may be made in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve.

Sec. 3358.06. (A) The treasurer of each state community college district shall be its fiscal officer, and ~~he~~ the treasurer shall receive and disburse all funds under the direction of the college president. No contract of the college's board of trustees involving the expenditure of money shall become

effective until the treasurer certifies that there are funds of the board otherwise uncommitted and sufficient to provide therefor.

When the treasurer ceases to hold the office, ~~he~~ the treasurer or ~~his~~ the treasurer's legal representative shall deliver to ~~his~~ the treasurer's successor or the president all moneys, books, papers, and other property of the college.

Before entering upon the discharge of ~~his~~ official duties, the treasurer shall give bond to the state for the faithful performance of ~~his~~ official duties and the proper accounting for all moneys coming into ~~his~~ the treasurer's care. The amount of the bond shall be determined by the board but shall not be for a sum less than the estimated amount that may come into ~~his~~ the treasurer's control at any time. The bond shall be approved by the attorney general.

(B) The board of trustees may provide for the investment of district funds. Investments may be made in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve.

Sec. 3362.01. (A) There is hereby created a state university to be known as "Shawnee state university." The government of Shawnee state university is vested in a board of eleven trustees who shall be appointed by the governor with the advice and consent of the senate. Two of the trustees shall be students at Shawnee state university, and their selection and terms shall be in accordance with division (B) of this section. The remaining trustees shall be appointed as follows: one for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years, one for a term of five years, one for a term of six years, one for a term of seven years, one for a term of eight years, and one for a term of nine years. Thereafter, terms shall be for nine years. All terms of office shall commence on the first day of July and end on the thirtieth day of June. ~~At least five of the trustees, excluding the two student members, shall be residents of territory that constitutes the Shawnee state community college district on July 2, 1986.~~

Each trustee shall hold office from the date of appointment until the end of the term for which the trustee was appointed. Any trustee appointed to fill a vacancy occurring prior to the expiration of the term for which the

trustee's predecessor was appointed shall hold office for the remainder of such term. Any trustee shall continue in office subsequent to the expiration date of the trustee's term until the trustee's successor takes office, or until a period of sixty days has elapsed, whichever occurs first. No person who has served a full nine-year term or more than six years of such a term shall be eligible for reappointment until a period of four years has elapsed since the last day of the term for which the person previously served.

The trustees shall receive no compensation for their services but shall be paid their reasonable and necessary expenses while engaged in the discharge of their official duties.

A majority of the board constitutes a quorum.

(B) The student members of the board of trustees of Shawnee state university have no voting power on the board. Student members shall not be considered as members of the board in determining whether a quorum is present. Student members shall not be entitled to attend executive sessions of the board. The student members of the board shall be appointed by the governor, with the advice and consent of the senate, from a group of five candidates selected pursuant to a procedure adopted by the university's student governments and approved by the university's board of trustees. The initial term of office of one of the student members shall commence on July 1, 1988, and shall expire on June 30, 1989, and the initial term of office of the other student member shall commence on July 1, 1988, and expire on June 30, 1990. Thereafter, terms of office of student members shall be for two years, each term ending on the same day of the same month of the year as the term it succeeds. In the event a student member cannot fulfill a two-year term, a replacement shall be selected to fill the unexpired term in the same manner used to make the original selection.

Sec. 3365.02. There is hereby established the post-secondary enrollment options program under which a secondary grade student who is a resident of this state may enroll at a college, on a full- or part-time basis, and complete nonsectarian courses for high school and college credit.

Secondary grade students in a nonpublic school may participate in the post-secondary enrollment options program if the chief administrator of such school notifies the department of education by the first day of April prior to the school year in which the school's students will participate.

The state board of education, after consulting with the board of regents, shall adopt rules governing the program. The rules shall include:

(A) Requirements for school districts, community schools, or participating nonpublic schools to provide information about the program prior to the first day of March of each year to all students enrolled in grades

eight through eleven;

(B) A requirement that a student or the student's parent inform the district board of education, the governing authority of a community school, or the nonpublic school administrator by the thirtieth day of March of the student's intent to participate in the program during the following school year. The rule shall provide that any student who fails to notify a district board, the governing authority of a community school, or the nonpublic school administrator by the required date may not participate in the program during the following school year without the written consent of the district superintendent, the governing authority of a community school, or the nonpublic school administrator.

(C) Requirements that school districts and community schools provide counseling services to students in grades eight through eleven and to their parents before the students participate in the program under this chapter to ensure that students and parents are fully aware of the possible risks and consequences of participation. Counseling information shall include without limitation:

- (1) Program eligibility;
- (2) The process for granting academic credits;
- (3) Financial arrangements for tuition, books, materials, and fees;
- (4) Criteria for any transportation aid;
- (5) Available support services;
- (6) Scheduling;
- (7) The consequences of failing or not completing a course in which the student enrolls and the effect of the grade attained in the course being included in the student's grade point average, if applicable;
- (8) The effect of program participation on the student's ability to complete the district's, community school's, or nonpublic school's graduation requirements;
- (9) The academic and social responsibilities of students and parents under the program;
- (10) Information about and encouragement to use the counseling services of the college in which the student intends to enroll.

(D) A requirement that the student and the student's parent sign a form, provided by the school district or school, stating that they have received the counseling required by division (C) of this section and that they understand the responsibilities they must assume in the program;

(E) The options required by section 3365.04 of the Revised Code;

(F) A requirement that a student may not enroll in any specific college course through the program if the student has taken high school courses in

the same subject area as that college course and has failed to attain a cumulative grade point average of at least 3.0 on a 4.0 scale, or the equivalent, in such completed high school courses;

~~(G) A requirement that a student or the student's parent will reimburse the state for the amount of state funds paid to a college for a course in which the student is enrolled under this chapter if the student does not attain a passing final grade in that course.~~

Sec. 3365.11. (A) If the superintendent of the school district or the chief administrator of the community school in which a participant is enrolled determines that the participant has not attained a passing final grade in a college course in which the participant enrolled under this chapter, the superintendent or chief administrator shall seek reimbursement from the participant or the participant's parent for the amount of state funds paid to the college on behalf of the participant for that college course. The board of education of the school district or the governing authority of the community school, in accordance with division (C) of section 3313.642 of the Revised Code, may withhold grades and credits received by the participant for district or community school courses taken by the participant until the participant or the participant's parent provides reimbursement.

(B) If the chief administrator of the nonpublic school in which a participant is enrolled determines that the participant has not attained a passing final grade in a college course in which the participant enrolled under this chapter, the chief administrator shall seek reimbursement from the participant or the participant's parent for the amount of state funds paid to the college on behalf of the participant for enrollment in that college course. Upon the collection of any funds from a participant or participant's parent under this division, the chief administrator of a nonpublic school shall send an amount equal to the funds collected to the superintendent of public instruction. The superintendent of public instruction shall credit that amount to the general revenue fund.

Sec. 3375.121. (A) In any municipal corporation, not located in a county library district, which has a population of not less than twenty-five thousand, and within which there is not located a main library of a township, municipal, school district, association, or county free public library, a library district may be created by a resolution adopted by the legislative authority of ~~such that~~ municipal corporation. No such resolution shall be adopted after one year from June 20, 1977. Upon the adoption of such a resolution, any branches of an existing library ~~which that~~ are located in ~~such that~~ municipal corporation shall become the property of the municipal library district created.

The municipal corporation and the board of trustees of the public library maintaining any existing branches in ~~such that~~ municipal corporation shall forthwith take appropriate action transferring all title and interest in all ~~property, both~~ real and personal; property located in ~~such that~~ municipal corporation in the name of the library district maintaining ~~such those~~ branches in ~~such that~~ municipal corporation to the municipal corporation adopting the appropriate resolution. Upon transfer of ~~such all~~ title and interest in ~~such that~~ property ~~they, the branches~~ shall become a part of, and be operated by, the board of library trustees appointed by the mayor.

(B) In any municipal corporation ~~which that~~ has a population of less than twenty-five thousand and ~~which that~~ has not less than one hundred thousand dollars available from a bequest for the establishment of a municipal library, the legislative authority of ~~such that~~ municipal corporation may adopt, within one year after June 20, 1977, a resolution creating a library district. Upon the establishment of any such library district, the board of trustees of any library operating a branch library in ~~such that~~ municipal corporation shall not be required to transfer any property to the newly established library.

(C) The board of library trustees of any library district created under this section shall be composed of six members. ~~Such Those~~ trustees shall be appointed by the mayor, to serve without compensation, for a term of four years. In the first instance, three of ~~such those~~ trustees shall be appointed for a term of two years, and three of them shall be appointed for a term of four years. Vacancies shall be filled by like appointment for the unexpired term. A library district created under this section shall be governed in accordance with and exercise ~~such the~~ authority as provided for in sections 3375.32 to 3375.41 of the Revised Code.

Notwithstanding any contrary provision of section 3.24 of the Revised Code, the president of a board of township trustees may administer the oath of office to a person or persons representing the township on the board of library trustees of any library district created under this section, even if the geographical limits of the library district do not fall within the geographical limits of the township.

(D) Any library district created under this section is eligible to participate in the proceeds of the county library and local government support fund in accordance with section 5705.28 of the Revised Code.

(E) A municipal corporation may establish and operate a free public library regardless of whether the municipal corporation is located in a county library district or school library district, if all of the following conditions are met:

(1) The facility in which the library is principally located is transferred to the municipal corporation from the county library district or school library district in which it is located prior to January 1, 1996.

(2) The population of the municipal corporation is less than five hundred when the library is transferred from the county library district or school library district to the municipal corporation.

(3) The municipal corporation does not establish a municipal library district under this section.

(4) The library does not receive any proceeds from the county library and local government support fund under section 5747.48 of the Revised Code.

Sec. 3381.15. ~~(A)~~ The board of county commissioners of any county, the legislative authority of any municipal corporation, and the board of township trustees of any township, included within a regional arts and cultural district may appropriate annually, from moneys to the credit of the general fund of the county, the municipal corporation, or the township and not otherwise appropriated, that portion of the expense of the district to be paid by the county, municipal corporation, or township as provided in the resolution creating or enlarging the district adopted under section 3381.03 of the Revised Code, or by any amendment to the resolution.

~~(B) In addition to the authority granted to a board of county commissioners under division (A) of this section, a board of county commissioners in a county with a population of one million two hundred thousand or more may establish and provide local funding options for the support of arts and cultural organizations operating within the regional arts and cultural district in which the county is included.~~

Sec. 3381.17. From the funds available therefor from a tax levy authorized under section 3381.16 or, if applicable, sections 5743.021 and 5743.321 of the Revised Code, a regional arts and cultural district by action of its board of trustees shall make annual grants to support the operating or capital expenses of such of the arts or cultural organizations located within the territory of the district as the board of trustees shall determine; provided, however, that not more than ten per cent of the amount granted in any calendar year shall be granted to arts and cultural organizations that are not qualifying arts or cultural organizations; and further provided that prior to making any grants in any calendar year, the board of trustees shall afford an opportunity for the presentation, either in person or in writing, of the suggestions of any area arts council, as defined in section 757.03 of the Revised Code, located within the district. Any such grant to an arts or cultural organization shall be on such terms and conditions as the board

considers advisable.

Sec. 3517.152. (A)(1) There is hereby created the Ohio elections commission consisting of seven members.

Not later than forty-five days after August 24, 1995, the speaker of the house of representatives and the leader in the senate of the political party of which the speaker is a member shall jointly submit to the governor a list of five persons who are affiliated with that political party. Not later than forty-five days after August 24, 1995, the two legislative leaders in the two houses of the general assembly of the major political party of which the speaker is not a member shall jointly submit to the governor a list of five persons who are affiliated with the major political party of which the speaker is not a member. Not later than fifteen days after receiving each list, the governor shall appoint three persons from each list to the commission. The governor shall appoint one person from each list to a term that ends on December 31, 1996, one person from each list to a term that ends on December 31, 1997, and one person from each list to a term that ends on December 31, 1998.

Not later than thirty days after the governor appoints these six members, they shall, by a majority vote, appoint to the commission a seventh member, who shall not be affiliated with a political party. If the six members fail to appoint the seventh member within this thirty-day period, the chief justice of the supreme court, not later than thirty days after the end of the period during which the six members were required to appoint a member, shall appoint the seventh member, who shall not be affiliated with a political party. The seventh member shall be appointed to a term that ends on December 31, 2001. Terms of the initial members appointed under this division begin on January 1, 1996.

(2) If a vacancy occurs in the position of the seventh member, who is not affiliated with a political party, the six remaining members by a majority vote shall appoint, not later than forty-five days after the date of the vacancy, the seventh member of the commission, who shall not be affiliated with a political party. If these members fail to appoint the seventh member within this forty-five-day period, the chief justice of the supreme court, within fifteen days after the end of this period, shall appoint the seventh member, who shall not be affiliated with a political party. If a vacancy occurs in any of the other six positions on the commission, the legislative leaders of the political party from whose list of persons the member being replaced was appointed shall submit to the governor, not later than thirty days after the date of the vacancy, a list of three persons who are affiliated with that political party. Not later than fifteen days after receiving the list,

the governor, with the advice and consent of the senate, shall appoint one person from the list to the commission.

(3) At no time shall more than six members of the commission be affiliated with a political party, and, of these six members, not more than three shall be affiliated with the same political party.

(4) In making appointments to the commission, the governor shall take into consideration the various geographic areas of this state and shall appoint members so that those areas are represented on the commission in a balanced manner, to the extent feasible.

(5) Members of the commission shall be registered electors and shall be of good moral character.

(B) Each member of the Ohio elections commission shall hold office from the date of the member's appointment until the end of the term for which the member was appointed. A member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. A member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office or until a period of sixty days has elapsed, whichever occurs first. After the initial terms of office provided for in division (A)(1) of this section, terms of office shall be for five years.

(C) A vacancy in the Ohio elections commission may be caused by death, resignation, or three absences from commission meetings in a calendar year if those absences are caused by reasons declared invalid by a vote of five members of the remaining members of the commission.

(D) Each member of the Ohio elections commission while in the performance of the business of the commission shall be entitled to receive compensation at the rate of twenty-five thousand dollars per year. Members shall be reimbursed for expenses actually and necessarily incurred in the performance of their duties.

(E) No member of the Ohio elections commission shall serve more than one full term unless the terms served are served nonconsecutively.

(F)(1) No member of the Ohio elections commission shall do or be any of the following:

(a) Hold, or be a candidate for, a public office;

(b) Serve on a committee supporting or opposing a candidate or ballot question or issue;

(c) Be an officer of the state central committee, a county central committee, or a district, city, township, or other committee of a political party or an officer of the executive committee of the state central committee,

a county central committee, or a district, city, township, or other committee of a political party;

(d) Be a legislative agent as defined in section 101.70 of the Revised Code or an executive agency lobbyist as defined in section 121.60 of the Revised Code;

(e) Solicit or be involved in soliciting contributions on behalf of a candidate, campaign committee, political party, political action committee, or political contributing entity;

(f) Be in the unclassified service under section 124.11 of the Revised Code;

(g) Be a person or employee ~~described in divisions (C)(1) to (15)~~ who is excluded from the definition of public employee pursuant to division (C) of section 4117.01 of the Revised Code.

(2) No member or employee of the commission shall make a contribution to, or for the benefit of, a campaign committee or committee in support of or opposition to a ballot question or issue, a political party, a legislative campaign fund, a political action committee, or a political contributing entity.

(G)(1) The members of the Ohio elections commission shall elect a chairperson and a vice-chairperson. At no time shall the chairperson and vice-chairperson be affiliated with the same political party. The chairperson shall serve in that capacity for one year and shall not serve as chairperson more than twice during a term as a member of the commission. No two successive chairpersons shall be affiliated with the same political party.

(2) The commission shall meet at the call of the chairperson or upon the written request of a majority of the members. The meetings and hearings of the commission or a panel of the commission under sections 3517.153 to 3517.157 of the Revised Code are subject to section 121.22 of the Revised Code.

(3) The commission shall adopt rules for its procedures in accordance with Chapter 119. of the Revised Code. Five of the seven members constitute a quorum. Except as otherwise provided in this section and in sections 3517.154 to 3517.157 of the Revised Code, no action shall be taken without the concurrence of a majority of the members.

(H)(1) The Ohio elections commission shall employ the technical, professional, and clerical employees that are necessary for it to carry out its duties.

(2)(a) Notwithstanding section 109.02 of the Revised Code, the commission shall employ a full-time attorney, and, as needed, one or more investigatory attorneys to conduct investigations for the commission or a

panel of the commission. The commission may employ or contract for the services of additional attorneys, as needed. The full-time attorney shall do all of the following:

(i) Serve as the commission's attorney in regard to all legal matters, including representing the commission at appeals from a final determination of the commission, except that the full-time attorney shall not perform the duties that an investigatory attorney is required or requested to perform or that another attorney the commission employs or contracts with for services is required or requested to perform, and shall not represent the commission in any legal proceeding in which the commission is a named party;

(ii) At the request of the commission or a panel of the commission, be present at a hearing held under sections 3517.154 to 3517.156 of the Revised Code to rule on the admissibility of evidence and to advise on the conduct of procedure;

(iii) Perform other duties as required by rule of the commission.

(b) An attorney employed by or under contract with the commission shall be licensed to practice law in this state.

(3)(a) Except as otherwise provided in division (H)(3)(b) of this section, at least five members of the commission shall agree on the employment of a person, a majority of the members shall agree on the discharge of an employee, and a person employed by the commission shall serve at the pleasure of the commission.

(b) At least five of the seven members shall agree on the discharge of an investigatory attorney.

(I) There is hereby created in the state treasury the Ohio elections commission fund. All moneys credited to the fund shall be used solely for the purpose of paying expenses related to the operation of the Ohio elections commission.

Sec. 3701.041. (A) The employee assistance program is hereby established for the purpose of referring state employees paid by warrant of the ~~auditor of state~~ director of budget and management who are in need of medical, social, or other services to providers of those services.

The director of health, in consultation with the director of budget and management, shall determine a rate at which the payrolls of all state agencies with employees paid by warrant of the ~~auditor of state~~ director of budget and management shall be charged each pay period that is sufficient to cover the costs of administering the program. The rate shall be based upon the total number of such employees and may be adjusted as the director of health, in consultation with the director of budget and management, considers necessary. All money collected from the assessment

shall be deposited in the state treasury to the credit of the employee assistance general services fund, which is hereby created. The fund shall be used by the director of health to administer the program.

(B) Records of the identity, diagnosis, prognosis, or treatment of any person that are maintained in connection with the employee assistance program created in division (A) of this section are not public records under section 149.43 of the Revised Code and shall be disclosed only as provided in division (C) of this section.

(C)(1) Records described in division (B) of this section may be disclosed with the prior written consent of the person who is the subject of the record.

(2) Records described in division (B) of this section may be disclosed with or without the prior written consent of the person who is the subject of the record under the following conditions:

(a) To medical personnel to the extent necessary to meet a bona fide medical emergency;

(b) To qualified personnel for the purpose of conducting scientific research, management audits, financial audits, or program evaluation, but the personnel shall not directly or indirectly identify any person who is the subject of the record in any report of the research, audit, or evaluation or in any other manner;

(c) If authorized by an appropriate order of a court of competent jurisdiction granted after a showing of good cause. In determining good cause, the court shall weigh the public interest and the need for disclosure against injury to the person who is the subject of the record and to the employee assistance program. Upon granting such an order, the court shall, in determining the extent to which the disclosure of all or any part of any record is necessary, impose appropriate safeguards against unauthorized disclosure.

(D) Except as authorized by a court order described in division (C)(2)(c) of this section, no record described in division (B) of this section may be used to initiate or substantiate criminal charges against the person who is the subject of the record or to conduct any investigation of such a person.

Sec. 3701.046. The director of health is authorized to make grants for women's health services from funds appropriated for that purpose by the general assembly.

None of the funds received through grants for women's health services shall be used to provide abortion services. None of the funds received through these grants shall be used for counseling for or referrals for abortion, except in the case of a medical emergency. These funds shall be

distributed by the director to programs that the department of health determines will provide services that are physically and financially separate from abortion-providing and abortion-promoting activities, and that do not include counseling for or referrals for abortion, other than in the case of medical emergency.

These women's health services include and are limited to the following: pelvic examinations and laboratory testing; breast examinations and patient education on breast cancer; screening for cervical cancer; screening and treatment for sexually transmitted diseases and HIV screening; voluntary choice of contraception, including abstinence and natural family planning; patient education and pre-pregnancy counseling on the dangers of smoking, alcohol, and drug use during pregnancy; education on sexual coercion and violence in relationships; and prenatal care or referral for prenatal care. These health care services shall be provided in a medical clinic setting by persons authorized under Chapter. 4731 of the Revised Code to practice medicine and surgery or osteopathic medicine and surgery; authorized under Chapter 4730. of the Revised Code to practice as a physician assistant; licensed under Chapter 4723. of the Revised Code as a registered nurse or licensed practical nurse; or licensed under Chapter 4757. of the Revised Code as a social worker, independent social worker, professional clinical counselor, or professional counselor.

The director shall adopt rules under Chapter 119. of the Revised Code specifying reasonable eligibility standards that must be met to receive the state funding and provide reasonable methods by which a grantee wishing to be eligible for federal funding may comply with these requirements for state funding without losing its eligibility for federal funding.

Each applicant for these funds shall provide sufficient assurance to the director of all of the following:

(A) The program shall not discriminate in the provision of services based on an individual's religion, race, national origin, handicapping condition, age, sex, number of pregnancies, or marital status;

(B) The program shall provide services without subjecting individuals to any coercion to accept services or to employ any particular methods of family planning;

(C) Acceptance of services shall be solely on a voluntary basis and may not be made a prerequisite to eligibility for, or receipt of, any other service, assistance from, or participation in, any other program of the service provider;

(D) Any charges for services provided by the program shall be based on the patient's ability to pay and priority in the provision of services shall be

given to persons from low-income families.

In distributing these grant funds, the director shall give priority to grant requests from local departments of health for women's health services to be provided directly by personnel of the local department of health. The director shall issue a single request for proposals for all grants for women's health services. The director shall send a notification of this request for proposals to every local department of health in this state and shall place a notification on the department's web site. The director shall allow at least thirty days after issuing this notification before closing the period to receive applications.

After the closing date for receiving grant applications, the director shall first consider grant applications from local departments of health that apply for grants for women's health services to be provided directly by personnel of the local department of health. Local departments of health that apply for grants for women's health services to be provided directly by personnel of the local department of health need not provide all the listed women's health services in order to qualify for a grant. However, in prioritizing awards among local departments of health that qualify for funding under this paragraph, the director may consider, among other reasonable factors, the comprehensiveness of the women's health services to be offered, provided that no local department of health shall be discriminated against in the process of awarding these grant funds because the applicant does not provide contraception.

If funds remain after awarding grants to all local departments of health that qualify for the priority, the director may make grants to other applicants. Awards to other applicants may be made to those applicants that will offer all eight of the listed women's health services or that will offer all of the services except contraception. No applicant shall be discriminated against in the process of awarding these grant funds because the applicant does not provide contraception.

Sec. 3701.341. (A) The public health council, pursuant to Chapter 119. and consistent with section 2317.56 of the Revised Code, shall adopt rules relating to abortions and the following subjects:

(1) Post-abortion procedures to protect the health of the pregnant woman;

~~(2) Reporting forms;~~

~~(3) Pathological reports;~~

~~(4)~~(3) Humane disposition of the product of human conception;

~~(5)~~(4) Counseling.

(B) The director of health shall implement the rules and shall apply to

the court of common pleas for temporary or permanent injunctions restraining a violation or threatened violation of the rules. This action is an additional remedy not dependent on the adequacy of the remedy at law.

Sec. 3701.65. (A) There is hereby created in the state treasury the "choose life" fund. The fund shall consist of the contributions that are paid to the registrar of motor vehicles by applicants who voluntarily elect to obtain "choose life" license plates pursuant to section 4503.91 of the Revised Code and any money returned to the fund under division (E)(1)(d) of this section. All investment earnings of the fund shall be credited to the fund.

(B)(1) At least annually, the director of health shall distribute the money in the fund to any private, nonprofit organization that is eligible to receive funds under this section and that applies for funding under division (C) of this section.

(2) The director shall distribute the funds based on the county in which the organization applying for funding is located and in proportion to the number of "choose life" license plates issued during the preceding year to vehicles registered in each county. The director shall distribute funds allocated for a county to one or more eligible organizations located in contiguous counties if no eligible organization located within the county applies for funding. Within each county, eligible organizations that apply for funding shall share equally in the funds available for distribution to organizations located within that county.

(C) Any organization seeking funds under this section annually shall apply for distribution of the funds based on the county in which the organization is located. An organization may apply for funding in a contiguous county if it demonstrates that it provides services for pregnant women residing in that contiguous county. The director shall develop an application form and may determine the schedule and procedures that an organization shall follow when annually applying for funds. The application shall inform the applicant of the conditions for receiving and using funds under division (E) of this section. The application shall require evidence that the organization meets all of the following requirements:

- (1) Is a private, nonprofit organization;
- (2) Is committed to counseling pregnant women about the option of adoption;
- (3) Provides services within the state to pregnant women who are planning to place their children for adoption, including counseling and meeting the material needs of the women;
- (4) Does not charge women for any services received;

(5) Is not involved or associated with any abortion activities, including counseling for or referrals to abortion clinics, providing medical abortion-related procedures, or pro-abortion advertising;

(6) Does not discriminate in its provision of any services on the basis of race, religion, color, age, marital status, national origin, handicap, gender, or age.

(D) The director shall not distribute funds to an organization that does not provide verifiable evidence of the requirements specified in the application under division (C) of this section and shall not provide additional funds to any organization that fails to comply with division (E) of this section in regard to its previous receipt of funds under this section.

(E)(1) An organization receiving funds under this section shall do all of the following:

(a) Use not more than sixty per cent of the funds distributed to it for the material needs of pregnant women who are planning to place their children for adoption or for infants awaiting placement with adoptive parents, including clothing, housing, medical care, food, utilities, and transportation;

(b) Use not more than forty per cent of the funds distributed to it for counseling, training, or advertising;

(c) Not use any of the funds distributed to it for administrative expenses, legal expenses, or capital expenditures;

(d) Annually return to the fund created under division (A) of this section any unused money that exceeds ten per cent of the money distributed to the organization.

(2) The organization annually shall submit to the director an audited financial statement verifying its compliance with division (E)(1) of this section.

(F) The director, in accordance with Chapter 119. of the Revised Code, shall adopt rules to implement this section.

It is not the intent of the general assembly that the department create a new position within the department to implement and administer this section. It is the intent of the general assembly that the implementation and administration of this section be accomplished by existing department personnel.

Sec. 3701.79. (A) As used in this section:

(1) "Abortion" has the same meaning as in section 2919.11 of the Revised Code.

(2) "Abortion report" means a form completed pursuant to division (C) of this section.

(3) "Ambulatory surgical facility" has the same meaning as in section

3702.30 of the Revised Code.

(4) "Department" means the department of health.

(5) "Hospital" means any building, structure, institution, or place devoted primarily to the maintenance and operation of facilities for the diagnosis, treatment, and medical or surgical care for three or more unrelated individuals suffering from illness, disease, injury, or deformity, and regularly making available at least clinical laboratory services, diagnostic x-ray services, treatment facilities for surgery or obstetrical care, or other definitive medical treatment. "Hospital" does not include a "home" as defined in section 3721.01 of the Revised Code.

(6) "Physician's office" means an office or portion of an office that is used to provide medical or surgical services to the physician's patients. "Physician's office" does not mean an ambulatory surgical facility, a hospital, or a hospital emergency department.

(7) "Postabortion care" means care given after the uterus has been evacuated by abortion.

(B) The department shall be responsible for collecting and collating abortion data reported to the department as required by this section.

(C) The attending physician shall complete an individual abortion report for each abortion the physician performs upon a woman. The report shall be confidential and shall not contain the woman's name. The report shall include, but is not limited to, all of the following, insofar as the patient makes the data available that is not within the physician's knowledge:

(1) Patient number;

(2) The name and address of the facility in which the abortion was performed, and whether the facility is a hospital, ambulatory surgical facility, physician's office, or other facility;

(3) The date of the abortion;

(4) All of the following regarding the woman on whom the abortion was performed:

(a) Zip code of residence;

(b) Age;

(c) Race;

(d) Marital status;

(e) Number of previous pregnancies;

(f) Years of education;

(g) Number of living children;

(h) Number of previously induced abortions;

(i) Date of last induced abortion;

(j) Date of last live birth;

(k) Method of contraception at the time of conception;

(l) Date of the first day of the last menstrual period;

(m) Medical condition at the time of the abortion;

(n) Rh-type;

(o) The number of weeks of gestation at the time of the abortion.

(5) The type of abortion procedure performed;

(6) Complications by type;

(7) Type of procedure performed after the abortion;

(8) Type of family planning recommended;

(9) Type of additional counseling given;

(10) Signature of attending physician.

(D) The physician who completed the abortion report under division (C) of this section shall submit the abortion report to the department within fifteen days after the woman is discharged.

(E) The appropriate vital records report or certificate shall be made out after the twentieth week of gestation.

(F) A copy of the abortion report shall be made part of the medical record of the patient of the facility in which the abortion was performed.

(G) Each hospital shall file monthly and annual reports listing the total number of women who have undergone a post-twelve-week-gestation abortion and received postabortion care. The annual report shall be filed following the conclusion of the state's fiscal year. Each report shall be filed within thirty days after the end of the applicable reporting period.

(H) Each case in which a physician treats a post abortion complication shall be reported on a postabortion complication form. The report shall be made upon a form prescribed by the department, shall be signed by the attending physician, and shall be confidential.

(I)(1) Not later than the first day of October of each year, the department shall issue an annual report of the abortion data reported to the department for the previous calendar year as required by this section. The annual report shall include at least the following information:

(a) The total number of induced abortions;

(b) The number of abortions performed on Ohio and out-of-state residents;

(c) The number of abortions performed, sorted by each of the following:

(i) The age of the woman on whom the abortion was performed, using the following categories: under fifteen years of age, fifteen to nineteen years of age, twenty to twenty-four years of age, twenty-five to twenty-nine years of age, thirty to thirty-four years of age, thirty-five to thirty-nine years of age, forty to forty-four years of age, forty-five years of age or older;

(ii) The race and Hispanic ethnicity of the woman on whom the abortion was performed;

(iii) The education level of the woman on whom the abortion was performed, using the following categories or their equivalents: less than ninth grade, ninth through twelfth grade, one or more years of college;

(iv) The marital status of the woman on whom the abortion was performed;

(v) The number of living children of the woman on whom the abortion was performed, using the following categories: none, one, or two or more;

(vi) The number of weeks of gestation of the woman at the time the abortion was performed, using the following categories: less than nine weeks, nine to twelve weeks, thirteen to nineteen weeks, or twenty weeks or more;

(vii) The county in which the abortion was performed;

(viii) The type of abortion procedure performed;

(ix) The number of abortions previously performed on the woman on whom the abortion was performed;

(x) The type of facility in which the abortion was performed;

(xi) For Ohio residents, the county of residence of the woman on whom the abortion was performed.

(2) The report also shall indicate the number and type of the abortion complications reported to the department either on the abortion report required under division (C) of this section or the postabortion complication report required under division (H) of this section.

(3) In addition to the annual report required under division (I)(1) of this section, the department shall make available, on request, the number of abortions performed by zip code of residence.

(J) The director of health shall implement this section and shall apply to the court of common pleas for temporary or permanent injunctions restraining a violation or threatened violation of its requirements. This action is an additional remedy not dependent on the adequacy of the remedy at law.

Sec. 3705.242. (A)(1) The director of health, a person authorized by the director, a local commissioner of health, or a local registrar of vital statistics shall charge and collect a fee of one dollar and fifty cents for each certified copy of a birth record, each certification of birth, and each copy of a death record. The fee is in addition to the fee imposed by section 3705.24 or any other section of the Revised Code. A local commissioner of health or local registrar of vital statistics may retain an amount of each additional fee collected, not to exceed three per cent of the amount of the additional fee, to

be used for costs directly related to the collection of the fee and the forwarding of the fee to the treasurer of state. The additional fees collected, but not retained, under division (A)(1) of this section shall be forwarded to the treasurer of state not later than thirty days following the end of each quarter.

(2) On the filing of a divorce decree under section 3105.10 or a decree of dissolution under section 3105.65 of the Revised Code, a court of common pleas shall charge and collect a fee of five dollars and fifty cents. The fee is in addition to any other court costs or fees. The county clerk of courts may retain an amount of each additional fee collected, not to exceed three per cent of the amount of the additional fee, to be used for costs directly related to the collection of the fee and the forwarding of the fee to the treasurer of state. The additional fees collected, but not retained, under division (A)(2) of this section shall be forwarded to the treasurer of state not later than twenty days following the end of each month.

~~(B) The additional fees collected, but not retained, under this section during each month shall be forwarded not later than the tenth day of the immediately following month to the treasurer of state, who shall deposit the fees forwarded under this section in the state treasury to the credit of the family violence prevention fund, which is hereby created. A person or government entity that fails to forward the fees in a timely manner, as determined by the treasurer of state, shall forward to the treasurer of state, in addition to the fees, a penalty equal to ten per cent of the fees.~~

The treasurer of state shall invest the moneys in the fund. All earnings resulting from investment of the fund shall be credited to the fund, except that actual administration costs incurred by the treasurer of state in administering the fund may be deducted from the earnings resulting from investments. The amount that may be deducted shall not exceed three per cent of the total amount of fees credited to the fund in each fiscal year. The balance of the investment earnings shall be credited to the fund.

(C) The director of public safety shall use money credited to the fund to provide grants to family violence shelters in Ohio.

Sec. 3718.02. (A) ~~Not later~~ sooner ~~than one year after the effective date of this section~~ July 1, 2007, the public health council, in accordance with Chapter 119. of the Revised Code, shall adopt, and subsequently may amend and rescind, rules of general application throughout the state to administer this chapter. Rules adopted under division (A) of this section shall do at least all of the following:

(1) Require that the appropriate board of health approve or disapprove the use of a sewage treatment system if it is not connected to a sanitary

sewerage system;

(2) Require that a board of health conduct a site evaluation for any proposed installation of a sewage treatment system;

(3) Prescribe standards for the siting, design, installation, operation, monitoring, maintenance, and abandonment of household sewage treatment systems that may be used in this state. The standards shall include at a minimum all of the following:

(a) Soil absorption specifications;

(b) Specifications for discharging systems that do not conflict with provisions related to the national pollutant discharge elimination system permit program established in section 6111.03 of the Revised Code and rules adopted under it;

(c) Requirements for the maintenance of a system according to the manufacturer's instructions, if available;

(d) Requirements and procedures under which a person may demonstrate the required maintenance of a system in lieu of having an inspection conducted when an inspection otherwise is required.

The rules also shall require that a system that has been or is sited or installed prior to or on the effective date of the rules and that is operating on that date shall be deemed approved unless the system is declared to be a public health nuisance by a board of health.

(4) Prescribe procedures for notification to boards of health of the approval of a sewage treatment system or components of a system by the director of health under section 3718.04 of the Revised Code;

(5) Prescribe criteria and procedures under which boards of health shall issue installation and operation permits for sewage treatment systems. The rules shall require as a condition of an installation permit that the installer of a system must warrant that the system was installed in accordance with all applicable rules and design requirements. In addition, the rules shall require a board of health, not later than sixty days after the issuance of an installation permit, to certify to the director on a form provided by the director that the permit was issued.

(6) Require a board of health to inspect a sewage treatment system not later than eighteen months after its installation to ensure that the system is operating properly. The rules shall require a board of health, not later than sixty days after the inspection, to certify to the director on a form provided by the director that the inspection was performed.

(7) Require a board of health to register installers, service providers, and septage haulers that perform work within the health district; prescribe criteria and procedures for the registration; and prescribe criteria for a

demonstration of competency as a part of the registration;

(8) Prescribe requirements for the collection, transportation, disposal, and land application of domestic septage in this state from a sewage treatment system;

(9) Require boards of health to maintain records that are determined necessary to ascertain compliance with this chapter and the rules adopted under it;

(10) Require a board of health and the manufacturer of a sewage treatment system, when possible, to provide instructions for the operation and maintenance of the system. The rules shall authorize the instructions to be posted on the department of health's web site and the manufacturer's web site. In addition, the rules shall require a board of health and a manufacturer to provide a copy of the operation and maintenance instructions, if available, when a board of health or a manufacturer receives a written request for instructions.

(11) Prescribe criteria for the provision of written evidence of compliance with rules pertaining to household sewage treatment for purposes of sections 711.05 and 711.10 of the Revised Code;

(12) Prescribe minimum criteria and procedures under which boards of health may establish household sewage treatment district management programs for the purpose of providing a responsive approach toward preventing or solving sewage treatment problems resulting from household sewage treatment systems within the districts established under the program. For purposes of division (A)(12) of this section, a board of health may enter into a contract with any entity to administer a household sewage treatment district management program.

(13) Prescribe standards for the siting, design, installation, operation, monitoring, maintenance, and abandonment of small flow on-site sewage treatment systems that may be used in this state.

The council may adopt other rules under division (A) of this section that it determines are necessary to implement this chapter and to protect the public health and welfare.

At least sixty days prior to adopting a rule under division (A) of this section, the council shall provide boards of health and any other interested parties an opportunity to comment on the rule.

(B) In accordance with section 3709.20 or 3709.21 of the Revised Code, as applicable, and subject to review by and approval of the director under division (C) of section 3718.05 of the Revised Code, a board of health may adopt rules necessary for the public health providing for more stringent standards governing household sewage treatment systems, installers, service

providers, or septage haulers than those established in rules of the public health council adopted under division (A) of this section. A board that intends to adopt such rules shall notify the department of health of the rules at least ninety days prior to the proposed date of adoption. The director shall approve or disapprove any such proposed rule within ninety days after receiving notice of it under this division. If the director fails to approve or disapprove a proposed rule within ninety days after receiving notice of it, the proposed rule shall be deemed approved.

Sec. 3734.57. (A) The following fees are hereby levied on the transfer or disposal of solid wastes in this state:

(1) One dollar per ton on and after July 1, 2003, through June 30, 2008, one-half of the proceeds of which shall be deposited in the state treasury to the credit of the hazardous waste facility management fund created in section 3734.18 of the Revised Code and one-half of the proceeds of which shall be deposited in the state treasury to the credit of the hazardous waste clean-up fund created in section 3734.28 of the Revised Code;

(2) An additional one dollar per ton on and after July 1, 2003, through June 30, 2008, the proceeds of which shall be deposited in the state treasury to the credit of the solid waste fund, which is hereby created. The environmental protection agency shall use money in the solid waste fund to pay the costs of administering and enforcing the laws pertaining to solid wastes, infectious wastes, and construction and demolition debris, including, without limitation, ground water evaluations related to solid wastes, infectious wastes, and construction and demolition debris, under this chapter and Chapter 3714. of the Revised Code and any rules adopted under them, providing compliance assistance to small businesses, and paying a share of the administrative costs of the environmental protection agency pursuant to section 3745.014 of the Revised Code.

(3) An additional one dollar and fifty cents per ton on and after July 1, 2005, through June 30, 2008, the proceeds of which shall be deposited in the state treasury to the credit of the environmental protection fund created in section 3745.015 of the Revised Code.

In the case of solid wastes that are taken to a solid waste transfer facility located in this state prior to being transported ~~to~~ for disposal at a solid waste disposal facility ~~for disposal located in this state or outside of this state~~, the fees levied under this division shall be collected by the owner or operator of the transfer facility as a trustee for the state. The amount of fees required to be collected under this division at such a transfer facility shall equal the total tonnage of solid wastes received at the facility multiplied by the fees levied under this division. In the case of solid wastes that are not taken to a solid

waste transfer facility located in this state prior to being transported to a solid waste disposal facility, the fees shall be collected by the owner or operator of the solid waste disposal facility as a trustee for the state. The amount of fees required to be collected under this division at such a disposal facility shall equal the total tonnage of solid wastes received at the facility that was not previously taken to a solid waste transfer facility located in this state multiplied by the fees levied under this division. Fees levied under this division do not apply to materials separated from a mixed waste stream for recycling by a generator or materials removed from the solid waste stream through recycling, as "recycling" is defined in rules adopted under section 3734.02 of the Revised Code.

The owner or operator of a solid waste transfer facility or disposal facility, as applicable, shall prepare and file with the director of environmental protection each month a return indicating the total tonnage of solid wastes received at the facility during that month and the total amount of the fees required to be collected under this division during that month. In addition, the owner or operator of a solid waste disposal facility shall indicate on the return the total tonnage of solid wastes received from transfer facilities located in this state during that month for which the fees were required to be collected by the transfer facilities. The monthly returns shall be filed on a form prescribed by the director. Not later than thirty days after the last day of the month to which a return applies, the owner or operator shall mail to the director the return for that month together with the fees required to be collected under this division during that month as indicated on the return. If the return is filed and the amount of the fees due is paid in a timely manner as required in this division, the owner or operator may retain a discount of three-fourths of one per cent of the total amount of the fees that are required to be paid as indicated on the return.

The owner or operator may request an extension of not more than thirty days for filing the return and remitting the fees, provided that the owner or operator has submitted such a request in writing to the director together with a detailed description of why the extension is requested, the director has received the request not later than the day on which the return is required to be filed, and the director has approved the request. If the fees are not remitted within thirty days after the last day of the month to which the return applies or are not remitted by the last day of an extension approved by the director, the owner or operator shall not retain the three-fourths of one per cent discount and shall pay an additional ten per cent of the amount of the fees for each month that they are late. For purposes of calculating the late fee, the first month in which fees are late begins on the first day after the

deadline has passed for timely submitting the return and fees, and one additional month shall be counted every thirty days thereafter.

The owner or operator of a solid waste facility may request a refund or credit of fees levied under this division and remitted to the director that have not been paid to the owner or operator. Such a request shall be made only if the fees have not been collected by the owner or operator, have become a debt that has become worthless or uncollectable for a period of six months or more, and may be claimed as a deduction, including a deduction claimed if the owner or operator keeps accounts on an accrual basis, under the "Internal Revenue Code of 1954," 68A Stat. 50, 26 U.S.C. 166, as amended, and regulations adopted under it. Prior to making a request for a refund or credit, an owner or operator shall make reasonable efforts to collect the applicable fees. A request for a refund or credit shall not include any costs resulting from those efforts to collect unpaid fees.

A request for a refund or credit of fees shall be made in writing, on a form prescribed by the director, and shall be supported by evidence that may be required in rules adopted by the director under this chapter. After reviewing the request, and if the request and evidence submitted with the request indicate that a refund or credit is warranted, the director shall grant a refund to the owner or operator or shall permit a credit to be taken by the owner or operator on a subsequent monthly return submitted by the owner or operator. The amount of a refund or credit shall not exceed an amount that is equal to ninety days' worth of fees owed to an owner or operator by a particular debtor of the owner or operator. A refund or credit shall not be granted by the director to an owner or operator more than once in any twelve-month period for fees owed to the owner or operator by a particular debtor.

If, after receiving a refund or credit from the director, an owner or operator receives payment of all or part of the fees, the owner or operator shall remit the fees with the next monthly return submitted to the director together with a written explanation of the reason for the submittal.

For purposes of computing the fees levied under this division or division (B) of this section, any solid waste transfer or disposal facility that does not use scales as a means of determining gate receipts shall use a conversion factor of three cubic yards per ton of solid waste or one cubic yard per ton for baled waste, as applicable.

The fees levied under this division and divisions (B) and (C) of this section are in addition to all other applicable fees and taxes and shall be paid by the customer or a political subdivision to the owner or operator of a solid waste transfer or disposal facility notwithstanding the existence of any

provision in a contract that the customer or a political subdivision may have with the owner or operator or with a transporter of waste to the facility that would not require or allow such payment.

(B) For the purposes specified in division (G) of this section, the solid waste management policy committee of a county or joint solid waste management district may levy fees upon the following activities:

(1) The disposal at a solid waste disposal facility located in the district of solid wastes generated within the district;

(2) The disposal at a solid waste disposal facility within the district of solid wastes generated outside the boundaries of the district, but inside this state;

(3) The disposal at a solid waste disposal facility within the district of solid wastes generated outside the boundaries of this state.

The solid waste management plan of the county or joint district approved under section 3734.521 or 3734.55 of the Revised Code and any amendments to it, or the resolution adopted under this division, as appropriate, shall establish the rates of the fees levied under divisions (B)(1), (2), and (3) of this section, if any, and shall specify whether the fees are levied on the basis of tons or cubic yards as the unit of measurement. A solid waste management district that levies fees under this division on the basis of cubic yards shall do so in accordance with division (A) of this section.

The fee levied under division (B)(1) of this section shall be not less than one dollar per ton nor more than two dollars per ton, the fee levied under division (B)(2) of this section shall be not less than two dollars per ton nor more than four dollars per ton, and the fee levied under division (B)(3) of this section shall be not more than the fee levied under division (B)(1) of this section.

Prior to the approval of the solid waste management plan of a district under section 3734.55 of the Revised Code, the solid waste management policy committee of a district may levy fees under this division by adopting a resolution establishing the proposed amount of the fees. Upon adopting the resolution, the committee shall deliver a copy of the resolution to the board of county commissioners of each county forming the district and to the legislative authority of each municipal corporation and township under the jurisdiction of the district and shall prepare and publish the resolution and a notice of the time and location where a public hearing on the fees will be held. Upon adopting the resolution, the committee shall deliver written notice of the adoption of the resolution; of the amount of the proposed fees; and of the date, time, and location of the public hearing to the director and to

the fifty industrial, commercial, or institutional generators of solid wastes within the district that generate the largest quantities of solid wastes, as determined by the committee, and to their local trade associations. The committee shall make good faith efforts to identify those generators within the district and their local trade associations, but the nonprovision of notice under this division to a particular generator or local trade association does not invalidate the proceedings under this division. The publication shall occur at least thirty days before the hearing. After the hearing, the committee may make such revisions to the proposed fees as it considers appropriate and thereafter, by resolution, shall adopt the revised fee schedule. Upon adopting the revised fee schedule, the committee shall deliver a copy of the resolution doing so to the board of county commissioners of each county forming the district and to the legislative authority of each municipal corporation and township under the jurisdiction of the district. Within sixty days after the delivery of a copy of the resolution adopting the proposed revised fees by the policy committee, each such board and legislative authority, by ordinance or resolution, shall approve or disapprove the revised fees and deliver a copy of the ordinance or resolution to the committee. If any such board or legislative authority fails to adopt and deliver to the policy committee an ordinance or resolution approving or disapproving the revised fees within sixty days after the policy committee delivered its resolution adopting the proposed revised fees, it shall be conclusively presumed that the board or legislative authority has approved the proposed revised fees. The committee shall determine if the resolution has been ratified in the same manner in which it determines if a draft solid waste management plan has been ratified under division (B) of section 3734.55 of the Revised Code.

The committee may amend the schedule of fees levied pursuant to a resolution adopted and ratified under this division by adopting a resolution establishing the proposed amount of the amended fees. The committee may repeal the fees levied pursuant to such a resolution by adopting a resolution proposing to repeal them. Upon adopting such a resolution, the committee shall proceed to obtain ratification of the resolution in accordance with this division.

Not later than fourteen days after declaring the new fees to be ratified or the fees to be repealed under this division, the committee shall notify by certified mail the owner or operator of each solid waste disposal facility that is required to collect the fees of the ratification and the amount of the fees or of the repeal of the fees. Collection of any fees shall commence or collection of repealed fees shall cease on the first day of the second month following

the month in which notification is sent to the owner or operator.

Fees levied under this division also may be established, amended, or repealed by a solid waste management policy committee through the adoption of a new district solid waste management plan, the adoption of an amended plan, or the amendment of the plan or amended plan in accordance with sections 3734.55 and 3734.56 of the Revised Code or the adoption or amendment of a district plan in connection with a change in district composition under section 3734.521 of the Revised Code.

Not later than fourteen days after the director issues an order approving a district's solid waste management plan, amended plan, or amendment to a plan or amended plan that establishes, amends, or repeals a schedule of fees levied by the district, the committee shall notify by certified mail the owner or operator of each solid waste disposal facility that is required to collect the fees of the approval of the plan or amended plan, or the amendment to the plan, as appropriate, and the amount of the fees, if any. In the case of an initial or amended plan approved under section 3734.521 of the Revised Code in connection with a change in district composition, other than one involving the withdrawal of a county from a joint district, the committee, within fourteen days after the change takes effect pursuant to division (G) of that section, shall notify by certified mail the owner or operator of each solid waste disposal facility that is required to collect the fees that the change has taken effect and of the amount of the fees, if any. Collection of any fees shall commence or collection of repealed fees shall cease on the first day of the second month following the month in which notification is sent to the owner or operator.

If, in the case of a change in district composition involving the withdrawal of a county from a joint district, the director completes the actions required under division (G)(1) or (3) of section 3734.521 of the Revised Code, as appropriate, forty-five days or more before the beginning of a calendar year, the policy committee of each of the districts resulting from the change that obtained the director's approval of an initial or amended plan in connection with the change, within fourteen days after the director's completion of the required actions, shall notify by certified mail the owner or operator of each solid waste disposal facility that is required to collect the district's fees that the change is to take effect on the first day of January immediately following the issuance of the notice and of the amount of the fees or amended fees levied under divisions (B)(1) to (3) of this section pursuant to the district's initial or amended plan as so approved or, if appropriate, the repeal of the district's fees by that initial or amended plan. Collection of any fees set forth in such a plan or amended plan shall

commence on the first day of January immediately following the issuance of the notice. If such an initial or amended plan repeals a schedule of fees, collection of the fees shall cease on that first day of January.

If, in the case of a change in district composition involving the withdrawal of a county from a joint district, the director completes the actions required under division (G)(1) or (3) of section 3734.521 of the Revised Code, as appropriate, less than forty-five days before the beginning of a calendar year, the director, on behalf of each of the districts resulting from the change that obtained the director's approval of an initial or amended plan in connection with the change proceedings, shall notify by certified mail the owner or operator of each solid waste disposal facility that is required to collect the district's fees that the change is to take effect on the first day of January immediately following the mailing of the notice and of the amount of the fees or amended fees levied under divisions (B)(1) to (3) of this section pursuant to the district's initial or amended plan as so approved or, if appropriate, the repeal of the district's fees by that initial or amended plan. Collection of any fees set forth in such a plan or amended plan shall commence on the first day of the second month following the month in which notification is sent to the owner or operator. If such an initial or amended plan repeals a schedule of fees, collection of the fees shall cease on the first day of the second month following the month in which notification is sent to the owner or operator.

If the schedule of fees that a solid waste management district is levying under divisions (B)(1) to (3) of this section is amended or repealed, the fees in effect immediately prior to the amendment or repeal shall continue to be collected until collection of the amended fees commences or collection of the repealed fees ceases, as applicable, as specified in this division. In the case of a change in district composition, money so received from the collection of the fees of the former districts shall be divided among the resulting districts in accordance with division (B) of section 343.012 of the Revised Code and the agreements entered into under division (B) of section 343.01 of the Revised Code to establish the former and resulting districts and any amendments to those agreements.

For the purposes of the provisions of division (B) of this section establishing the times when newly established or amended fees levied by a district are required to commence and the collection of fees that have been amended or repealed is required to cease, "fees" or "schedule of fees" includes, in addition to fees levied under divisions (B)(1) to (3) of this section, those levied under section 3734.573 or 3734.574 of the Revised Code.

(C) For the purposes of defraying the added costs to a municipal corporation or township of maintaining roads and other public facilities and of providing emergency and other public services, and compensating a municipal corporation or township for reductions in real property tax revenues due to reductions in real property valuations resulting from the location and operation of a solid waste disposal facility within the municipal corporation or township, a municipal corporation or township in which such a solid waste disposal facility is located may levy a fee of not more than twenty-five cents per ton on the disposal of solid wastes at a solid waste disposal facility located within the boundaries of the municipal corporation or township regardless of where the wastes were generated.

The legislative authority of a municipal corporation or township may levy fees under this division by enacting an ordinance or adopting a resolution establishing the amount of the fees. Upon so doing the legislative authority shall mail a certified copy of the ordinance or resolution to the board of county commissioners or directors of the county or joint solid waste management district in which the municipal corporation or township is located or, if a regional solid waste management authority has been formed under section 343.011 of the Revised Code, to the board of trustees of that regional authority, the owner or operator of each solid waste disposal facility in the municipal corporation or township that is required to collect the fee by the ordinance or resolution, and the director of environmental protection. Although the fees levied under this division are levied on the basis of tons as the unit of measurement, the legislative authority, in its ordinance or resolution levying the fees under this division, may direct that the fees be levied on the basis of cubic yards as the unit of measurement based upon a conversion factor of three cubic yards per ton generally or one cubic yard per ton for baled wastes.

Not later than five days after enacting an ordinance or adopting a resolution under this division, the legislative authority shall so notify by certified mail the owner or operator of each solid waste disposal facility that is required to collect the fee. Collection of any fee levied on or after March 24, 1992, shall commence on the first day of the second month following the month in which notification is sent to the owner or operator.

(D)(1) The fees levied under divisions (A), (B), and (C) of this section do not apply to the disposal of solid wastes that:

(a) Are disposed of at a facility owned by the generator of the wastes when the solid waste facility exclusively disposes of solid wastes generated at one or more premises owned by the generator regardless of whether the facility is located on a premises where the wastes are generated;

(b) Are disposed of at facilities that exclusively dispose of wastes that are generated from the combustion of coal, or from the combustion of primarily coal in combination with scrap tires, that is not combined in any way with garbage at one or more premises owned by the generator.

(2) Except as provided in section 3734.571 of the Revised Code, any fees levied under division (B)(1) of this section apply to solid wastes originating outside the boundaries of a county or joint district that are covered by an agreement for the joint use of solid waste facilities entered into under section 343.02 of the Revised Code by the board of county commissioners or board of directors of the county or joint district where the wastes are generated and disposed of.

(3) When solid wastes, other than solid wastes that consist of scrap tires, are burned in a disposal facility that is an incinerator or energy recovery facility, the fees levied under divisions (A), (B), and (C) of this section shall be levied upon the disposal of the fly ash and bottom ash remaining after burning of the solid wastes and shall be collected by the owner or operator of the sanitary landfill where the ash is disposed of.

(4) When solid wastes are delivered to a solid waste transfer facility, the fees levied under divisions (B) and (C) of this section shall be levied upon the disposal of solid wastes transported off the premises of the transfer facility for disposal and shall be collected by the owner or operator of the solid waste disposal facility where the wastes are disposed of.

(5) The fees levied under divisions (A), (B), and (C) of this section do not apply to sewage sludge that is generated by a waste water treatment facility holding a national pollutant discharge elimination system permit and that is disposed of through incineration, land application, or composting or at another resource recovery or disposal facility that is not a landfill.

(6) The fees levied under divisions (A), (B), and (C) of this section do not apply to solid wastes delivered to a solid waste composting facility for processing. When any unprocessed solid waste or compost product is transported off the premises of a composting facility and disposed of at a landfill, the fees levied under divisions (A), (B), and (C) of this section shall be collected by the owner or operator of the landfill where the unprocessed waste or compost product is disposed of.

(7) When solid wastes that consist of scrap tires are processed at a scrap tire recovery facility, the fees levied under divisions (A), (B), and (C) of this section shall be levied upon the disposal of the fly ash and bottom ash or other solid wastes remaining after the processing of the scrap tires and shall be collected by the owner or operator of the solid waste disposal facility where the ash or other solid wastes are disposed of.

(8) The director of environmental protection may issue an order exempting from the fees levied under this section solid wastes, including, but not limited to, scrap tires, that are generated, transferred, or disposed of as a result of a contract providing for the expenditure of public funds entered into by the administrator or regional administrator of the United States environmental protection agency, the director of environmental protection, or the director of administrative services on behalf of the director of environmental protection for the purpose of remediating conditions at a hazardous waste facility, solid waste facility, or other location at which the administrator or regional administrator or the director of environmental protection has reason to believe that there is a substantial threat to public health or safety or the environment or that the conditions are causing or contributing to air or water pollution or soil contamination. An order issued by the director of environmental protection under division (D)(8) of this section shall include a determination that the amount of the fees not received by a solid waste management district as a result of the order will not adversely impact the implementation and financing of the district's approved solid waste management plan and any approved amendments to the plan. Such an order is a final action of the director of environmental protection.

(E) The fees levied under divisions (B) and (C) of this section shall be collected by the owner or operator of the solid waste disposal facility where the wastes are disposed of as a trustee for the county or joint district and municipal corporation or township where the wastes are disposed of. Moneys from the fees levied under division (B) of this section shall be forwarded to the board of county commissioners or board of directors of the district in accordance with rules adopted under division (H) of this section. Moneys from the fees levied under division (C) of this section shall be forwarded to the treasurer or such other officer of the municipal corporation as, by virtue of the charter, has the duties of the treasurer or to the fiscal officer of the township, as appropriate, in accordance with those rules.

(F) Moneys received by the treasurer or other officer of the municipal corporation under division (E) of this section shall be paid into the general fund of the municipal corporation. Moneys received by the fiscal officer of the township under that division shall be paid into the general fund of the township. The treasurer or other officer of the municipal corporation or the township fiscal officer, as appropriate, shall maintain separate records of the moneys received from the fees levied under division (C) of this section.

(G) Moneys received by the board of county commissioners or board of directors under division (E) of this section or section 3734.571, 3734.572, 3734.573, or 3734.574 of the Revised Code shall be paid to the county

treasurer, or other official acting in a similar capacity under a county charter, in a county district or to the county treasurer or other official designated by the board of directors in a joint district and kept in a separate and distinct fund to the credit of the district. If a regional solid waste management authority has been formed under section 343.011 of the Revised Code, moneys received by the board of trustees of that regional authority under division (E) of this section shall be kept by the board in a separate and distinct fund to the credit of the district. Moneys in the special fund of the county or joint district arising from the fees levied under division (B) of this section and the fee levied under division (A) of section 3734.573 of the Revised Code shall be expended by the board of county commissioners or directors of the district in accordance with the district's solid waste management plan or amended plan approved under section 3734.521, 3734.55, or 3734.56 of the Revised Code exclusively for the following purposes:

(1) Preparation of the solid waste management plan of the district under section 3734.54 of the Revised Code, monitoring implementation of the plan, and conducting the periodic review and amendment of the plan required by section 3734.56 of the Revised Code by the solid waste management policy committee;

(2) Implementation of the approved solid waste management plan or amended plan of the district, including, without limitation, the development and implementation of solid waste recycling or reduction programs;

(3) Providing financial assistance to boards of health within the district, if solid waste facilities are located within the district, for enforcement of this chapter and rules, orders, and terms and conditions of permits, licenses, and variances adopted or issued under it, other than the hazardous waste provisions of this chapter and rules adopted and orders and terms and conditions of permits issued under those provisions;

(4) Providing financial assistance to each county within the district to defray the added costs of maintaining roads and other public facilities and of providing emergency and other public services resulting from the location and operation of a solid waste facility within the county under the district's approved solid waste management plan or amended plan;

(5) Pursuant to contracts entered into with boards of health within the district, if solid waste facilities contained in the district's approved plan or amended plan are located within the district, for paying the costs incurred by those boards of health for collecting and analyzing samples from public or private water wells on lands adjacent to those facilities;

(6) Developing and implementing a program for the inspection of solid

wastes generated outside the boundaries of this state that are disposed of at solid waste facilities included in the district's approved solid waste management plan or amended plan;

(7) Providing financial assistance to boards of health within the district for the enforcement of section 3734.03 of the Revised Code or to local law enforcement agencies having jurisdiction within the district for enforcing anti-littering laws and ordinances;

(8) Providing financial assistance to boards of health of health districts within the district that are on the approved list under section 3734.08 of the Revised Code to defray the costs to the health districts for the participation of their employees responsible for enforcement of the solid waste provisions of this chapter and rules adopted and orders and terms and conditions of permits, licenses, and variances issued under those provisions in the training and certification program as required by rules adopted under division (L) of section 3734.02 of the Revised Code;

(9) Providing financial assistance to individual municipal corporations and townships within the district to defray their added costs of maintaining roads and other public facilities and of providing emergency and other public services resulting from the location and operation within their boundaries of a composting, energy or resource recovery, incineration, or recycling facility that either is owned by the district or is furnishing solid waste management facility or recycling services to the district pursuant to a contract or agreement with the board of county commissioners or directors of the district;

(10) Payment of any expenses that are agreed to, awarded, or ordered to be paid under section 3734.35 of the Revised Code and of any administrative costs incurred pursuant to that section. In the case of a joint solid waste management district, if the board of county commissioners of one of the counties in the district is negotiating on behalf of affected communities, as defined in that section, in that county, the board shall obtain the approval of the board of directors of the district in order to expend moneys for administrative costs incurred.

Prior to the approval of the district's solid waste management plan under section 3734.55 of the Revised Code, moneys in the special fund of the district arising from the fees shall be expended for those purposes in the manner prescribed by the solid waste management policy committee by resolution.

Notwithstanding division (G)(6) of this section as it existed prior to October 29, 1993, or any provision in a district's solid waste management plan prepared in accordance with division (B)(2)(e) of section 3734.53 of

the Revised Code as it existed prior to that date, any moneys arising from the fees levied under division (B)(3) of this section prior to January 1, 1994, may be expended for any of the purposes authorized in divisions (G)(1) to (10) of this section.

(H) The director shall adopt rules in accordance with Chapter 119. of the Revised Code prescribing procedures for collecting and forwarding the fees levied under divisions (B) and (C) of this section to the boards of county commissioners or directors of county or joint solid waste management districts and to the treasurers or other officers of municipal corporations and the fiscal officers of townships. The rules also shall prescribe the dates for forwarding the fees to the boards and officials and may prescribe any other requirements the director considers necessary or appropriate to implement and administer divisions (A), (B), and (C) of this section.

Sec. 3735.67. (A) The owner of real property located in a community reinvestment area and eligible for exemption from taxation under a resolution adopted pursuant to section 3735.66 of the Revised Code may file an application for an exemption from real property taxation of a percentage of the assessed valuation of a new structure or remodeling, completed after the effective date of the resolution adopted pursuant to section 3735.66 of the Revised Code, with the housing officer designated pursuant to section 3735.66 of the Revised Code for the community reinvestment area in which the property is located. If any part of the new structure or remodeling that would be exempted is of real property to be used for commercial or industrial purposes, the legislative authority and the owner of the property shall enter into a written agreement pursuant to section 3735.671 of the Revised Code prior to commencement of construction or remodeling; if such an agreement is subject to approval by the board of education of the school district within the territory of which the property is or will be located, the agreement shall not be formally approved by the legislative authority until the board of education approves the agreement in the manner prescribed by that section.

(B) The housing officer shall verify the construction of the new structure or the cost of the remodeling and the facts asserted in the application. The housing officer shall determine whether the construction or the cost of the remodeling meets the requirements for an exemption under this section. In cases involving a structure of historical or architectural significance, the housing officer shall not determine whether the remodeling meets the requirements for a tax exemption unless the appropriateness of the remodeling has been certified, in writing, by the society, association,

agency, or legislative authority that has designated the structure or by any organization or person authorized, in writing, by such society, association, agency, or legislative authority to certify the appropriateness of the remodeling.

(C) If the construction or remodeling meets the requirements for exemption, the housing officer shall forward the application to the county auditor with a certification as to the division of this section under which the exemption is granted, and the period and percentage of the exemption as determined by the legislative authority pursuant to that division. If the construction or remodeling is of commercial or industrial property and the legislative authority is not required to certify a copy of a resolution under section 3735.671 of the Revised Code, the housing officer shall comply with the notice requirements prescribed under section 5709.83 of the Revised Code, unless the board has adopted a resolution under that section waiving its right to receive such a notice.

(D) ~~The~~ Except as provided in division (F) of this section, the tax exemption shall first apply in the year the construction or remodeling would first be taxable but for this section. In the case of remodeling that qualifies for exemption, a percentage, not to exceed one hundred per cent, of the amount by which the remodeling increased the assessed value of the structure shall be exempted from real property taxation. In the case of construction of a structure that qualifies for exemption, a percentage, not to exceed one hundred per cent, of the assessed value of the structure shall be exempted from real property taxation. In either case, the percentage shall be the percentage set forth in the agreement if the structure or remodeling is to be used for commercial or industrial purposes, or the percentage set forth in the resolution describing the community reinvestment area if the structure or remodeling is to be used for residential purposes.

The construction of new structures and the remodeling of existing structures are hereby declared to be a public purpose for which exemptions from real property taxation may be granted for the following periods:

(1) For every dwelling containing not more than two family units located within the same community reinvestment area and upon which the cost of remodeling is at least two thousand five hundred dollars, a period to be determined by the legislative authority adopting the resolution describing the community reinvestment area where the dwelling is located, but not exceeding ten years;

(2) For every dwelling containing more than two units and commercial or industrial properties, located within the same community reinvestment area, upon which the cost of remodeling is at least five thousand dollars, a

period to be determined by the legislative authority adopting the resolution, but not exceeding twelve years;

(3) ~~For~~ Except as provided in division (F) of this section, for construction of every dwelling, and commercial or industrial structure located within the same community reinvestment area, a period to be determined by the legislative authority adopting the resolution, but not exceeding fifteen years.

(E) Any person, board, or officer authorized by section 5715.19 of the Revised Code to file complaints with the county board of revision may file a complaint with the housing officer challenging the continued exemption of any property granted an exemption under this section. A complaint against exemption shall be filed prior to the thirty-first day of December of the tax year for which taxation of the property is requested. The housing officer shall determine whether the property continues to meet the requirements for exemption and shall certify the housing officer's findings to the complainant. If the housing officer determines that the property does not meet the requirements for exemption, the housing officer shall notify the county auditor, who shall correct the tax list and duplicate accordingly.

(F) The owner of a dwelling constructed in a community reinvestment area may file an application for an exemption after the year the construction first became subject to taxation. The application shall be processed in accordance with the procedures prescribed under this section and shall be granted if the construction that is the subject of the application otherwise meets the requirements for an exemption under this section. If approved, the exemption sought in the application first applies in the year the application is filed. An exemption approved pursuant to this division continues only for those years remaining in the period described in division (D)(3) of this section. No exemption may be claimed for any year in that period that precedes the year in which the application is filed.

Sec. 3745.114. (A) A person that applies for a section 401 water quality certification under Chapter 6111. of the Revised Code and rules adopted under it shall pay an application fee of two hundred dollars at the time of application plus any of the following fees, as applicable:

(1) If the water resource to be impacted is a wetland, a review fee of five hundred dollars per acre of wetland to be impacted;

(2) If the water resource to be impacted is a stream one of the following fees, as applicable:

(a) For an ephemeral stream, a review fee of five dollars per linear foot of stream to be impacted, or two hundred dollars, whichever is greater;

(b) For an intermittent stream, a review fee of ten dollars per linear foot

of stream to be impacted, or two hundred dollars, whichever is greater;

(c) For a perennial stream, a review fee of fifteen dollars per linear foot of stream to be impacted, or two hundred dollars, whichever is greater.

(3) If the water resource to be impacted is a lake, a review fee of three dollars per cubic yard of dredged or fill material to be moved.

(B) One-half of all applicable review fees levied under this section shall be due at the time of application for a section 401 water quality certification. The remainder of the fees shall be paid upon the final disposition of the application for a section 401 water quality certification. The total fee to be paid under this section shall not exceed twenty-five thousand dollars per application. However, if the applicant is a county, township, or municipal corporation in this state, the total fee to be paid shall not exceed five thousand dollars per application.

(C) All money collected under this section shall be transmitted to the treasurer of state for deposit into the state treasury to the credit of the surface water protection fund created in section 6111.038 of the Revised Code.

(D) The fees established under this section do not apply to any state agency as defined in section 119.01 of the Revised Code or to the United States army corps of engineers.

(E) The fees established under this section do not apply to projects that are authorized by the environmental protection agency's general certifications of nationwide permits or general permits issued by the United States army corps of engineers. As used in this division, "general permit" and "nationwide permit" have the same meanings as in rules adopted under Chapter 6111. of the Revised Code.

(F) Coal mining and reclamation operations that are authorized under Chapter 1513. of the Revised Code are exempt from the fees established under this ~~section~~ section for one year after ~~the effective date of this section~~ the effective date of this amendment.

(G) As used in this section:

(1) "Ephemeral stream" means a stream that flows only in direct response to precipitation in the immediate watershed or in response to the melting of a cover of snow and ice and that has channel bottom that is always above the local water table.

(2) "Intermittent stream" means a stream that is below the local water table and flows for at least a part of each year and that obtains its flow from both surface runoff and ground water discharge.

(3) "Perennial stream" means a stream or a part of a stream that flows continuously during all of the calendar year as a result of ground water

discharge or surface water runoff. "Perennial stream" does not include an intermittent stream or an ephemeral stream.

Sec. 3769.087. (A) In addition to the commission of eighteen per cent retained by each permit holder as provided in section 3769.08 of the Revised Code, each permit holder shall retain an additional amount equal to four per cent of the total of all moneys wagered on each racing day on all wagering pools other than win, place, and show, of which amount retained an amount equal to three per cent of the total of all moneys wagered on each racing day on those pools shall be paid by check, draft, or money order to the tax commissioner, as a tax. Subject to the restrictions contained in divisions (B), (C), and (M) of section 3769.08 of the Revised Code, from such additional moneys paid to the tax commissioner:

(1) Four-sixths shall be allocated to fund distribution as provided in division (M) of section 3769.08 of the Revised Code.

(2) One-twelfth shall be paid into the Ohio fairs fund created by section 3769.082 of the Revised Code.

(3) One-twelfth of the additional moneys paid to the tax commissioner by thoroughbred racing permit holders shall be paid into the Ohio thoroughbred race fund created by section 3769.083 of the Revised Code.

(4) One-twelfth of the additional moneys paid to the tax commissioner by harness horse racing permit holders shall be paid to the Ohio standardbred development fund created by section 3769.085 of the Revised Code.

(5) One-twelfth of the additional moneys paid to the tax commissioner by quarter horse racing permit holders shall be paid to the Ohio quarter horse development fund created by section 3769.086 of the Revised Code.

(6) One-sixth shall be paid into the state racing commission operating fund created by section 3769.03 of the Revised Code.

The remaining one per cent that is retained of the total of all moneys wagered on each racing day on all pools other than win, place, and show, shall be retained by racing permit holders, and, except as otherwise provided in section 3769.089 of the Revised Code, racing permit holders shall use one-half for purse money and retain one-half.

(B) In addition to the commission of eighteen per cent retained by each permit holder as provided in section 3769.08 of the Revised Code and the additional amount retained by each permit holder as provided in division (A) of this section, each permit holder shall retain an additional amount equal to one-half of one per cent of the total of all moneys wagered on each racing day on all wagering pools other than win, place, and show. Except as provided in division (C) of this section, from the additional amount retained

under this division, each permit holder shall retain an amount equal to one-quarter of one per cent of the total of all moneys wagered on each racing day on all pools other than win, place, and show and shall pay that amount by check, draft, or money order to the tax commissioner, as a tax. The tax commissioner shall pay the amount of the tax received under this division to the state racing commission operating fund created by section 3769.03 of the Revised Code.

Except as provided in division (C) of this section, the remaining one-quarter of one per cent that is retained from the total of all moneys wagered on each racing day on all pools other than win, place, and show shall be retained by the permit holder, and the permit holder shall use one-half for purse money and retain one-half.

(C) During the period commencing on July 1, ~~2003~~ 2006, and ending on and including June 30, ~~2005~~ 2007, the additional amount retained by each permit holder under division (B) of this section shall be paid by check, draft, or money order to the tax commissioner, as a tax. The tax commissioner shall pay the amount of the tax received under this division to the state racing commission operating fund created by section 3769.03 of the Revised Code.

Sec. 3901.383. (A) A provider and a third-party payer may do either of the following:

~~(A)(1)~~ Enter into a contractual agreement ~~in~~ under which ~~payment of any amount due for rendering health care services is to be made by the third-party payer within~~ time periods shorter than those set forth in section 3901.381 of the Revised Code are applicable to the third-party payer in paying a claim for any amount due for health care services rendered by the provider;

~~(B)(2)~~ Enter into a contractual agreement ~~in~~ under which the timing of payments by the third-party payer is not directly related to the receipt of a claim form. The contractual arrangement may include periodic interim payment arrangements, capitation payment arrangements, or other periodic payment arrangements acceptable to the provider and the third-party payer. Under a capitation payment arrangement, the third-party payer shall begin paying the capitated amounts to the beneficiary's primary care provider not later than sixty days after the date the beneficiary selects or is assigned to the provider. Under any other contractual periodic payment arrangement, the contractual agreement shall state, with specificity, the timing of payments by the third-party payer.

(B) Regardless of whether a third-party payer is exempted under division (D) of section 3901.3814 from sections 3901.38 and 3901.381 to

3901.3813 of the Revised Code, a provider and the third-party payer, including a third-party payer that provides coverage under the medicaid program, shall not enter into a contractual arrangement under which time periods longer than those provided for in paragraph (c)(1) of 42 C.F.R. 447.46 are applicable to the third-party payer in paying a claim for any amount due for health care services rendered by the provider.

Sec. 3901.3814. Sections 3901.38 and 3901.381 to 3901.3813 of the Revised Code do not apply to the following:

(A) Policies offering coverage that is regulated under Chapters 3935. and 3937. of the Revised Code;

(B) An employer's self-insurance plan and any of its administrators, as defined in section 3959.01 of the Revised Code, to the extent that federal law supersedes, preempts, prohibits, or otherwise precludes the application of any provisions of those sections to the plan and its administrators;

(C)~~(H)~~ A third-party payer for coverage provided under the medicare advantage program operated under Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended;

~~(Z)~~(D) A third-party payer for coverage provided under the medicaid program operated under Title XIX of the "Social Security Act," except that if a federal waiver applied for under section ~~5401.93~~ 5111.178 of the Revised Code is granted or the director of job and family services determines that this provision can be implemented without a waiver, sections 3901.38 and 3901.381 to 3901.3813 of the Revised Code apply to claims submitted electronically or non-electronically that are made with respect to coverage of medicaid recipients by health insuring corporations licensed under Chapter 1751. of the Revised Code; instead of the prompt payment requirements of 42 C.F.R. 447.46;

~~(D)~~(E) A third-party payer for coverage provided under the tricare program offered by the United States department of defense.

Sec. 3905.43. No person, firm, association, partnership, company, or corporation shall publish or distribute or receive and print for publication or distribution any advertising matter in which insurance business is solicited, unless such advertiser has complied with the laws of this state regulating the business of insurance; ~~and a certificate of such compliance is issued by the superintendent of insurance.~~

Sec. 3917.04. (A)(1) If any employee of a political subdivision or district of this state, or of an institution supported in whole or in part by public funds, ~~or any employee of this state,~~ authorizes in writing the ~~auditor~~ auditor or other proper officer of the political subdivision, district, or institution, or the state, of which ~~he~~ the individual is an employee; to deduct from ~~his~~ the

employee's salary or wages the premium or portion thereof of the premium agreed to be paid by him the employee to an insurer authorized to do business in the state for life, endowment, accident, health, or health and accident insurance, annuities, or hospitalization insurance, or salary savings plan, such the political subdivision, district, or institution, or the state of which he the individual is an employee may deduct from his the employee's salary or wages such the premium, or portion thereof, of the premium agreed to be paid by said that employee, and pay the same it to the insurer, provided; that life, endowment, accident, health, health and accident, and hospitalization insurance is offered to the employee on a group basis and also that at least ten per cent of the employees at any institution, or of any political subdivision, or in any department, agency, bureau, district, commission, or board voluntarily elect to participate in such that group insurance.

Division (A)(1) of this section does not apply to employees paid by warrant of the director of budget and management.

(2) The auditor or other proper official officer of such a political subdivision, district, or institution, or the state of which he an individual is an employee may issue warrants covering salary or wage deductions which that have been authorized by such the employee in favor of the insurer and in the amount so authorized by the employee.

(B)(1) The department of administrative services shall only offer employees paid by warrant of the director of budget and management voluntary supplemental benefit plans that are selected through a state-administered request for proposals process. If an employee authorizes the director of administrative services, in writing, to deduct the premium or a portion of the premium agreed to be paid by the employee to a voluntary supplemental benefit plan provider from the employee's salary or wages, the director may deduct this amount from the employee's salary or wages and pay it to the provider. Only those employees enrolled in a voluntary supplemental benefit plan on or before the effective date of this amendment may continue to participate in a plan that was not selected through a state-administered request for proposals process.

(2) The director of budget and management may issue warrants covering salary or wage deductions that have been authorized by employees paid by warrant of the director in favor of the voluntary supplemental benefit plan provider in the amount authorized by those employees.

Sec. 4109.01. As used in this chapter:

(A) "Employ" means to permit or suffer to work.

(B) "Employer" means the state, its political subdivisions, and every

person who employs any individual.

(C) "Enforcement official" means the director of commerce or the director's authorized representative, the superintendent of public instruction or the superintendent's authorized representative, any school attendance officer, any probation officer, the director of health or the director of health's authorized representative, and any representative of a local department of health.

(D) "Minor" means any person less than eighteen years of age.

(E) "Seasonal amusement or recreational establishment" means both of the following:

(1) An amusement or recreational establishment that does not operate for more than seven months in any calendar year;

(2) An amusement or recreational establishment whose average receipts for any six months during the preceding calendar year were not more than thirty-three and one-third per cent of its average receipts for the other six months of that calendar year.

Sec. 4109.02. (A) Except as provided in division (B) of this section or in section 4109.06 of the Revised Code, no minor of compulsory school age shall be employed by any employer unless the minor presents to the employer a proper age and schooling certificate as a condition of employment.

A valid certificate constitutes conclusive evidence of the age of the minor and of the employer's right to employ the minor in occupations not denied by law to minors of that age under section 4109.06 of the Revised Code or rules adopted under that section.

(B) ~~The following minors~~ Minors aged sixteen or seventeen are not required to provide an age and schooling certificate as a condition of employment:

~~(1) Those who if they~~ if they are to be employed during summer vacation months after the last day of the school term in the spring and before the first day of the school term in the fall, in nonagricultural and nonhazardous employment as defined by the "Fair Labor Standards Act of 1938," 52 Stat. 1060, 29 U.S.C.A. 201, and similar state statutes, or in other employment not prohibited to minors age sixteen or seventeen by law;

~~(2) Unless required by the superintendent of schools of the school district where the minor resides or by the chief administrative officer of the nonpublic or community school the child attends, those who are to be employed not more than two months before the last day of the school term in the spring and not more than two months after the first day of the school term in the fall by a seasonal amusement or recreational establishment, on~~

~~the condition that the following are satisfied:~~

~~(a) For the period prior to Memorial day and after Labor day while school is in session, they are to be employed only for hours that occur between the end of the school day on Friday and eleven p.m. on Sunday.~~

~~(b) For the period from Memorial day until the last day of the school term in the spring and from the first day of the school term in the fall until Labor day, they are to be employed only for hours that occur between the end of the school day and nine p.m. on Monday through Thursday and only for hours that occur between the end of the school day on Friday and eleven p.m. on Sunday.~~

~~(C) To be hired for the type of employment described in division (B) of this section, minors shall provide the employer with the following:~~

~~(1) Evidence of proof of age in the same manner as proof of age is provided the superintendent of schools or chief administrative officer under division (A)(3) of section 3331.02 of the Revised Code;~~

~~(2) A statement signed by the minor's parent or guardian consenting to the proposed employment. For the purposes of this section, in the absence of a parent or guardian, a person over eighteen years of age with whom the minor resides may sign the statement.~~

~~(3) An age and schooling certificate if one is required under division (B)(2) of this section by the superintendent of schools of the school district where the minor resides or by the chief administrative officer of the nonpublic or community school the child attends.~~

~~(D) As used in this section:~~

~~(1) "Labor day" and "Memorial day" have the same meanings as provided for those days in section 1.14 of the Revised Code.~~

~~(2) "Seasonal amusement or recreational establishment" means both of the following:~~

~~(a) An amusement or recreational establishment that does not operate for more than seven months in any calendar year;~~

~~(b) An amusement or recreational establishment whose average receipts for any six months during the preceding calendar year were not more than thirty three and one third per cent of its average receipts for the other six months of that calendar year.~~

Sec. 4109.06. (A) This chapter does not apply to the following:

(1) Minors who are students working on any properly guarded machines in the manual training department of any school when the work is performed under the personal supervision of an instructor;

(2) Students participating in a vocational program approved by the Ohio department of education;

(3) A minor participating in a play, pageant, or concert produced by an outdoor historical drama corporation, a professional traveling theatrical production, a professional concert tour, or a personal appearance tour as a professional motion picture star, or as an actor or performer in motion pictures or in radio or television productions in accordance with the rules adopted pursuant to division (A) of section 4109.05 of the Revised Code;

(4) The participation, without remuneration of a minor and with the consent of a parent or guardian, in a performance given by a church, school, or academy, or at a concert or entertainment given solely for charitable purposes, or by a charitable or religious institution;

(5) Minors who are employed by their parents in occupations other than occupations prohibited by rule adopted under this chapter;

(6) Minors engaged in the delivery of newspapers to the consumer;

(7) Minors who have received a high school diploma or a certificate of attendance from an accredited secondary school or a certificate of high school equivalence;

(8) Minors who are currently heads of households or are parents contributing to the support of their children;

(9) Minors engaged in lawn mowing, snow shoveling, and other related employment;

(10) Minors employed in agricultural employment in connection with farms operated by their parents, grandparents, or guardians where they are members of the guardians' household. Minors are not exempt from this chapter if they reside in agricultural labor camps as defined in section 3733.41 of the Revised Code;

(11) Students participating in a program to serve as precinct officers as authorized by section 3501.22 of the Revised Code.

(B) Sections 4109.02, 4109.08, 4109.09, and 4109.11 of the Revised Code do not apply to the following:

(1) Minors who work in a sheltered workshop operated by a county board of mental retardation;

(2) Minors performing services for a nonprofit organization where the minor receives no compensation, except for any expenses incurred by the minor or except for meals provided to the minor;

(3) Minors who are employed in agricultural employment and who do not reside in agricultural labor camps.

(C) Division (D) of section 4109.07 of the Revised Code does not apply to minors who have their employment hours established as follows:

(1) A minor adjudicated to be an unruly child or delinquent child who, as a result of the adjudication, is placed on probation may either file a

petition in the juvenile court in whose jurisdiction the minor resides, or apply to the superintendent or to the chief administrative officer who issued the minor's age and schooling certificate pursuant to section 3331.01 of the Revised Code, alleging the restrictions on the hours of employment described in division (D) of section 4109.07 of the Revised Code will cause a substantial hardship or are not in the minor's best interests. Upon receipt of a petition or application, the court, the superintendent, or the chief administrative officer, as appropriate, shall consult with the person required to supervise the minor on probation. If after that consultation, the court, the superintendent, or the chief administrative officer finds the minor has failed to show the restrictions will result in a substantial hardship or that the restrictions are not in the minor's best interests, the court, the superintendent, or the chief administrative officer shall uphold the restrictions. If after that consultation, the court, the superintendent, or the chief administrative officer finds the minor has shown the restricted hours will cause a substantial hardship or are not in the minor's best interests, the court, the superintendent, or the chief administrative officer shall establish differing hours of employment for the minor and notify the minor and the minor's employer of those hours, which shall be binding in lieu of the restrictions on the hours of employment described in division (D) of section 4109.07 of the Revised Code.

(2) Any minor to whom division (C)(1) of this section does not apply may either file a petition in the juvenile court in whose jurisdiction the person resides, or apply to the superintendent or to the chief administrative officer who issued the minor's age and schooling certificate pursuant to section 3331.01 of the Revised Code, alleging the restrictions on the hours of employment described in division (D) of section 4109.07 of the Revised Code will cause a substantial hardship or are not in the minor's best interests.

If, as a result of a petition or application, the court, the superintendent, or the chief administrative officer, as appropriate, finds the minor has failed to show such restrictions will result in a substantial hardship or that the restrictions are not in the minor's best interests, the court, the superintendent, or the chief administrative officer shall uphold the restrictions. If the court, the superintendent, or the chief administrative officer finds the minor has shown the restricted hours will cause a substantial hardship or are not in the minor's best interests, the court, the superintendent, or the chief administrative officer shall establish the hours of employment for the minor and shall notify the minor and the minor's employer of those hours.

(D) Section 4109.03, divisions (A) and (C) of section 4109.02, and

division (B) of section 4109.08 of the Revised Code do not apply to minors who are sixteen or seventeen years of age and who are employed at a seasonal amusement or recreational establishment.

(E) As used in this section, "certificate of high school equivalence" means a statement issued by the state board of education or an equivalent agency of another state that the holder of the statement has achieved the equivalent of a high school education as measured by scores obtained on the tests of general educational development published by the American council on education.

Sec. 4117.01. As used in this chapter:

(A) "Person," in addition to those included in division (C) of section 1.59 of the Revised Code, includes employee organizations, public employees, and public employers.

(B) "Public employer" means the state or any political subdivision of the state located entirely within the state, including, without limitation, any municipal corporation with a population of at least five thousand according to the most recent federal decennial census; county; township with a population of at least five thousand in the unincorporated area of the township according to the most recent federal decennial census; school district; governing authority of a community school established under Chapter 3314. of the Revised Code; state institution of higher learning; public or special district; state agency, authority, commission, or board; or other branch of public employment.

(C) "Public employee" means any person holding a position by appointment or employment in the service of a public employer, including any person working pursuant to a contract between a public employer and a private employer and over whom the national labor relations board has declined jurisdiction on the basis that the involved employees are employees of a public employer, except:

(1) Persons holding elective office;

(2) Employees of the general assembly and employees of any other legislative body of the public employer whose principal duties are directly related to the legislative functions of the body;

(3) Employees on the staff of the governor or the chief executive of the public employer whose principal duties are directly related to the performance of the executive functions of the governor or the chief executive;

(4) Persons who are members of the Ohio organized militia, while training or performing duty under section 5919.29 or 5923.12 of the Revised Code;

- (5) Employees of the state employment relations board;
- (6) Confidential employees;
- (7) Management level employees;
- (8) Employees and officers of the courts, assistants to the attorney general, assistant prosecuting attorneys, and employees of the clerks of courts who perform a judicial function;
- (9) Employees of a public official who act in a fiduciary capacity, appointed pursuant to section 124.11 of the Revised Code;
- (10) Supervisors;
- (11) Students whose primary purpose is educational training, including graduate assistants or associates, residents, interns, or other students working as part-time public employees less than fifty per cent of the normal year in the employee's bargaining unit;
- (12) Employees of county boards of election;
- (13) Seasonal and casual employees as determined by the state employment relations board;
- (14) Part-time faculty members of an institution of higher education;
- (15) Employees of the state personnel board of review;
- (16) Participants in a work activity, developmental activity, or alternative work activity under sections 5107.40 to 5107.69 of the Revised Code who perform a service for a public employer that the public employer needs but is not performed by an employee of the public employer if the participant is not engaged in paid employment or subsidized employment pursuant to the activity;
- (17) Employees included in the career professional service of the department of transportation under section 5501.20 of the Revised Code;
- ~~(18) Employees who must be licensed to practice law in this state to perform their duties as employees.~~

(D) "Employee organization" means any labor or bona fide organization in which public employees participate and that exists for the purpose, in whole or in part, of dealing with public employers concerning grievances, labor disputes, wages, hours, terms, and other conditions of employment.

(E) "Exclusive representative" means the employee organization certified or recognized as an exclusive representative under section 4117.05 of the Revised Code.

(F) "Supervisor" means any individual who has authority, in the interest of the public employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other public employees; to responsibly direct them; to adjust their grievances; or to effectively recommend such action, if the exercise of that authority is not of a merely

routine or clerical nature, but requires the use of independent judgment, provided that:

(1) Employees of school districts who are department chairpersons or consulting teachers shall not be deemed supervisors;

(2) With respect to members of a police or fire department, no person shall be deemed a supervisor except the chief of the department or those individuals who, in the absence of the chief, are authorized to exercise the authority and perform the duties of the chief of the department. Where prior to June 1, 1982, a public employer pursuant to a judicial decision, rendered in litigation to which the public employer was a party, has declined to engage in collective bargaining with members of a police or fire department on the basis that those members are supervisors, those members of a police or fire department do not have the rights specified in this chapter for the purposes of future collective bargaining. The state employment relations board shall decide all disputes concerning the application of division (F)(2) of this section.

(3) With respect to faculty members of a state institution of higher education, heads of departments or divisions are supervisors; however, no other faculty member or group of faculty members is a supervisor solely because the faculty member or group of faculty members participate in decisions with respect to courses, curriculum, personnel, or other matters of academic policy;

(4) No teacher as defined in section 3319.09 of the Revised Code shall be designated as a supervisor or a management level employee unless the teacher is employed under a contract governed by section 3319.01, 3319.011, or 3319.02 of the Revised Code and is assigned to a position for which a license deemed to be for administrators under state board rules is required pursuant to section 3319.22 of the Revised Code.

(G) "To bargain collectively" means to perform the mutual obligation of the public employer, by its representatives, and the representatives of its employees to negotiate in good faith at reasonable times and places with respect to wages, hours, terms, and other conditions of employment and the continuation, modification, or deletion of an existing provision of a collective bargaining agreement, with the intention of reaching an agreement, or to resolve questions arising under the agreement. "To bargain collectively" includes executing a written contract incorporating the terms of any agreement reached. The obligation to bargain collectively does not mean that either party is compelled to agree to a proposal nor does it require the making of a concession.

(H) "Strike" means continuous concerted action in failing to report to

duty; willful absence from one's position; or stoppage of work in whole from the full, faithful, and proper performance of the duties of employment, for the purpose of inducing, influencing, or coercing a change in wages, hours, terms, and other conditions of employment. "Strike" does not include a stoppage of work by employees in good faith because of dangerous or unhealthful working conditions at the place of employment that are abnormal to the place of employment.

(I) "Unauthorized strike" includes, but is not limited to, concerted action during the term or extended term of a collective bargaining agreement or during the pendency of the settlement procedures set forth in section 4117.14 of the Revised Code in failing to report to duty; willful absence from one's position; stoppage of work; slowdown, or abstinence in whole or in part from the full, faithful, and proper performance of the duties of employment for the purpose of inducing, influencing, or coercing a change in wages, hours, terms, and other conditions of employment. "Unauthorized strike" includes any such action, absence, stoppage, slowdown, or abstinence when done partially or intermittently, whether during or after the expiration of the term or extended term of a collective bargaining agreement or during or after the pendency of the settlement procedures set forth in section 4117.14 of the Revised Code.

(J) "Professional employee" means any employee engaged in work that is predominantly intellectual, involving the consistent exercise of discretion and judgment in its performance and requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship; or an employee who has completed the courses of specialized intellectual instruction and is performing related work under the supervision of a professional person to become qualified as a professional employee.

(K) "Confidential employee" means any employee who works in the personnel offices of a public employer and deals with information to be used by the public employer in collective bargaining; or any employee who works in a close continuing relationship with public officers or representatives directly participating in collective bargaining on behalf of the employer.

(L) "Management level employee" means an individual who formulates policy on behalf of the public employer, who responsibly directs the implementation of policy, or who may reasonably be required on behalf of the public employer to assist in the preparation for the conduct of collective negotiations, administer collectively negotiated agreements, or have a major

role in personnel administration. Assistant superintendents, principals, and assistant principals whose employment is governed by section 3319.02 of the Revised Code are management level employees. With respect to members of a faculty of a state institution of higher education, no person is a management level employee because of the person's involvement in the formulation or implementation of academic or institution policy.

(M) "Wages" means hourly rates of pay, salaries, or other forms of compensation for services rendered.

(N) "Member of a police department" means a person who is in the employ of a police department of a municipal corporation as a full-time regular police officer as the result of an appointment from a duly established civil service eligibility list or under section 737.15 or 737.16 of the Revised Code, a full-time deputy sheriff appointed under section 311.04 of the Revised Code, a township constable appointed under section 509.01 of the Revised Code, or a member of a township police district police department appointed under section 505.49 of the Revised Code.

(O) "Members of the state highway patrol" means highway patrol troopers and radio operators appointed under section 5503.01 of the Revised Code.

(P) "Member of a fire department" means a person who is in the employ of a fire department of a municipal corporation or a township as a fire cadet, full-time regular firefighter, or promoted rank as the result of an appointment from a duly established civil service eligibility list or under section 505.38, 709.012, or 737.22 of the Revised Code.

(Q) "Day" means calendar day.

Sec. 4123.444. (A) As used in this section and section 4123.445 of the Revised Code:

(1) "Bureau of workers' compensation funds" means any fund specified in Chapter 4121., 4123., 4127., or 4131. of the Revised Code that the administrator of workers' compensation has the authority to invest, in accordance with the administrator's investment authority under section 4123.44 of the Revised Code.

(2) "Investment manager" means any person with whom the administrator of workers' compensation contracts pursuant to section 4123.44 of the Revised Code to facilitate the investment of assets of bureau of workers' compensation funds.

(3) "Business entity" means any person with whom an investment manager contracts for the investment of assets of bureau of workers' compensation funds.

(4) "Financial or investment crime" means any criminal offense

involving theft, receiving stolen property, embezzlement, forgery, fraud, passing bad checks, money laundering, drug trafficking, or any criminal offense involving money or securities, as set forth in Chapters 2909., 2911., 2913., 2915., 2921., 2923., and 2925. of the Revised Code or other law of this state, or the laws of any other state or the United States that are substantially equivalent to those offenses.

(B)(1) Before entering into a contract with an investment manager to invest bureau of workers' compensation funds, the administrator shall do both of the following:

(a) Request from any investment manager with whom the administrator wishes to contract for those investments a list of all employees who will be investing assets of bureau of workers' compensation funds. The list shall specify each employee's state of residence for the five years prior to the date of the administrator's request.

(b) Request that the superintendent of the bureau of criminal investigation and identification conduct a criminal records check in accordance with this section and section 109.579 of the Revised Code with respect to every employee the investment manager names in that list.

(2) After an investment manager enters into a contract with the administrator to invest bureau of workers' compensation funds and before an investment manager enters into a contract with a business entity to facilitate those investments, the investment manager shall request from any business entity with whom the investment manager wishes to contract to make those investments a list of all employees who will be investing assets of the bureau of workers' compensation funds. The list shall specify each employee's state of residence for the five years prior to the investment manager's request. The investment manager shall forward to the administrator the list received from the business entity. The administrator shall request the superintendent to conduct a criminal records check in accordance with this section and section 109.579 of the Revised Code with respect to every employee the business entity names in that list. Upon receipt of the results of the criminal records check, the administrator shall ~~forward a copy of those results to~~ advise the investment manager whether the results were favorable or unfavorable.

(3) If, after a contract has been entered into between the administrator and an investment manager or between an investment manager and a business entity for the investment of assets of bureau of workers' compensation funds, the investment manager or business entity wishes to have an employee who was not the subject of a criminal records check under division (B)(1) or (B)(2) of this section invest assets of the bureau of

workers' compensation funds, that employee shall be the subject of a criminal records check pursuant to this section and section 109.579 of the Revised Code prior to handling the investment of assets of those funds. The investment manager shall submit to the administrator the name of that employee along with the employee's state of residence for the five years prior to the date in which the administrator requests the criminal records check. The administrator shall request that the superintendent conduct a criminal records check on that employee pursuant to this section and section 109.579 of the Revised Code.

(C)(1) If an employee who is the subject of a criminal records check pursuant to division (B) of this section has not been a resident of this state for the five-year period immediately prior to the time the criminal records check is requested or does not provide evidence that within that five-year period the superintendent has requested information about the employee from the federal bureau of investigation in a criminal records check, the administrator shall request that the superintendent obtain information from the federal bureau of investigation as a part of the criminal records check for the employee. If the employee has been a resident of this state for at least that five-year period, the administrator may, but is not required to, request that the superintendent request and include in the criminal records check information about that employee from the federal bureau of investigation.

(2) The administrator shall provide to an investment manager a copy of the form prescribed pursuant to division (C)(1) of section 109.579 of the Revised Code and a standard impression sheet for each employee for whom a criminal records check must be performed, to obtain fingerprint impressions as prescribed pursuant to division (C)(2) of section 109.579 of the Revised Code. The investment manager shall obtain the completed form and impression sheet either directly from each employee or from a business entity and shall forward the completed form and sheet to the administrator, who shall forward these forms and sheets to the superintendent.

(3) Any employee who receives a copy of the form and the impression sheet pursuant to division (C)(2) of this section and who is requested to complete the form and provide a set of fingerprint impressions shall complete the form or provide all the information necessary to complete the form and shall complete the impression sheets in the manner prescribed in division (C)(2) of section 109.579 of the Revised Code.

(D) For each criminal records check the administrator requests under this section, at the time the administrator makes a request the administrator shall pay to the superintendent the fee the superintendent prescribes pursuant to division (E) of section 109.579 of the Revised Code.

Sec. 4301.01. (A) As used in the Revised Code:

(1) "Intoxicating liquor" and "liquor" include all liquids and compounds, other than beer, containing one-half of one per cent or more of alcohol by volume which are fit to use for beverage purposes, from whatever source and by whatever process produced, by whatever name called, and whether they are medicated, proprietary, or patented. "Intoxicating liquor" and "liquor" include wine even if it contains less than four per cent of alcohol by volume, mixed beverages even if they contain less than four per cent of alcohol by volume, cider, alcohol, and all solids and confections which contain any alcohol.

(2) Except as used in sections 4301.01 to 4301.20, 4301.22 to 4301.52, 4301.56, 4301.70, 4301.72, and 4303.01 to 4303.36 of the Revised Code, "sale" and "sell" include exchange, barter, gift, offer for sale, sale, distribution and delivery of any kind, and the transfer of title or possession of beer and intoxicating liquor either by constructive or actual delivery by any means or devices whatever, including the sale of beer or intoxicating liquor by means of a controlled access alcohol and beverage cabinet pursuant to section 4301.21 of the Revised Code. "Sale" and "sell" do not include the mere solicitation of orders for beer or intoxicating liquor from the holders of permits issued by the division of liquor control authorizing the sale of the beer or intoxicating liquor, but no solicitor shall solicit any such orders until the solicitor has been registered with the division pursuant to section 4303.25 of the Revised Code.

(3) "Vehicle" includes all means of transportation by land, by water, or by air, and everything made use of in any way for such transportation.

(B) As used in this chapter:

(1) "Alcohol" means ethyl alcohol, whether rectified or diluted with water or not, whatever its origin may be, and includes synthetic ethyl alcohol. "Alcohol" does not include denatured alcohol and wood alcohol.

(2) "Beer" includes all beverages brewed or fermented wholly or in part from malt products and containing one-half of one per cent or more, but not more than twelve per cent, of alcohol by volume.

(3) "Wine" includes all liquids fit to use for beverage purposes containing not less than one-half of one per cent of alcohol by volume and not more than twenty-one per cent of alcohol by volume, which is made from the fermented juices of grapes, fruits, or other agricultural products, except that as used in sections 4301.13, 4301.421, 4301.422, 4301.432, and 4301.44 of the Revised Code, and, for purposes of determining the rate of the tax that applies, division (B) of section 4301.43 of the Revised Code, "wine" does not include cider.

(4) "Mixed beverages," such as bottled and prepared cordials, cocktails, and highballs, are products obtained by mixing any type of whiskey, neutral spirits, brandy, gin, or other distilled spirits with, or over, carbonated or plain water, pure juices from flowers and plants, and other flavoring materials. The completed product shall contain not less than one-half of one per cent of alcohol by volume and not more than twenty-one per cent of alcohol by volume.

(5) "Spirituous liquor" includes all intoxicating liquors containing more than twenty-one per cent of alcohol by volume.

(6) "Sealed container" means any container having a capacity of not more than one hundred twenty-eight fluid ounces, the opening of which is closed to prevent the entrance of air.

(7) "Person" includes firms and corporations.

(8) "Manufacture" includes all processes by which beer or intoxicating liquor is produced, whether by distillation, rectifying, fortifying, blending, fermentation, or brewing, or in any other manner.

(9) "Manufacturer" means any person engaged in the business of manufacturing beer or intoxicating liquor.

(10) "Wholesale distributor" and "distributor" means a person engaged in the business of selling to retail dealers for purposes of resale.

(11) "Hotel" has the same meaning as in section 3731.01 of the Revised Code, subject to the exceptions mentioned in section 3731.03 of the Revised Code.

(12) "Restaurant" means a place located in a permanent building provided with space and accommodations wherein, in consideration of the payment of money, hot meals are habitually prepared, sold, and served at noon and evening, as the principal business of the place. "Restaurant" does not include pharmacies, confectionery stores, lunch stands, night clubs, and filling stations.

(13) "Club" means a corporation or association of individuals organized in good faith for social, recreational, benevolent, charitable, fraternal, political, patriotic, or athletic purposes, which is the owner, lessor, or occupant of a permanent building or part of a permanent building operated solely for those purposes, membership in which entails the prepayment of regular dues, and includes the place so operated.

(14) "Night club" means a place operated for profit, where food is served for consumption on the premises and one or more forms of amusement are provided or permitted for a consideration that may be in the form of a cover charge or may be included in the price of the food and beverages, or both, purchased by patrons.

(15) "At retail" means for use or consumption by the purchaser and not for resale.

(16) "Pharmacy" means an establishment, as defined in section 4729.01 of the Revised Code, that is under the management or control of a licensed pharmacist in accordance with section 4729.27 of the Revised Code.

(17) "Enclosed shopping center" means a group of retail sales and service business establishments that face into an enclosed mall, share common ingress, egress, and parking facilities, and are situated on a tract of land that contains an area of not less than five hundred thousand square feet. "Enclosed shopping center" also includes not more than one business establishment that is located within a free-standing building on such a tract of land, so long as the sale of beer and intoxicating liquor on the tract of land was approved in an election held under former section 4301.353 of the Revised Code.

(18) "Controlled access alcohol and beverage cabinet" means a closed container, either refrigerated, in whole or in part, or nonrefrigerated, access to the interior of which is restricted by means of a device that requires the use of a key, magnetic card, or similar device and from which beer, intoxicating liquor, other beverages, or food may be sold.

(19) "Community facility" means either of the following:

(a) Any convention, sports, or entertainment facility or complex, or any combination of these, that is used by or accessible to the general public and that is owned or operated in whole or in part by the state, a state agency, or a political subdivision of the state or that is leased from, or located on property owned by or leased from, the state, a state agency, a political subdivision of the state, or a convention facilities authority created pursuant to section 351.02 of the Revised Code;

(b) An area designated as a community entertainment district pursuant to section 4301.80 of the Revised Code.

(20) "Low-alcohol beverage" means any brewed or fermented malt product, or any product made from the fermented juices of grapes, fruits, or other agricultural products, that contains either no alcohol or less than one-half of one per cent of alcohol by volume. The beverages described in division (B)(20) of this section do not include a soft drink such as root beer, birch beer, or ginger beer.

(21) "Cider" means all liquids fit to use for beverage purposes that contain one-half of one per cent of alcohol by volume, but not more than six per cent of alcohol by weight, and that are made through the normal alcoholic fermentation of the juice of sound, ripe apples, including, without limitation, flavored, sparkling, or carbonated cider and cider made from pure

condensed apple must.

(22) "Sales area or territory" means an exclusive geographic area or territory that is assigned to a particular A or B permit holder and that either has one or more political subdivisions as its boundaries or consists of an area of land with readily identifiable geographic boundaries. "Sales area or territory" does not include, however, any particular retail location in an exclusive geographic area or territory that is had been assigned to another A or B permit holder before April 9, 2001.

Sec. 4303.17. (A)(1) Permit D-4 may be issued to a club that has been in existence for three years or more prior to the issuance of the permit to sell beer and any intoxicating liquor to its members only, in glass or container, for consumption on the premises where sold. The fee for this permit is four hundred sixty-nine dollars.

No D-4 permit shall be granted or retained until all elected officers of the organization controlling the club have filed with the division of liquor control a statement, signed under oath, certifying that the club is operated in the interest of the membership of a reputable organization, which is maintained by a dues paying membership, and setting forth the amount of initiation fee and yearly dues. ~~All such matters shall be contained in a statement signed under oath and accompanied by a surety bond in the sum of one thousand dollars. The bond shall be declared forfeited in the full amount of the penal sum of the bond for any false statement contained in that statement, and the surety shall pay the amount of the bond to the division.~~

The roster of membership of a D-4 permit holder shall be submitted under oath on the request of the superintendent of liquor control. Any information acquired by the superintendent or the division with respect to that membership shall not be open to public inspection or examination and may be divulged by the superintendent and the division only in hearings before the liquor control commission or in a court action in which the division or the superintendent is named a party.

(2) The requirement that a club shall have been in existence for three years in order to qualify for a D-4 permit does not apply to units of organizations chartered by congress or to a subsidiary unit of a national fraternal organization if the parent organization has been in existence for three years or more at the time application for a permit is made by ~~such~~ that unit.

(B) No rule or order of the division or commission shall prohibit a charitable organization that holds a D-4 permit from selling or serving beer or intoxicating liquor under its permit in a portion of its premises merely

because that portion of its premises is used at other times for the conduct of a bingo game as described in division (S)(1) of section 2915.01 of the Revised Code. However, such an organization shall not sell or serve beer or intoxicating liquor or permit beer or intoxicating liquor to be consumed or seen in the same location in its premises where a bingo game as described in division (S)(1) of section 2915.01 of the Revised Code is being conducted while the game is being conducted. As used in this division, "charitable organization" has the same meaning as in division (H) of section 2915.01 of the Revised Code.

(C) Notwithstanding any contrary provision of sections 4301.32 to 4301.41, division (C)(1) of section 4303.29, and section 4305.14 of the Revised Code, the holder of a D-4 permit may transfer the location of the permit and sell beer and wine at the new location if that location is in an election precinct in which the sale of beer and wine, but not spirituous liquor, otherwise is permitted by law.

Sec. 4303.181. (A) Permit D-5a may be issued either to the owner or operator of a hotel or motel that is required to be licensed under section 3731.03 of the Revised Code, that contains at least fifty rooms for registered transient guests or is owned by a state institution of higher education as defined in section 3345.011 of the Revised Code or a private college or university, and that qualifies under the other requirements of this section, or to the owner or operator of a restaurant specified under this section, to sell beer and any intoxicating liquor at retail, only by the individual drink in glass and from the container, for consumption on the premises where sold, and to registered guests in their rooms, which may be sold by means of a controlled access alcohol and beverage cabinet in accordance with division (B) of section 4301.21 of the Revised Code; and to sell the same products in the same manner and amounts not for consumption on the premises as may be sold by holders of D-1 and D-2 permits. The premises of the hotel or motel shall include a retail food establishment or a food service operation licensed pursuant to Chapter 3717. of the Revised Code that operates as a restaurant for purposes of this chapter and that is affiliated with the hotel or motel and within or contiguous to the hotel or motel, and that serves food within the hotel or motel, but the principal business of the owner or operator of the hotel or motel shall be the accommodation of transient guests. In addition to the privileges authorized in this division, the holder of a D-5a permit may exercise the same privileges as the holder of a D-5 permit.

The owner or operator of a hotel, motel, or restaurant who qualified for and held a D-5a permit on August 4, 1976, may, if the owner or operator held another permit before holding a D-5a permit, either retain a D-5a

permit or apply for the permit formerly held, and the division of liquor control shall issue the permit for which the owner or operator applies and formerly held, notwithstanding any quota.

A D-5a permit shall not be transferred to another location. No quota restriction shall be placed on the number of D-5a permits that may be issued.

The fee for this permit is two thousand three hundred forty-four dollars.

(B) Permit D-5b may be issued to the owner, operator, tenant, lessee, or occupant of an enclosed shopping center to sell beer and intoxicating liquor at retail, only by the individual drink in glass and from the container, for consumption on the premises where sold; and to sell the same products in the same manner and amount not for consumption on the premises as may be sold by holders of D-1 and D-2 permits. In addition to the privileges authorized in this division, the holder of a D-5b permit may exercise the same privileges as a holder of a D-5 permit.

A D-5b permit shall not be transferred to another location.

One D-5b permit may be issued at an enclosed shopping center containing at least two hundred twenty-five thousand, but less than four hundred thousand, square feet of floor area.

Two D-5b permits may be issued at an enclosed shopping center containing at least four hundred thousand square feet of floor area. No more than one D-5b permit may be issued at an enclosed shopping center for each additional two hundred thousand square feet of floor area or fraction of that floor area, up to a maximum of five D-5b permits for each enclosed shopping center. The number of D-5b permits that may be issued at an enclosed shopping center shall be determined by subtracting the number of D-3 and D-5 permits issued in the enclosed shopping center from the number of D-5b permits that otherwise may be issued at the enclosed shopping center under the formulas provided in this division. Except as provided in this section, no quota shall be placed on the number of D-5b permits that may be issued. Notwithstanding any quota provided in this section, the holder of any D-5b permit first issued in accordance with this section is entitled to its renewal in accordance with section 4303.271 of the Revised Code.

The holder of a D-5b permit issued before April 4, 1984, whose tenancy is terminated for a cause other than nonpayment of rent, may return the D-5b permit to the division of liquor control, and the division shall cancel that permit. Upon cancellation of that permit and upon the permit holder's payment of taxes, contributions, premiums, assessments, and other debts owing or accrued upon the date of cancellation to this state and its political

subdivisions and a filing with the division of a certification of that payment, the division shall issue to that person either a D-5 permit, or a D-1, a D-2, and a D-3 permit, as that person requests. The division shall issue the D-5 permit, or the D-1, D-2, and D-3 permits, even if the number of D-1, D-2, D-3, or D-5 permits currently issued in the municipal corporation or in the unincorporated area of the township where that person's proposed premises is located equals or exceeds the maximum number of such permits that can be issued in that municipal corporation or in the unincorporated area of that township under the population quota restrictions contained in section 4303.29 of the Revised Code. Any D-1, D-2, D-3, or D-5 permit so issued shall not be transferred to another location. If a D-5b permit is canceled under the provisions of this paragraph, the number of D-5b permits that may be issued at the enclosed shopping center for which the D-5b permit was issued, under the formula provided in this division, shall be reduced by one if the enclosed shopping center was entitled to more than one D-5b permit under the formula.

The fee for this permit is two thousand three hundred forty-four dollars.

(C) Permit D-5c may be issued to the owner or operator of a retail food establishment or a food service operation licensed pursuant to Chapter 3717. of the Revised Code that operates as a restaurant for purposes of this chapter and that qualifies under the other requirements of this section to sell beer and any intoxicating liquor at retail, only by the individual drink in glass and from the container, for consumption on the premises where sold, and to sell the same products in the same manner and amounts not for consumption on the premises as may be sold by holders of D-1 and D-2 permits. In addition to the privileges authorized in this division, the holder of a D-5c permit may exercise the same privileges as the holder of a D-5 permit.

To qualify for a D-5c permit, the owner or operator of a retail food establishment or a food service operation licensed pursuant to Chapter 3717. of the Revised Code that operates as a restaurant for purposes of this chapter, shall have operated the restaurant at the proposed premises for not less than twenty-four consecutive months immediately preceding the filing of the application for the permit, have applied for a D-5 permit no later than December 31, 1988, and appear on the division's quota waiting list for not less than six months immediately preceding the filing of the application for the permit. In addition to these requirements, the proposed D-5c permit premises shall be located within a municipal corporation and further within an election precinct that, at the time of the application, has no more than twenty-five per cent of its total land area zoned for residential use.

A D-5c permit shall not be transferred to another location. No quota

restriction shall be placed on the number of such permits that may be issued.

Any person who has held a D-5c permit for at least two years may apply for a D-5 permit, and the division of liquor control shall issue the D-5 permit notwithstanding the quota restrictions contained in section 4303.29 of the Revised Code or in any rule of the liquor control commission.

The fee for this permit is one thousand five hundred sixty-three dollars.

(D) Permit D-5d may be issued to the owner or operator of a retail food establishment or a food service operation licensed pursuant to Chapter 3717. of the Revised Code that operates as a restaurant for purposes of this chapter and that is located at an airport operated by a board of county commissioners pursuant to section 307.20 of the Revised Code, at an airport operated by a port authority pursuant to Chapter 4582. of the Revised Code, or at an airport operated by a regional airport authority pursuant to Chapter 308. of the Revised Code. The holder of a D-5d permit may sell beer and any intoxicating liquor at retail, only by the individual drink in glass and from the container, for consumption on the premises where sold, and may sell the same products in the same manner and amounts not for consumption on the premises where sold as may be sold by the holders of D-1 and D-2 permits. In addition to the privileges authorized in this division, the holder of a D-5d permit may exercise the same privileges as the holder of a D-5 permit.

A D-5d permit shall not be transferred to another location. No quota restrictions shall be placed on the number of such permits that may be issued.

The fee for this permit is two thousand three hundred forty-four dollars.

(E) Permit D-5e may be issued to any nonprofit organization that is exempt from federal income taxation under the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 501(c)(3), as amended, or that is a charitable organization under any chapter of the Revised Code, and that owns or operates a riverboat that meets all of the following:

- (1) Is permanently docked at one location;
- (2) Is designated as an historical riverboat by the Ohio historical society;
- (3) Contains not less than fifteen hundred square feet of floor area;
- (4) Has a seating capacity of fifty or more persons.

The holder of a D-5e permit may sell beer and intoxicating liquor at retail, only by the individual drink in glass and from the container, for consumption on the premises where sold.

A D-5e permit shall not be transferred to another location. No quota restriction shall be placed on the number of such permits that may be issued. The population quota restrictions contained in section 4303.29 of the

Revised Code or in any rule of the liquor control commission shall not apply to this division, and the division shall issue a D-5e permit to any applicant who meets the requirements of this division. However, the division shall not issue a D-5e permit if the permit premises or proposed permit premises are located within an area in which the sale of spirituous liquor by the glass is prohibited.

The fee for this permit is one thousand two hundred nineteen dollars.

(F) Permit D-5f may be issued to the owner or operator of a retail food establishment or a food service operation licensed under Chapter 3717. of the Revised Code that operates as a restaurant for purposes of this chapter and that meets all of the following:

(1) It contains not less than twenty-five hundred square feet of floor area.

(2) It is located on or in, or immediately adjacent to, the shoreline of, a navigable river.

(3) It provides docking space for twenty-five boats.

(4) It provides entertainment and recreation, provided that not less than fifty per cent of the business on the permit premises shall be preparing and serving meals for a consideration.

In addition, each application for a D-5f permit shall be accompanied by a certification from the local legislative authority that the issuance of the D-5f permit is not inconsistent with that political subdivision's comprehensive development plan or other economic development goal as officially established by the local legislative authority.

The holder of a D-5f permit may sell beer and intoxicating liquor at retail, only by the individual drink in glass and from the container, for consumption on the premises where sold.

A D-5f permit shall not be transferred to another location.

The division of liquor control shall not issue a D-5f permit if the permit premises or proposed permit premises are located within an area in which the sale of spirituous liquor by the glass is prohibited.

A fee for this permit is two thousand three hundred forty-four dollars.

As used in this division, "navigable river" means a river that is also a "navigable water" as defined in the "Federal Power Act," 94 Stat. 770 (1980), 16 U.S.C. 796.

(G) Permit D-5g may be issued to a nonprofit corporation that is either the owner or the operator of a national professional sports museum. The holder of a D-5g permit may sell beer and any intoxicating liquor at retail, only by the individual drink in glass and from the container, for consumption on the premises where sold. The holder of a D-5g permit shall

sell no beer or intoxicating liquor for consumption on the premises where sold after one a.m. A D-5g permit shall not be transferred to another location. No quota restrictions shall be placed on the number of D-5g permits that may be issued. The fee for this permit is one thousand eight hundred seventy-five dollars.

(H)(1) Permit D-5h may be issued to any nonprofit organization that is exempt from federal income taxation under the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 501(c)(3), as amended, that owns or operates any of the following:

(a) A fine arts museum, provided that the nonprofit organization has no less than ~~five~~ one thousand ~~five~~ hundred bona fide members possessing full membership privileges;

(b) A community arts center. As used in division (H)(1)(b) of this section, "community arts center" means a facility that provides arts programming to the community in more than one arts discipline, including, but not limited to, exhibits of works of art and performances by both professional and amateur artists.

(c) A community theater, provided that the nonprofit organization is a member of the Ohio arts council and the American community theatre association and has been in existence for not less than ten years. As used in division (H)(1)(c) of this section, "community theater" means a facility that contains at least one hundred fifty seats and has a primary function of presenting live theatrical performances and providing recreational opportunities to the community.

(2) The holder of a D-5h permit may sell beer and any intoxicating liquor at retail, only by the individual drink in glass and from the container, for consumption on the premises where sold. The holder of a D-5h permit shall sell no beer or intoxicating liquor for consumption on the premises where sold after one a.m. A D-5h permit shall not be transferred to another location. No quota restrictions shall be placed on the number of D-5h permits that may be issued.

(3) The fee for a D-5h permit is one thousand eight hundred seventy-five dollars.

(I) Permit D-5i may be issued to the owner or operator of a retail food establishment or a food service operation licensed under Chapter 3717. of the Revised Code that operates as a restaurant for purposes of this chapter and that meets all of the following requirements:

(1) It is located in a municipal corporation or a township with a population of one hundred thousand or less.

(2) It has inside seating capacity for at least one hundred forty persons.

- (3) It has at least four thousand square feet of floor area.
- (4) It offers full-course meals, appetizers, and sandwiches.
- (5) Its receipts from beer and liquor sales, excluding wine sales, do not exceed twenty-five per cent of its total gross receipts.
- (6) It has at least one of the following characteristics:
 - (a) The value of its real and personal property exceeds seven hundred twenty-five thousand dollars.
 - (b) It is located on property that is owned or leased by the state or a state agency, and its owner or operator has authorization from the state or the state agency that owns or leases the property to obtain a D-5i permit.

The holder of a D-5i permit shall cause an independent audit to be performed at the end of one full year of operation following issuance of the permit in order to verify the requirements of division (I)(5) of this section. The results of the independent audit shall be transmitted to the division. Upon determining that the receipts of the holder from beer and liquor sales, excluding wine sales, exceeded twenty-five per cent of its total gross receipts, the division shall suspend the permit of the permit holder under section 4301.25 of the Revised Code and may allow the permit holder to elect a forfeiture under section 4301.252 of the Revised Code.

The holder of a D-5i permit may sell beer and any intoxicating liquor at retail, only by the individual drink in glass and from the container, for consumption on the premises where sold, and may sell the same products in the same manner and amounts not for consumption on the premises where sold as may be sold by the holders of D-1 and D-2 permits. The holder of a D-5i permit shall sell no beer or intoxicating liquor for consumption on the premises where sold after two-thirty a.m. In addition to the privileges authorized in this division, the holder of a D-5i permit may exercise the same privileges as the holder of a D-5 permit.

A D-5i permit shall not be transferred to another location. The division of liquor control shall not renew a D-5i permit unless the retail food establishment or food service operation for which it is issued continues to meet the requirements described in divisions (I)(1) to (6) of this section. No quota restrictions shall be placed on the number of D-5i permits that may be issued. The fee for the D-5i permit is two thousand three hundred forty-four dollars.

(J)(1) Permit D-5j may be issued to the owner or the operator of a retail food establishment or a food service operation licensed under Chapter 3717. of the Revised Code to sell beer and intoxicating liquor at retail, only by the individual drink in glass and from the container, for consumption on the premises where sold and to sell beer and intoxicating liquor in the same

manner and amounts not for consumption on the premises where sold as may be sold by the holders of D-1 and D-2 permits. The holder of a D-5j permit may exercise the same privileges, and shall observe the same hours of operation, as the holder of a D-5 permit.

(2) The D-5j permit shall be issued only within a community entertainment district that is designated under section 4301.80 of the Revised Code and that meets one of the following qualifications:

(a) It is located in a municipal corporation with a population of at least one hundred thousand.

(b) It is located in a municipal corporation with a population of at least twenty thousand, and either of the following applies:

(i) It contains an amusement park the rides of which have been issued a permit by the department of agriculture under Chapter 1711. of the Revised Code.

(ii) Not less than fifty million dollars will be invested in development and construction in the community entertainment district's area located in the municipal corporation.

(c) It is located in a township with a population of at least forty thousand.

(d) It is located in a municipal corporation with a population of at least ten thousand, and not less than seventy million dollars will be invested in development and construction in the community entertainment district's area located in the municipal corporation.

(3) The location of a D-5j permit may be transferred only within the geographic boundaries of the community entertainment district in which it was issued and shall not be transferred outside the geographic boundaries of that district.

(4) Not more than one D-5j permit shall be issued within each community entertainment district for each five acres of land located within the district. Not more than fifteen D-5j permits may be issued within a single community entertainment district. Except as otherwise provided in division (J)(4) of this section, no quota restrictions shall be placed upon the number of D-5j permits that may be issued.

(5) The fee for a D-5j permit is two thousand three hundred forty-four dollars.

(K)(1) Permit D-5k may be issued to any nonprofit organization that is exempt from federal income taxation under the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 501(c)(3), as amended, that is the owner or operator of a botanical garden recognized by the American association of botanical gardens and arboreta, and that has not less than twenty-five

hundred bona fide members.

(2) The holder of a D-5k permit may sell beer and any intoxicating liquor at retail, only by the individual drink in glass and from the container, on the premises where sold.

(3) The holder of a D-5k permit shall sell no beer or intoxicating liquor for consumption on the premises where sold after one a.m.

(4) A D-5k permit shall not be transferred to another location.

(5) No quota restrictions shall be placed on the number of D-5k permits that may be issued.

(6) The fee for the D-5k permit is one thousand eight hundred seventy-five dollars.

Sec. 4303.182. (A) Except as otherwise provided in divisions (B) to ~~(G)~~(J) of this section, permit D-6 shall be issued to the holder of an A-1-A, A-2, C-2, D-2, D-3, D-3a, D-4, D-4a, D-5, D-5a, D-5b, D-5c, D-5d, D-5e, D-5f, D-5g, D-5h, D-5i, D-5j, D-5k, or D-7 permit to allow sale under that permit between the hours of ten a.m. and midnight, or between the hours of one p.m. and midnight, on Sunday, as applicable, if that sale has been authorized under section 4301.361, 4301.364, 4301.365, or 4301.366 of the Revised Code and under the restrictions of that authorization.

(B) Permit D-6 shall be issued to the holder of any permit, including a D-4a and D-5d permit, authorizing the sale of intoxicating liquor issued for a premises located at any publicly owned airport, as defined in section 4563.01 of the Revised Code, at which commercial airline companies operate regularly scheduled flights on which space is available to the public, to allow sale under such permit between the hours of ten a.m. and midnight on Sunday, whether or not that sale has been authorized under section 4301.361, 4301.364, 4301.365, or 4301.366 of the Revised Code.

(C) Permit D-6 shall be issued to the holder of a D-5a permit, and to the holder of a D-3 or D-3a permit who is the owner or operator of a hotel or motel that is required to be licensed under section 3731.03 of the Revised Code, that contains at least fifty rooms for registered transient guests, and that has on its premises a retail food establishment or a food service operation licensed pursuant to Chapter 3717. of the Revised Code that operates as a restaurant for purposes of this chapter and is affiliated with the hotel or motel and within or contiguous to the hotel or motel and serving food within the hotel or motel, to allow sale under such permit between the hours of ten a.m. and midnight on Sunday, whether or not that sale has been authorized under section 4301.361, 4301.364, 4301.365, or 4301.366 of the Revised Code.

(D) The holder of a D-6 permit that is issued to a sports facility may

make sales under the permit between the hours of eleven a.m. and midnight on any Sunday on which a professional baseball, basketball, football, hockey, or soccer game is being played at the sports facility. As used in this division, "sports facility" means a stadium or arena that has a seating capacity of at least four thousand and that is owned or leased by a professional baseball, basketball, football, hockey, or soccer franchise or any combination of those franchises.

(E) Permit D-6 shall be issued to the holder of any permit that authorizes the sale of beer or intoxicating liquor and that is issued to a premises located in or at the Ohio historical society area or the state fairgrounds, as defined in division (B) of section 4301.40 of the Revised Code, to allow sale under that permit between the hours of ten a.m. and midnight on Sunday, whether or not that sale has been authorized under section 4301.361, 4301.364, 4301.365, or 4301.366 of the Revised Code.

(F) Permit D-6 shall be issued to the holder of any permit that authorizes the sale of intoxicating liquor and that is issued to an outdoor performing arts center to allow sale under that permit between the hours of one p.m. and midnight on Sunday, whether or not that sale has been authorized under section 4301.361 of the Revised Code. A D-6 permit issued under this division is subject to the results of an election, held after the D-6 permit is issued, on question (B)(4) as set forth in section 4301.351 of the Revised Code. Following the end of the period during which an election may be held on question (B)(4) as set forth in that section, sales of intoxicating liquor may continue at an outdoor performing arts center under a D-6 permit issued under this division, unless an election on that question is held during the permitted period and a majority of the voters voting in the precinct on that question vote "no."

As used in this division, "outdoor performing arts center" means an outdoor performing arts center that is located on not less than eight hundred acres of land and that is open for performances from the first day of April to the last day of October of each year.

(G) Permit D-6 shall be issued to the holder of any permit that authorizes the sale of beer or intoxicating liquor and that is issued to a golf course owned by the state, a conservancy district, a park district created under Chapter 1545. of the Revised Code, or another political subdivision to allow sale under that permit between the hours of ten a.m. and midnight on Sunday, whether or not that sale has been authorized under section 4301.361, 4301.364, 4301.365, or 4301.366 of the Revised Code.

(H) Permit D-6 shall be issued to the holder of a D-5g permit to allow sale under that permit between the hours of ten a.m. and midnight on

Sunday, whether or not that sale has been authorized under section 4301.361, 4301.364, 4301.365, or 4301.366 of the Revised Code.

(I) Permit D-6 shall be issued to the holder of any D permit for a premises that is licensed under Chapter 3717. of the Revised Code and that is located at a ski area to allow sale under the D-6 permit between the hours of ten a.m. and midnight on Sunday, whether or not that sale has been authorized under section 4301.361, 4301.364, 4301.365, or 4301.366 of the Revised Code.

As used in this division, "ski area" means a ski area as defined in section 4169.01 of the Revised Code, provided that the passenger tramway operator at that area is registered under section 4169.03 of the Revised Code.

(J) Permit D-6 shall be issued to the holder of a D-5j permit for a permit premises that is located in a community entertainment district, as defined in section 4301.80 of the Revised Code, that was approved by the legislative authority of a municipal corporation under that section between October 1 and October 15, 2005, to allow sale under the permit between the hours of ten a.m. and midnight on Sunday, whether or not that sale has been authorized under section 4301.361, 4301.364, 4301.365, or 4301.366 of the Revised Code.

(K) If the restriction to licensed premises where the sale of food and other goods and services exceeds fifty per cent of the total gross receipts of the permit holder at the premises is applicable, the division of liquor control may accept an affidavit from the permit holder to show the proportion of the permit holder's gross receipts derived from the sale of food and other goods and services. If the liquor control commission determines that affidavit to have been false, it shall revoke the permits of the permit holder at the premises concerned.

~~(K)~~(L) The fee for the D-6 permit is five hundred dollars when it is issued to the holder of an A-1-A, A-2, D-2, D-3, D-3a, D-4, D-4a, D-5, D-5a, D-5b, D-5c, D-5d, D-5e, D-5f, D-5g, D-5h, D-5i, D-5j, D-5k, or D-7 permit. The fee for the D-6 permit is four hundred dollars when it is issued to the holder of a C-2 permit.

Sec. 4303.207. (A) As used in this section:

(1) "Nonprofit organization" means any unincorporated association or nonprofit corporation that is not formed for the pecuniary gain or profit of, and whose net earnings or any part of whose net earnings is not distributable to, its members, trustees, directors, officers, or other private persons.

(2) "Qualified golf event" means a golf tournament or other golf competition event that meets all of the following requirements:

(a) It is hosted by the nonprofit organization to which an F-7 permit is

issued.

(b) It is sanctioned by a recognized national golf organization.

(c) It includes the sale of food for consumption on the premises for which an F-7 permit is issued.

(d) Contributions to charity are made from the proceeds of the event that equal in the aggregate at least two hundred thousand dollars.

(3) "Recognized national golf organization" means any of the following:

(a) The United States golf association;

(b) The professional golf association of America (PGA);

(c) The PGA tour, including the champions tour and the nationwide tour;

(d) The LPGA tour;

(e) The successors of any organization listed in divisions (A)(3)(a) to (d) of this section.

(B) An F-7 permit may be issued to a nonprofit organization to sell beer, wine, mixed beverages, and spirituous liquor by the individual drink at a qualified golf event being held on premises located in a political subdivision or part of a political subdivision where the sale of beer, wine, mixed beverages, and spirituous liquor is otherwise permitted by law on that day, if both of the following requirements are met:

(1) The superintendent of liquor control is satisfied that the organization is a nonprofit organization. For this purpose, the superintendent may accept as proof a sworn statement by the president or other chief executive officer of the applicant organization.

(2) The superintendent is satisfied that the event for which the F-7 permit is sought to be issued is a qualified golf event. For this purpose, the superintendent may accept as proof a sworn statement by the president or other chief executive officer of the applicant organization.

(C) The premises for which the F-7 permit is issued shall meet all of the following requirements:

(1) Be owned or leased by the nonprofit organization to which the F-7 permit issued;

(2) Be limited to areas in which the qualified golf event is conducted and to other areas that are contiguous to those areas in which the qualified golf event is conducted, which areas are specifically designated for food and beverage consumption and hospitality for the qualified golf event;

(3) Be clearly defined;

(4) Be sufficiently restricted to allow proper supervision of use of the permit by state and local law enforcement personnel.

(D) A nonprofit organization to which an F-7 permit is issued shall be

held responsible for any conduct that violates the laws pertaining to the sale of beer, wine, mixed beverages, or spirituous liquor.

(E) The division of liquor control shall prepare and make available an F-7 permit application form and may require applicants for the permit to provide information that, in addition to the information required by this section, is necessary for the administration of this section.

(F) An F-7 permit shall be effective for a period not to exceed eight consecutive days. The division of liquor control shall not issue more than two F-7 permits per calendar year to the same nonprofit organization. The fee for an F-7 permit is four hundred fifty dollars.

Sec. 4303.29. (A) No permit, other than an H permit, shall be issued to a firm or partnership unless all the members of the firm or partnership are citizens of the United States and a majority have resided in this state for one year prior to application for the permit. No permit, other than an H permit, shall be issued to an individual who is not a citizen of the United States who has resided in this state for at least one year prior to application for the permit. No permit, other than an E or H permit, shall be issued to any corporation organized under the laws of any country, territory, or state other than this state until it has furnished the division of liquor control with evidence that it has complied with the laws of this state relating to the transaction of business in this state.

The division may refuse to issue any permit to or refuse to renew any permit of any person convicted of any felony that is reasonably related to the person's fitness to operate a liquor permit business in this state. No holder of a permit shall sell, assign, transfer, or pledge the permit without the written consent of the division.

(B)(1) No more than one of each type of C or D permit shall be issued to any one person, firm, or corporation in any county having a population of less than twenty-five thousand, and no more than one of each type of C or D permit shall be issued to any one person, firm, or corporation for any additional twenty-five thousand or major fraction thereof in any county having a greater population than twenty-five thousand, provided that, in the case of D-3, D-3a, D-4, and D-5 permits, no more than one permit shall be issued to any one person, firm, or corporation in any county having a population of less than fifty thousand, and no more than one such permit shall be issued to any one person, firm, or corporation for any additional fifty thousand or major fraction thereof in any county having a greater population than fifty thousand.

(2) No D-3 permit shall be issued to any club unless the club has been continuously engaged in the activity specified in section 4303.15 of the

Revised Code, as a qualification for that class of permit, for two years at the time the permit is issued.

(3)(a) Subject to division (B)(3)(b) of this section, upon application by properly qualified persons, one C-1 and C-2 permit shall be issued for each one thousand population or part of that population, and one D-1 and D-2 permit shall be issued for each two thousand population or part of that population, in each municipal corporation and in the unincorporated area of each township.

Subject to division (B)(3)(b) of this section, not more than one D-3, D-4, or D-5 permit shall be issued for each two thousand population or part of that population in any municipal corporation and in the unincorporated area of any township, except that, in any city of a population of fifty-five thousand or more, one D-3 permit may be issued for each fifteen hundred population or part of that population.

(b)(i) Division (B)(3)(a) of this section does not prohibit the transfer of location or the transfer of ownership and location of a C-1, C-2, D-1, D-2, D-3, or D-5 permit from a municipal corporation or the unincorporated area of a township in which the number of permits of that class exceeds the number of such permits authorized to be issued under division (B)(3)(a) of this section to an economic development project located in another municipal corporation or the unincorporated area of another township in which no additional permits of that class may be issued to the applicant under division (B)(3)(a) of this section, but the transfer of location or transfer of ownership and location of the permit may occur only if the applicant notifies the municipal corporation or township to which the location of the permit will be transferred regarding the transfer and that municipal corporation or township acknowledges in writing to the division of liquor control, at the time the application for the transfer of location or transfer of ownership and location of the permit is filed, that the transfer will be to an economic development project. This acknowledgment by the municipal corporation or township does not prohibit it from requesting a hearing under section 4303.26 of the Revised Code. The applicant is eligible to apply for and receive the transfer of location of the permit under division (B)(3)(b) of this section if all permits of that class that may be issued under division (B)(3)(a) of this section in the applicable municipal corporation or unincorporated area of the township have already been issued or if the number of applications filed for permits of that class in that municipal corporation or the unincorporated area of that township exceed the number of permits of that class that may be issued there under division (B)(3)(a) of this section.

A permit transferred under division (B)(3)(b) of this section may be subsequently transferred to a different owner at the same location, or to the same owner or a different owner at a different location in the same municipal corporation or in the unincorporated area of the same township, as long as the same or new location meets the economic development project criteria set forth in this section.

(ii) Factors that shall be used to determine the designation of an economic development project include, but are not limited to, architectural certification of the plans and the cost of the project, the number of jobs that will be created by the project, projected earnings of the project, projected tax revenues for the political subdivisions in which the project will be located, and the amount of financial investment in the project. The superintendent of liquor control shall determine whether the existing or proposed business that is seeking a permit described in division (B)(3)(b) of this section qualifies as an economic development project and, if the superintendent determines that it so qualifies, shall designate the business as an economic development project.

(4) Nothing in this section shall be construed to restrict the issuance of a permit to a municipal corporation for use at a municipally owned airport at which commercial airline companies operate regularly scheduled flights on which space is available to the public. A municipal corporation applying for a permit for such a municipally owned airport is exempt, in regard to that application, from the population restrictions contained in this section and from population quota restrictions contained in any rule of the liquor control commission. A municipal corporation applying for a D-1, D-2, D-3, D-4, or D-5 permit for such a municipally owned airport is subject to section 4303.31 of the Revised Code.

(5) Nothing in this section shall be construed to prohibit the issuance of a D permit to the board of trustees of a soldiers' memorial for a premises located at a soldiers' memorial established pursuant to Chapter 345. of the Revised Code. An application for a D permit by the board for those premises is exempt from the population restrictions contained in this section and from the population quota restrictions contained in any rule of the liquor control commission. The location of a D permit issued to the board for those premises shall not be transferred. A board of trustees of a soldiers' memorial applying for a D-1, D-2, D-3, D-4, or D-5 permit for the soldiers' memorial is subject to section 4303.31 of the Revised Code.

(6) Nothing in this section shall be construed to restrict the issuance of a permit for a premises located at a golf course owned by a municipal corporation, township, or county, owned by a park district created under

Chapter 1545. of the Revised Code, or owned by the state. The location of such a permit issued on or after September 26, 1984, for a premises located at such a golf course shall not be transferred. Any application for such a permit is exempt from the population quota restrictions contained in this section and from the population quota restrictions contained in any rule of the liquor control commission. A municipal corporation, township, county, park district, or state agency applying for a D-1, D-2, D-3, D-4, or D-5 permit for such a golf course is subject to section 4303.31 of the Revised Code.

(7) As used in division (B)(7) of this section, "fair" has the same meaning as in section 991.01 of the Revised Code; "state fairgrounds" means the property that is held by the state for the purpose of conducting fairs, expositions, and exhibits and that is maintained and managed by the Ohio expositions commission under section 991.03 of the Revised Code; ~~and~~; "capitol square" has the same meaning as in section 105.41 of the Revised Code; and "Ohio judicial center" means the site of the Ohio supreme court and its grounds.

Nothing in this section shall be construed to restrict the issuance of one or more D permits to one or more applicants for all or a part of ~~either~~ the state fairgrounds ~~or~~, capitol square, or the Ohio judicial center. An application for a D permit for the state fairgrounds ~~or~~, capitol square, or the Ohio judicial center is exempt from the population quota restrictions contained in this section and from the population quota restrictions contained in any rule of the liquor control commission. The location of a D permit issued for the state fairgrounds ~~or~~, capitol square, or the Ohio judicial center shall not be transferred. An applicant for a D-1, D-2, D-3, or D-5 permit for the state fairgrounds is not subject to section 4303.31 of the Revised Code.

Pursuant to section 1711.09 of the Revised Code, the holder of a D permit issued for the state fairgrounds shall not deal in spirituous liquor at the state fairgrounds during, or for one week before or for three days after, any fair held at the state fairgrounds.

(8) Nothing in this section shall be construed to prohibit the issuance of a D permit for a premises located at a zoological park at which sales have been approved in an election held under former section 4301.356 of the Revised Code. An application for a D permit for such a premises is exempt from the population restrictions contained in this section, from the population quota restrictions contained in any rule of the liquor control commission, and from section 4303.31 of the Revised Code. The location of a D permit issued for a premises at such a zoological park shall not be

transferred, and no quota or other restrictions shall be placed on the number of D permits that may be issued for a premises at such a zoological park.

(C)(1) No D-3, D-4, D-5, or D-5a permit shall be issued in any election precinct in any municipal corporation or in any election precinct in the unincorporated area of any township, in which at the November, 1933, election a majority of the electors voting thereon in the municipal corporation or in the unincorporated area of the township voted against the repeal of Section 9 of Article XV, Ohio Constitution, unless the sale of spirituous liquor by the glass is authorized by a majority vote of the electors voting on the question in the precinct at an election held pursuant to this section or by a majority vote of the electors of the precinct voting on question (C) at a special local option election held in the precinct pursuant to section 4301.35 of the Revised Code. Upon the request of an elector, the board of elections of the county that encompasses the precinct shall furnish the elector with a copy of the instructions prepared by the secretary of state under division (P) of section 3501.05 of the Revised Code and, within fifteen days after the request, a certificate of the number of signatures required for a valid petition under this section.

Upon the petition of thirty-five per cent of the total number of voters voting in any such precinct for the office of governor at the preceding general election, filed with the board of elections of the county in which such precinct is located not later than seventy-five days before a general election, the board shall prepare ballots and hold an election at such general election upon the question of allowing spirituous liquor to be sold by the glass in such precinct. The ballots shall be approved in form by the secretary of state. The results of the election shall be certified by the board to the secretary of state, who shall certify the results to the division.

(2) No holder of a class D-3 permit issued for a boat or vessel shall sell spirituous liquor in any precinct, in which the election provided for in this section may be held, unless the sale of spirituous liquor by the drink has been authorized by vote of the electors as provided in this section or in section 4301.35 of the Revised Code.

(D) Any holder of a C or D permit whose permit premises were purchased in 1986 or 1987 by the state of ~~Ohio~~ or any state agency for highway purposes shall be issued the same permit at another location notwithstanding any quota restrictions contained in this chapter or in any rule of the liquor control commission.

Sec. 4503.105. (A) A motor vehicle renting dealer may charge each vehicle renter a separate vehicle license fee to recover the dealer's cost related to the annual vehicle registration, license plates, and title fees

imposed upon vehicles in the dealer's fleet under Title XLV of the Revised Code. Any dealer who separately charges a vehicle license fee shall do all of the following:

(1) Make a good faith estimate of the average per day per vehicle portion of the dealer's total annual registration, license plates, and title fees paid in this state for its rental fleet during the calendar year;

(2) Separately itemize and charge the vehicle license fee in the rental agreement between the dealer and a renter, and specifically describe the vehicle license fee in the rental agreement as the estimated average per day per vehicle portion of the dealer's total annual registration, license plates, and title fees;

(3) In any advertisement made in this state that describes vehicle rental rates for vehicles available for rent in this state, include a statement that the renter is required to pay the vehicle license fee and disclose the maximum daily charge for the vehicle license fee.

(B) Any dealer who separately charges a vehicle license fee shall not charge, collect, or retain any amount in excess of the actual average per day per vehicle portion of the dealer's total annual registration, license plates, and title fees paid in this state for its rental fleet during the calendar year. If a dealer recovers the dealer's actual costs related to the annual vehicle registration, license plates, and title fees, the dealer shall cease to itemize and charge such costs in any rental agreement during that calendar year.

(C) As used in this section, "motor vehicle renting dealer" has the same meaning as in section 4549.65 of the Revised Code.

Sec. 4731.22. (A) The state medical board, by an affirmative vote of not fewer than six of its members, may revoke or may refuse to grant a certificate to a person found by the board to have committed fraud during the administration of the examination for a certificate to practice or to have committed fraud, misrepresentation, or deception in applying for or securing any certificate to practice or certificate of registration issued by the board.

(B) The board, by an affirmative vote of not fewer than six members, shall, to the extent permitted by law, limit, revoke, or suspend an individual's certificate to practice, refuse to register an individual, refuse to reinstate a certificate, or reprimand or place on probation the holder of a certificate for one or more of the following reasons:

(1) Permitting one's name or one's certificate to practice or certificate of registration to be used by a person, group, or corporation when the individual concerned is not actually directing the treatment given;

(2) Failure to maintain minimal standards applicable to the selection or administration of drugs, or failure to employ acceptable scientific methods

in the selection of drugs or other modalities for treatment of disease;

(3) Selling, giving away, personally furnishing, prescribing, or administering drugs for other than legal and legitimate therapeutic purposes or a plea of guilty to, a judicial finding of guilt of, or a judicial finding of eligibility for intervention in lieu of conviction of, a violation of any federal or state law regulating the possession, distribution, or use of any drug;

(4) Willfully betraying a professional confidence.

For purposes of this division, "willfully betraying a professional confidence" does not include providing any information, documents, or reports to a child fatality review board under sections 307.621 to 307.629 of the Revised Code and does not include the making of a report of an employee's use of a drug of abuse, or a report of a condition of an employee other than one involving the use of a drug of abuse, to the employer of the employee as described in division (B) of section 2305.33 of the Revised Code. Nothing in this division affects the immunity from civil liability conferred by that section upon a physician who makes either type of report in accordance with division (B) of that section. As used in this division, "employee," "employer," and "physician" have the same meanings as in section 2305.33 of the Revised Code.

(5) Making a false, fraudulent, deceptive, or misleading statement in the solicitation of or advertising for patients; in relation to the practice of medicine and surgery, osteopathic medicine and surgery, podiatric medicine and surgery, or a limited branch of medicine; or in securing or attempting to secure any certificate to practice or certificate of registration issued by the board.

As used in this division, "false, fraudulent, deceptive, or misleading statement" means a statement that includes a misrepresentation of fact, is likely to mislead or deceive because of a failure to disclose material facts, is intended or is likely to create false or unjustified expectations of favorable results, or includes representations or implications that in reasonable probability will cause an ordinarily prudent person to misunderstand or be deceived.

(6) A departure from, or the failure to conform to, minimal standards of care of similar practitioners under the same or similar circumstances, whether or not actual injury to a patient is established;

(7) Representing, with the purpose of obtaining compensation or other advantage as personal gain or for any other person, that an incurable disease or injury, or other incurable condition, can be permanently cured;

(8) The obtaining of, or attempting to obtain, money or anything of value by fraudulent misrepresentations in the course of practice;

(9) A plea of guilty to, a judicial finding of guilt of, or a judicial finding of eligibility for intervention in lieu of conviction for, a felony;

(10) Commission of an act that constitutes a felony in this state, regardless of the jurisdiction in which the act was committed;

(11) A plea of guilty to, a judicial finding of guilt of, or a judicial finding of eligibility for intervention in lieu of conviction for, a misdemeanor committed in the course of practice;

(12) Commission of an act in the course of practice that constitutes a misdemeanor in this state, regardless of the jurisdiction in which the act was committed;

(13) A plea of guilty to, a judicial finding of guilt of, or a judicial finding of eligibility for intervention in lieu of conviction for, a misdemeanor involving moral turpitude;

(14) Commission of an act involving moral turpitude that constitutes a misdemeanor in this state, regardless of the jurisdiction in which the act was committed;

(15) Violation of the conditions of limitation placed by the board upon a certificate to practice;

(16) Failure to pay license renewal fees specified in this chapter;

(17) Except as authorized in section 4731.31 of the Revised Code, engaging in the division of fees for referral of patients, or the receiving of a thing of value in return for a specific referral of a patient to utilize a particular service or business;

(18) Subject to section 4731.226 of the Revised Code, violation of any provision of a code of ethics of the American medical association, the American osteopathic association, the American podiatric medical association, or any other national professional organizations that the board specifies by rule. The state medical board shall obtain and keep on file current copies of the codes of ethics of the various national professional organizations. The individual whose certificate is being suspended or revoked shall not be found to have violated any provision of a code of ethics of an organization not appropriate to the individual's profession.

For purposes of this division, a "provision of a code of ethics of a national professional organization" does not include any provision that would preclude the making of a report by a physician of an employee's use of a drug of abuse, or of a condition of an employee other than one involving the use of a drug of abuse, to the employer of the employee as described in division (B) of section 2305.33 of the Revised Code. Nothing in this division affects the immunity from civil liability conferred by that section upon a physician who makes either type of report in accordance with

division (B) of that section. As used in this division, "employee," "employer," and "physician" have the same meanings as in section 2305.33 of the Revised Code.

(19) Inability to practice according to acceptable and prevailing standards of care by reason of mental illness or physical illness, including, but not limited to, physical deterioration that adversely affects cognitive, motor, or perceptive skills.

In enforcing this division, the board, upon a showing of a possible violation, may compel any individual authorized to practice by this chapter or who has submitted an application pursuant to this chapter to submit to a mental examination, physical examination, including an HIV test, or both a mental and a physical examination. The expense of the examination is the responsibility of the individual compelled to be examined. Failure to submit to a mental or physical examination or consent to an HIV test ordered by the board constitutes an admission of the allegations against the individual unless the failure is due to circumstances beyond the individual's control, and a default and final order may be entered without the taking of testimony or presentation of evidence. If the board finds an individual unable to practice because of the reasons set forth in this division, the board shall require the individual to submit to care, counseling, or treatment by physicians approved or designated by the board, as a condition for initial, continued, reinstated, or renewed authority to practice. An individual affected under this division shall be afforded an opportunity to demonstrate to the board the ability to resume practice in compliance with acceptable and prevailing standards under the provisions of the individual's certificate. For the purpose of this division, any individual who applies for or receives a certificate to practice under this chapter accepts the privilege of practicing in this state and, by so doing, shall be deemed to have given consent to submit to a mental or physical examination when directed to do so in writing by the board, and to have waived all objections to the admissibility of testimony or examination reports that constitute a privileged communication.

(20) Except when civil penalties are imposed under section 4731.225 or 4731.281 of the Revised Code, and subject to section 4731.226 of the Revised Code, violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate, any provisions of this chapter or any rule promulgated by the board.

This division does not apply to a violation or attempted violation of, assisting in or abetting the violation of, or a conspiracy to violate, any provision of this chapter or any rule adopted by the board that would preclude the making of a report by a physician of an employee's use of a

drug of abuse, or of a condition of an employee other than one involving the use of a drug of abuse, to the employer of the employee as described in division (B) of section 2305.33 of the Revised Code. Nothing in this division affects the immunity from civil liability conferred by that section upon a physician who makes either type of report in accordance with division (B) of that section. As used in this division, "employee," "employer," and "physician" have the same meanings as in section 2305.33 of the Revised Code.

(21) The violation of section 3701.79 of the Revised Code or of any abortion rule adopted by the public health council pursuant to section 3701.341 of the Revised Code;

(22) Any of the following actions taken by the agency responsible for regulating the practice of medicine and surgery, osteopathic medicine and surgery, podiatric medicine and surgery, or the limited branches of medicine in another jurisdiction, for any reason other than the nonpayment of fees: the limitation, revocation, or suspension of an individual's license to practice; acceptance of an individual's license surrender; denial of a license; refusal to renew or reinstate a license; imposition of probation; or issuance of an order of censure or other reprimand;

(23) The violation of section 2919.12 of the Revised Code or the performance or inducement of an abortion upon a pregnant woman with actual knowledge that the conditions specified in division (B) of section 2317.56 of the Revised Code have not been satisfied or with a heedless indifference as to whether those conditions have been satisfied, unless an affirmative defense as specified in division (H)(2) of that section would apply in a civil action authorized by division (H)(1) of that section;

(24) The revocation, suspension, restriction, reduction, or termination of clinical privileges by the United States department of defense or department of veterans affairs or the termination or suspension of a certificate of registration to prescribe drugs by the drug enforcement administration of the United States department of justice;

(25) Termination or suspension from participation in the medicare or medicaid programs by the department of health and human services or other responsible agency for any act or acts that also would constitute a violation of division (B)(2), (3), (6), (8), or (19) of this section;

(26) Impairment of ability to practice according to acceptable and prevailing standards of care because of habitual or excessive use or abuse of drugs, alcohol, or other substances that impair ability to practice.

For the purposes of this division, any individual authorized to practice by this chapter accepts the privilege of practicing in this state subject to

supervision by the board. By filing an application for or holding a certificate to practice under this chapter, an individual shall be deemed to have given consent to submit to a mental or physical examination when ordered to do so by the board in writing, and to have waived all objections to the admissibility of testimony or examination reports that constitute privileged communications.

If it has reason to believe that any individual authorized to practice by this chapter or any applicant for certification to practice suffers such impairment, the board may compel the individual to submit to a mental or physical examination, or both. The expense of the examination is the responsibility of the individual compelled to be examined. Any mental or physical examination required under this division shall be undertaken by a treatment provider or physician who is qualified to conduct the examination and who is chosen by the board.

Failure to submit to a mental or physical examination ordered by the board constitutes an admission of the allegations against the individual unless the failure is due to circumstances beyond the individual's control, and a default and final order may be entered without the taking of testimony or presentation of evidence. If the board determines that the individual's ability to practice is impaired, the board shall suspend the individual's certificate or deny the individual's application and shall require the individual, as a condition for initial, continued, reinstated, or renewed certification to practice, to submit to treatment.

Before being eligible to apply for reinstatement of a certificate suspended under this division, the impaired practitioner shall demonstrate to the board the ability to resume practice in compliance with acceptable and prevailing standards of care under the provisions of the practitioner's certificate. The demonstration shall include, but shall not be limited to, the following:

(a) Certification from a treatment provider approved under section 4731.25 of the Revised Code that the individual has successfully completed any required inpatient treatment;

(b) Evidence of continuing full compliance with an aftercare contract or consent agreement;

(c) Two written reports indicating that the individual's ability to practice has been assessed and that the individual has been found capable of practicing according to acceptable and prevailing standards of care. The reports shall be made by individuals or providers approved by the board for making the assessments and shall describe the basis for their determination.

The board may reinstate a certificate suspended under this division after

that demonstration and after the individual has entered into a written consent agreement.

When the impaired practitioner resumes practice, the board shall require continued monitoring of the individual. The monitoring shall include, but not be limited to, compliance with the written consent agreement entered into before reinstatement or with conditions imposed by board order after a hearing, and, upon termination of the consent agreement, submission to the board for at least two years of annual written progress reports made under penalty of perjury stating whether the individual has maintained sobriety.

(27) A second or subsequent violation of section 4731.66 or 4731.69 of the Revised Code;

(28) Except as provided in division (N) of this section:

(a) Waiving the payment of all or any part of a deductible or copayment that a patient, pursuant to a health insurance or health care policy, contract, or plan that covers the individual's services, otherwise would be required to pay if the waiver is used as an enticement to a patient or group of patients to receive health care services from that individual;

(b) Advertising that the individual will waive the payment of all or any part of a deductible or copayment that a patient, pursuant to a health insurance or health care policy, contract, or plan that covers the individual's services, otherwise would be required to pay.

(29) Failure to use universal blood and body fluid precautions established by rules adopted under section 4731.051 of the Revised Code;

(30) Failure to provide notice to, and receive acknowledgment of the notice from, a patient when required by section 4731.143 of the Revised Code prior to providing nonemergency professional services, or failure to maintain that notice in the patient's file;

(31) Failure of a physician supervising a physician assistant to maintain supervision in accordance with the requirements of Chapter 4730. of the Revised Code and the rules adopted under that chapter;

(32) Failure of a physician or podiatrist to enter into a standard care arrangement with a clinical nurse specialist, certified nurse-midwife, or certified nurse practitioner with whom the physician or podiatrist is in collaboration pursuant to section 4731.27 of the Revised Code or failure to fulfill the responsibilities of collaboration after entering into a standard care arrangement;

(33) Failure to comply with the terms of a consult agreement entered into with a pharmacist pursuant to section 4729.39 of the Revised Code;

(34) Failure to cooperate in an investigation conducted by the board under division (F) of this section, including failure to comply with a

subpoena or order issued by the board or failure to answer truthfully a question presented by the board at a deposition or in written interrogatories, except that failure to cooperate with an investigation shall not constitute grounds for discipline under this section if a court of competent jurisdiction has issued an order that either quashes a subpoena or permits the individual to withhold the testimony or evidence in issue;

(35) Failure to supervise an acupuncturist in accordance with Chapter 4762. of the Revised Code and the board's rules for supervision of an acupuncturist;

(36) Failure to supervise an anesthesiologist assistant in accordance with Chapter 4760. of the Revised Code and the board's rules for supervision of an anesthesiologist assistant;

(37) Assisting suicide as defined in section 3795.01 of the Revised Code.

(C) Disciplinary actions taken by the board under divisions (A) and (B) of this section shall be taken pursuant to an adjudication under Chapter 119. of the Revised Code, except that in lieu of an adjudication, the board may enter into a consent agreement with an individual to resolve an allegation of a violation of this chapter or any rule adopted under it. A consent agreement, when ratified by an affirmative vote of not fewer than six members of the board, shall constitute the findings and order of the board with respect to the matter addressed in the agreement. If the board refuses to ratify a consent agreement, the admissions and findings contained in the consent agreement shall be of no force or effect.

If the board takes disciplinary action against an individual under division (B) of this section for a second or subsequent plea of guilty to, or judicial finding of guilt of, a violation of section 2919.123 of the Revised Code, the disciplinary action shall consist of a suspension of the individual's certificate to practice for a period of at least one year or, if determined appropriate by the board, a more serious sanction involving the individual's certificate to practice. Any consent agreement entered into under this division with an individual that pertains to a second or subsequent plea of guilty to, or judicial finding of guilt of, a violation of that section shall provide for a suspension of the individual's certificate to practice for a period of at least one year or, if determined appropriate by the board, a more serious sanction involving the individual's certificate to practice.

(D) For purposes of divisions (B)(10), (12), and (14) of this section, the commission of the act may be established by a finding by the board, pursuant to an adjudication under Chapter 119. of the Revised Code, that the individual committed the act. The board does not have jurisdiction under

those divisions if the trial court renders a final judgment in the individual's favor and that judgment is based upon an adjudication on the merits. The board has jurisdiction under those divisions if the trial court issues an order of dismissal upon technical or procedural grounds.

(E) The sealing of conviction records by any court shall have no effect upon a prior board order entered under this section or upon the board's jurisdiction to take action under this section if, based upon a plea of guilty, a judicial finding of guilt, or a judicial finding of eligibility for intervention in lieu of conviction, the board issued a notice of opportunity for a hearing prior to the court's order to seal the records. The board shall not be required to seal, destroy, redact, or otherwise modify its records to reflect the court's sealing of conviction records.

(F)(1) The board shall investigate evidence that appears to show that a person has violated any provision of this chapter or any rule adopted under it. Any person may report to the board in a signed writing any information that the person may have that appears to show a violation of any provision of this chapter or any rule adopted under it. In the absence of bad faith, any person who reports information of that nature or who testifies before the board in any adjudication conducted under Chapter 119. of the Revised Code shall not be liable in damages in a civil action as a result of the report or testimony. Each complaint or allegation of a violation received by the board shall be assigned a case number and shall be recorded by the board.

(2) Investigations of alleged violations of this chapter or any rule adopted under it shall be supervised by the supervising member elected by the board in accordance with section 4731.02 of the Revised Code and by the secretary as provided in section 4731.39 of the Revised Code. The president may designate another member of the board to supervise the investigation in place of the supervising member. No member of the board who supervises the investigation of a case shall participate in further adjudication of the case.

(3) In investigating a possible violation of this chapter or any rule adopted under this chapter, the board may administer oaths, order the taking of depositions, issue subpoenas, and compel the attendance of witnesses and production of books, accounts, papers, records, documents, and testimony, except that a subpoena for patient record information shall not be issued without consultation with the attorney general's office and approval of the secretary and supervising member of the board. Before issuance of a subpoena for patient record information, the secretary and supervising member shall determine whether there is probable cause to believe that the complaint filed alleges a violation of this chapter or any rule adopted under

it and that the records sought are relevant to the alleged violation and material to the investigation. The subpoena may apply only to records that cover a reasonable period of time surrounding the alleged violation.

On failure to comply with any subpoena issued by the board and after reasonable notice to the person being subpoenaed, the board may move for an order compelling the production of persons or records pursuant to the Rules of Civil Procedure.

A subpoena issued by the board may be served by a sheriff, the sheriff's deputy, or a board employee designated by the board. Service of a subpoena issued by the board may be made by delivering a copy of the subpoena to the person named therein, reading it to the person, or leaving it at the person's usual place of residence. When the person being served is a person whose practice is authorized by this chapter, service of the subpoena may be made by certified mail, restricted delivery, return receipt requested, and the subpoena shall be deemed served on the date delivery is made or the date the person refuses to accept delivery.

A sheriff's deputy who serves a subpoena shall receive the same fees as a sheriff. Each witness who appears before the board in obedience to a subpoena shall receive the fees and mileage provided for witnesses in civil cases in the courts of common pleas.

(4) All hearings and investigations of the board shall be considered civil actions for the purposes of section 2305.252 of the Revised Code.

(5) Information received by the board pursuant to an investigation is confidential and not subject to discovery in any civil action.

The board shall conduct all investigations and proceedings in a manner that protects the confidentiality of patients and persons who file complaints with the board. The board shall not make public the names or any other identifying information about patients or complainants unless proper consent is given or, in the case of a patient, a waiver of the patient privilege exists under division (B) of section 2317.02 of the Revised Code, except that consent or a waiver of that nature is not required if the board possesses reliable and substantial evidence that no bona fide physician-patient relationship exists.

The board may share any information it receives pursuant to an investigation, including patient records and patient record information, with law enforcement agencies, other licensing boards, and other governmental agencies that are prosecuting, adjudicating, or investigating alleged violations of statutes or administrative rules. An agency or board that receives the information shall comply with the same requirements regarding confidentiality as those with which the state medical board must comply,

notwithstanding any conflicting provision of the Revised Code or procedure of the agency or board that applies when it is dealing with other information in its possession. In a judicial proceeding, the information may be admitted into evidence only in accordance with the Rules of Evidence, but the court shall require that appropriate measures are taken to ensure that confidentiality is maintained with respect to any part of the information that contains names or other identifying information about patients or complainants whose confidentiality was protected by the state medical board when the information was in the board's possession. Measures to ensure confidentiality that may be taken by the court include sealing its records or deleting specific information from its records.

(6) On a quarterly basis, the board shall prepare a report that documents the disposition of all cases during the preceding three months. The report shall contain the following information for each case with which the board has completed its activities:

- (a) The case number assigned to the complaint or alleged violation;
- (b) The type of certificate to practice, if any, held by the individual against whom the complaint is directed;
- (c) A description of the allegations contained in the complaint;
- (d) The disposition of the case.

The report shall state how many cases are still pending and shall be prepared in a manner that protects the identity of each person involved in each case. The report shall be a public record under section 149.43 of the Revised Code.

(G) If the secretary and supervising member determine that there is clear and convincing evidence that an individual has violated division (B) of this section and that the individual's continued practice presents a danger of immediate and serious harm to the public, they may recommend that the board suspend the individual's certificate to practice without a prior hearing. Written allegations shall be prepared for consideration by the board.

The board, upon review of those allegations and by an affirmative vote of not fewer than six of its members, excluding the secretary and supervising member, may suspend a certificate without a prior hearing. A telephone conference call may be utilized for reviewing the allegations and taking the vote on the summary suspension.

The board shall issue a written order of suspension by certified mail or in person in accordance with section 119.07 of the Revised Code. The order shall not be subject to suspension by the court during pendency of any appeal filed under section 119.12 of the Revised Code. If the individual subject to the summary suspension requests an adjudicatory hearing by the

board, the date set for the hearing shall be within fifteen days, but not earlier than seven days, after the individual requests the hearing, unless otherwise agreed to by both the board and the individual.

Any summary suspension imposed under this division shall remain in effect, unless reversed on appeal, until a final adjudicative order issued by the board pursuant to this section and Chapter 119. of the Revised Code becomes effective. The board shall issue its final adjudicative order within sixty days after completion of its hearing. A failure to issue the order within sixty days shall result in dissolution of the summary suspension order but shall not invalidate any subsequent, final adjudicative order.

(H) If the board takes action under division (B)(9), (11), or (13) of this section and the judicial finding of guilt, guilty plea, or judicial finding of eligibility for intervention in lieu of conviction is overturned on appeal, upon exhaustion of the criminal appeal, a petition for reconsideration of the order may be filed with the board along with appropriate court documents. Upon receipt of a petition of that nature and supporting court documents, the board shall reinstate the individual's certificate to practice. The board may then hold an adjudication under Chapter 119. of the Revised Code to determine whether the individual committed the act in question. Notice of an opportunity for a hearing shall be given in accordance with Chapter 119. of the Revised Code. If the board finds, pursuant to an adjudication held under this division, that the individual committed the act or if no hearing is requested, the board may order any of the sanctions identified under division (B) of this section.

(I) The certificate to practice issued to an individual under this chapter and the individual's practice in this state are automatically suspended as of the date of the individual's second or subsequent plea of guilty to, or judicial finding of guilt of, a violation of section 2919.123 of the Revised Code, or the date the individual pleads guilty to, is found by a judge or jury to be guilty of, or is subject to a judicial finding of eligibility for intervention in lieu of conviction in this state or treatment or intervention in lieu of conviction in another jurisdiction for any of the following criminal offenses in this state or a substantially equivalent criminal offense in another jurisdiction: aggravated murder, murder, voluntary manslaughter, felonious assault, kidnapping, rape, sexual battery, gross sexual imposition, aggravated arson, aggravated robbery, or aggravated burglary. Continued practice after suspension shall be considered practicing without a certificate.

The board shall notify the individual subject to the suspension by certified mail or in person in accordance with section 119.07 of the Revised Code. If an individual whose certificate is automatically suspended under

this division fails to make a timely request for an adjudication under Chapter 119. of the Revised Code, the board shall do whichever of the following is applicable:

(1) If the automatic suspension under this division is for a second or subsequent plea of guilty to, or judicial finding of guilt of, a violation of section 2919.123 of the Revised Code, the board shall enter an order suspending the individual's certificate to practice for a period of at least one year or, if determined appropriate by the board, imposing a more serious sanction involving the individual's certificate to practice.

(2) In all circumstances in which division (I)(1) of this section does not apply, enter a final order permanently revoking the individual's certificate to practice.

(J) If the board is required by Chapter 119. of the Revised Code to give notice of an opportunity for a hearing and if the individual subject to the notice does not timely request a hearing in accordance with section 119.07 of the Revised Code, the board is not required to hold a hearing, but may adopt, by an affirmative vote of not fewer than six of its members, a final order that contains the board's findings. In that final order, the board may order any of the sanctions identified under division (A) or (B) of this section.

(K) Any action taken by the board under division (B) of this section resulting in a suspension from practice shall be accompanied by a written statement of the conditions under which the individual's certificate to practice may be reinstated. The board shall adopt rules governing conditions to be imposed for reinstatement. Reinstatement of a certificate suspended pursuant to division (B) of this section requires an affirmative vote of not fewer than six members of the board.

(L) When the board refuses to grant a certificate to an applicant, revokes an individual's certificate to practice, refuses to register an applicant, or refuses to reinstate an individual's certificate to practice, the board may specify that its action is permanent. An individual subject to a permanent action taken by the board is forever thereafter ineligible to hold a certificate to practice and the board shall not accept an application for reinstatement of the certificate or for issuance of a new certificate.

(M) Notwithstanding any other provision of the Revised Code, all of the following apply:

(1) The surrender of a certificate issued under this chapter shall not be effective unless or until accepted by the board. Reinstatement of a certificate surrendered to the board requires an affirmative vote of not fewer than six members of the board.

(2) An application for a certificate made under the provisions of this chapter may not be withdrawn without approval of the board.

(3) Failure by an individual to renew a certificate of registration in accordance with this chapter shall not remove or limit the board's jurisdiction to take any disciplinary action under this section against the individual.

(N) Sanctions shall not be imposed under division (B)(28) of this section against any person who waives deductibles and copayments as follows:

(1) In compliance with the health benefit plan that expressly allows such a practice. Waiver of the deductibles or copayments shall be made only with the full knowledge and consent of the plan purchaser, payer, and third-party administrator. Documentation of the consent shall be made available to the board upon request.

(2) For professional services rendered to any other person authorized to practice pursuant to this chapter, to the extent allowed by this chapter and rules adopted by the board.

(O) Under the board's investigative duties described in this section and subject to division (F) of this section, the board shall develop and implement a quality intervention program designed to improve through remedial education the clinical and communication skills of individuals authorized under this chapter to practice medicine and surgery, osteopathic medicine and surgery, and podiatric medicine and surgery. In developing and implementing the quality intervention program, the board may do all of the following:

(1) Offer in appropriate cases as determined by the board an educational and assessment program pursuant to an investigation the board conducts under this section;

(2) Select providers of educational and assessment services, including a quality intervention program panel of case reviewers;

(3) Make referrals to educational and assessment service providers and approve individual educational programs recommended by those providers. The board shall monitor the progress of each individual undertaking a recommended individual educational program.

(4) Determine what constitutes successful completion of an individual educational program and require further monitoring of the individual who completed the program or other action that the board determines to be appropriate;

(5) Adopt rules in accordance with Chapter 119. of the Revised Code to further implement the quality intervention program.

An individual who participates in an individual educational program pursuant to this division shall pay the financial obligations arising from that educational program.

Sec. 4731.281. (A) On or before the deadline established under division (B) of this section for applying for renewal of a certificate of registration, each person holding a certificate under this chapter to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery shall certify to the state medical board that in the preceding two years the person has completed one hundred hours of continuing medical education. The certification shall be made upon the application for biennial registration submitted pursuant to division (B) of this section. The board shall adopt rules providing for pro rata reductions by month of the number of hours of continuing education required for persons who are in their first registration period, who have a registration period of less than two years due to initial implementation of the staggered renewal schedule established under division (B) of this section, who have been disabled due to illness or accident, or who have been absent from the country.

In determining whether a course, program, or activity qualifies for credit as continuing medical education, the board shall approve all continuing medical education taken by persons holding a certificate to practice medicine and surgery that is certified by the Ohio state medical association, all continuing medical education taken by persons holding a certificate to practice osteopathic medicine and surgery that is certified by the Ohio osteopathic association, and all continuing medical education taken by persons holding a certificate to practice podiatry that is certified by the Ohio podiatric medical association. Each person holding a certificate to practice under this chapter shall be given sufficient choice of continuing education programs to ensure that the person has had a reasonable opportunity to participate in continuing education programs that are relevant to the person's medical practice in terms of subject matter and level.

The board may require a random sample of persons holding a certificate to practice under this chapter to submit materials documenting completion of the continuing medical education requirement during the preceding registration period, but this provision shall not limit the board's authority to investigate pursuant to section 4731.22 of the Revised Code.

(B)(1) Every person holding a certificate under this chapter to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery wishing to renew that certificate shall apply to the board for a certificate of registration upon an application furnished by the board, and pay to the board at the time of application a fee of three hundred

five dollars, according to the following schedule:

(a) Persons whose last name begins with the letters "A" through "B," on or before April 1, 2001, and the first day of April of every odd-numbered year thereafter;

(b) Persons whose last name begins with the letters "C" through "D," on or before January 1, 2001, and the first day of January of every odd-numbered year thereafter;

(c) Persons whose last name begins with the letters "E" through "G," on or before October 1, 2000, and the first day of October of every even-numbered year thereafter;

(d) Persons whose last name begins with the letters "H" through "K," on or before July 1, 2000, and the first day of July of every even-numbered year thereafter;

(e) Persons whose last name begins with the letters "L" through "M," on or before April 1, 2000, and the first day of April of every even-numbered year thereafter;

(f) Persons whose last name begins with the letters "N" through "R," on or before January 1, 2000, and the first day of January of every even-numbered year thereafter;

(g) Persons whose last name begins with the letters "S," on or before October 1, 1999, and the first day of October of every odd-numbered year thereafter;

(h) Persons whose last name begins with the letters "T" through "Z," on or before July 1, 1999, and the first day of July of every odd-numbered year thereafter.

The board shall deposit the fee in accordance with section 4731.24 of the Revised Code, except that the board shall deposit twenty dollars of the fee into the state treasury to the credit of the physician loan repayment fund created by section 3702.78 of the Revised Code.

(2) The board shall mail or cause to be mailed to every person registered to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery, an application for registration addressed to the person's last known post-office address or may cause the application to be sent to the person through the secretary of any recognized medical, osteopathic, or podiatric society, according to the following schedule:

(a) To persons whose last name begins with the letters "A" through "B," on or before January 1, 2001, and the first day of January of every odd-numbered year thereafter;

(b) To persons whose last name begins with the letters "C" through "D," on or before October 1, 2000, and the first day of October of every

even-numbered year thereafter;

(c) To persons whose last name begins with the letters "E" through "G," on or before July 1, 2000, and the first day of July of every even-numbered year thereafter;

(d) To persons whose last name begins with the letters "H" through "K," on or before April 1, 2000, and the first day of April of every even-numbered year thereafter;

(e) To persons whose last name begins with the letters "L" through "M," on or before January 1, 2000, and the first day of January of every even-numbered year thereafter;

(f) To persons whose last name begins with the letters "N" through "R," on or before October 1, 1999, and the first day of October of every odd-numbered year thereafter;

(g) To persons whose last name begins with the letters "S," on or before July 1, 1999, and the first day of July of every odd-numbered year thereafter;

(h) To persons whose last name begins with the letters "T" through "Z," on or before April 1, 1999, and the first day of April of every odd-numbered year thereafter;

Failure of any person to receive an application from the board shall not excuse the person from the requirements contained in this section. The application shall contain proper spaces for the applicant's signature and the insertion of the required information, including a statement that the person has fulfilled the continuing education requirements imposed by this section.

The applicant shall write or cause to be written upon the application so furnished the applicant's full name, principal practice address and residence address, the number of the applicant's certificate to practice, and any other facts for the identification of the applicant as a person holding a certificate to practice under this chapter as the board considers necessary. The applicant shall include with the application a list of the names and addresses of any clinical nurse specialists, certified nurse-midwives, or certified nurse practitioners with whom the applicant is currently collaborating, as defined in section 4723.01 of the Revised Code. The applicant shall execute and deliver the application to the board by mail or in person. Every person registered under this section shall give written notice to the board of any change of principal practice address or residence address or in the list within thirty days of the change.

The applicant shall report any criminal offense that constitutes grounds for refusal of registration under section 4731.22 of the Revised Code to which the applicant has pleaded guilty, of which the applicant has been

found guilty, or for which the applicant has been found eligible for intervention in lieu of conviction, since last signing an application for a certificate of registration.

(C) The board shall issue to any person holding a certificate under this chapter to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery, upon application and qualification therefor in accordance with this section, a certificate of registration under the seal of the board. A certificate of registration shall be valid for a two-year period, commencing on the first day of the third month after the registration fee is due and expiring on the last day of the month two years thereafter.

The board shall publish and cause to be mailed to each person registered under this section, upon request, a printed list of the persons so registered.

(D) Failure of any certificate holder to register and comply with this section shall operate automatically to suspend the holder's certificate to practice. Continued practice after the suspension of the certificate to practice shall be considered as practicing in violation of section 4731.41, 4731.43, or 4731.60 of the Revised Code. If the certificate has been suspended pursuant to this division for two years or less, it may be reinstated. The board shall reinstate a certificate to practice for failure to register upon an applicant's submission of the biennial registration fee, the applicable monetary penalty, and certification by signature of the applicant that the applicant has completed the requisite continuing medical education. The penalty for reinstatement shall be fifty dollars. If the certificate has been suspended pursuant to this division for more than two years, it may be restored. In accordance with section 4731.222 of the Revised Code, the board may restore a certificate to practice for failure to register upon an applicant's submission of a restoration application, the biennial registration fee, and the applicable monetary penalty. The penalty for restoration shall be one hundred dollars. The board shall deposit the penalties in accordance with section 4731.24 of the Revised Code.

(E) If an individual certifies completion of the number of hours and type of continuing medical education required to receive a certificate of registration or reinstatement of a certificate to practice, and the board finds through the random samples it conducts under this section or through any other means that the individual did not complete the requisite continuing medical education, the board may impose a civil penalty of not more than five thousand dollars. The board's finding shall be made pursuant to an adjudication under Chapter 119. of the Revised Code and by an affirmative vote of not fewer than six members.

A civil penalty imposed under this division may be in addition to or in lieu of any other action the board may take under section 4731.22 of the Revised Code. The board shall deposit civil penalties in accordance with section 4731.24 of the Revised Code.

(F) The state medical board may obtain information not protected by statutory or common law privilege from courts and other sources concerning malpractice claims against any person holding a certificate to practice under this chapter or practicing as provided in section 4731.36 of the Revised Code.

(G) Each mailing sent by the board under division (B)(2) of this section to a person registered to practice medicine and surgery or osteopathic medicine and surgery shall inform the applicant of the reporting requirement established by division (H) of section 3701.79 of the Revised Code. At the discretion of the board, the information may be included on the application or on an accompanying page.

Sec. 4781.04. (A) The manufactured homes commission shall adopt rules pursuant to Chapter 119. of the Revised Code to do all of the following:

(1) Establish uniform standards that govern the installation of manufactured housing. ~~The standards shall~~ Not later than one hundred eighty days after the secretary of the United States department of housing and urban development adopts model standards for the installation of manufactured housing or amends those standards, the commission shall amend its standards as necessary to be consistent with, and not less stringent than, the model standards for the design and installation of manufactured housing adopted by the secretary of the United States department of housing and urban development adopts or any manufacturers' standards that the secretary determines are equal to or not less stringent than the model standards.

(2) Govern the inspection of the installation of manufactured housing. The rules shall specify that the department of health or a licensor, as determined by the director of health, shall conduct all inspections of the installation of manufactured housing located in manufactured home parks to determine compliance with the uniform installation standards the commission establishes pursuant to this section. The rules shall specify that all installation inspections in a manufactured home park the department of health or the licensor conducts shall be conducted by a person who has completed an installation training course approved by the commission pursuant to division (B) of section 4781.04 of the Revised Code.

As used in division (A)(2) of this section, "licensor" has the same

meaning as in section 3733.01 of the Revised Code.

(3) Govern the design, construction, installation, approval, and inspection of foundations and the base support systems for manufactured housing. The rules shall specify that the department of health or the licensor, as determined by the director of health, shall conduct all inspections of the installation, foundations, and base support systems of manufactured housing located in manufactured home parks to determine compliance with the uniform installation standards and foundation and base support system design the commission establishes pursuant to this section. The rules shall specify that all foundation and base support system inspections in a manufactured home park the department of health or the licensor conducts shall be conducted by a person who has completed an installation training course approved by the commission pursuant to division (B) of section 4781.04 of the Revised Code.

As used in division (A)(3) of this section, "licensor" has the same meaning as in section 3733.01 of the Revised Code.

(4) Govern the training, experience, and education requirements for manufactured housing installers;

(5) Establish a code of ethics for manufactured housing installers;

(6) Govern the issuance, revocation, and suspension of licenses to manufactured housing installers;

(7) Establish fees for the issuance and renewal of licenses, for conducting inspections to determine an applicant's compliance with this chapter and the rules adopted pursuant to it, and for the commission's expenses incurred in implementing this chapter;

(8) Establish conditions under which a licensee may enter into contracts to fulfill the licensee's responsibilities;

(9) Govern the investigation of complaints concerning any violation of this chapter or the rules adopted pursuant to it or complaints involving the conduct of any licensed manufactured housing installer or person installing manufactured housing without a license;

(10) Establish a dispute resolution program for the timely resolution of warranty issues involving new manufactured homes, disputes regarding responsibility for the correction or repair of defects in manufactured housing, and the installation of manufactured housing. The rules shall provide for the timely resolution of disputes between manufacturers, retailers, and installers regarding the correction or repair of defects in manufactured housing that are reported by the purchaser of the home during the one-year period beginning on the date of installation of the home. The rules also shall provide that decisions made regarding the dispute under the

program are not binding upon the purchaser of the home or the other parties involved in the dispute unless the purchaser so agrees in a written acknowledgement that the purchaser signs and delivers to the program within ten business days after the decision is issued.

(11) Establish the requirements and procedures for the certification of building departments and building department personnel pursuant to section 4781.07 of the Revised Code;

(12) Establish fees to be charged to building departments and building department personnel applying for certification and renewal of certification pursuant to section 4781.07 of the Revised Code;

(13) Carry out any other provision of this chapter.

(B) The manufactured homes commission shall do all of the following:

(1) Prepare and administer a licensure examination to determine an applicant's knowledge of manufactured housing installation and other aspects of installation the commission determines appropriate;

(2) Select, provide, or procure appropriate examination questions and answers for the licensure examination and establish the criteria for successful completion of the examination;

(3) Prepare and distribute any application form this chapter requires;

(4) Receive applications for licenses and renewal of licenses and issue licenses to qualified applicants;

(5) Establish procedures for processing, approving, and disapproving applications for licensure;

(6) Retain records of applications for licensure, including all application materials submitted and a written record of the action taken on each application;

(7) Review the design and plans for manufactured housing installations, foundations, and support systems;

(8) Inspect a sample of homes at a percentage the commission determines to evaluate the construction and installation of manufactured housing installations, foundations, and support systems to determine compliance with the standards the commission adopts;

(9) Investigate complaints concerning violations of this chapter or the rules adopted pursuant to it, or the conduct of any manufactured housing installer;

(10) Determine appropriate disciplinary actions for violations of this chapter;

(11) Conduct audits and inquiries of manufactured housing installers as appropriate for the enforcement of this chapter. The commission, or any person the commission employs for the purpose, may review and audit the

business records of any manufactured housing installer during normal business hours.

(12) Approve an installation training course, which may be offered by the Ohio manufactured homes association or other entity;

(13) Perform any function or duty necessary to administer this chapter and the rules adopted pursuant to it.

Sec. 4905.79. Any telephone company, as defined in section 5727.01 of the Revised Code, or, as authorized by the public utilities commission, any affiliate of such a company, that is required to provide provides any telephone service program implemented after March 27, 1991, to aid the communicatively impaired in accessing the telephone network shall be allowed a tax credit for the costs of any such program under section 5733.56 of the Revised Code. Relative to any such program, the ~~public utilities~~ commission, in accordance with its rules, shall allow interested parties to intervene and participate in any proceeding or part of a proceeding brought before the commission pursuant to this section. The commission shall adopt rules it considers necessary to carry out this section.

Sec. 5111.011. (A) ~~As used in this section:~~

(1) ~~"Intermediate care facility for the mentally retarded" has the same meaning as in section 5111.20 of the Revised Code.~~

(2) ~~"Nursing facility" has the same meaning as in section 5111.20 of the Revised Code.~~

(3) ~~"Institutionalized individual" means an individual who is a patient in a nursing facility or who receives home and community-based services under a federal waiver granted the department of job and family services under 42 U.S.C. 1396a(10)(A)(ii)(VI).~~

~~(B) Subject to this section, the The director of job and family services shall, pursuant to section 111.15 of the Revised Code, adopt rules establishing eligibility requirements for the medicaid program and defining, The rules shall be adopted pursuant to section 111.15 of the Revised Code and shall be consistent with federal and state law, the term "resources" as used in this section. The rules shall include rules that do all of the following:~~

(1) Establish

~~(C) In determining eligibility for the medicaid program, the following shall apply with respect to real property used by an aged, blind or disabled applicant or recipient as a homestead or principal place of residence:~~

~~(1) The value of the property shall be the maximum allowed under Title XVI of the "Social Security Act," 86 Stat. 1329 (1972), 42 U.S.C. 1381;~~

~~(2) Except as provided in division (C)(3) of this section, the department of job and family services may consider the property to not be the~~

~~homestead or principal place of residence of the applicant or recipient if the applicant or recipient resides in a nursing facility, intermediate care facility for the mentally retarded, or other medical institution for thirteen months or longer.~~

~~(3) Division (C)(2) of this section does not apply if any of the following individuals reside in the applicant's or recipient's real property used as a homestead or principal place of residence:~~

~~(a) The applicant's or recipient's spouse;~~

~~(b) A son or daughter of the applicant or recipient, if the son or daughter is under twenty one years of age or blind or disabled in accordance with rules adopted by the director of job and family services;~~

~~(c) A son or daughter of the applicant or recipient, if the son or daughter is financially dependent on the applicant or recipient for housing in accordance with rules adopted by the director of job and family services;~~

~~(d) A sibling of the applicant or recipient, if the sibling has a verified equity and ownership interest in the real property and has resided in the real property for at least one year immediately before the date the applicant or recipient was admitted to the nursing facility, intermediate care facility for the mentally retarded, or other medical institution.~~

~~(D) Except as provided in division (G) of this section, no person is eligible for the medicaid program if on or prior to December 31, 1989, the person has transferred real or personal property for the purpose of securing medicaid eligibility and the transfer occurred during the two years preceding the person's application. In order to secure compliance with this division, the director of job and family services shall require all applicants for medicaid to submit true and correct copies of any federal income or gift tax form or schedule filed, singly or jointly, by the applicant during the preceding five taxable years. Such copies, and the information disclosed thereon, shall be used solely for the purpose of determining the probability of whether the applicant has transferred assets in violation of this division. The director shall provide for the confidentiality and return of any copies of forms or schedules submitted under this division. Where such copies reveal the probability that an applicant has transferred assets in violation of this division, a presumption arises that the applicant has transferred assets in violation of this division, and the director shall deny the application until the applicant submits a true and accurate expenditure statement to the director that shows the applicant did not violate this division. The director of job and family services shall adopt rules to implement this provision.~~

~~(E)(1) Except as provided in divisions (E)(2) and (G) of this section, an institutionalized individual who is otherwise eligible for medicaid shall be~~

~~ineligible for nursing facility services or services provided under a home and community based waiver for a period specified in rules adopted under division (E)(3) of this section if the institutionalized individual or individual's spouse, on or after January 1, 1990, transfers resources for less than fair market value at any time during or after the five year period immediately prior to either of the following:~~

~~(a) The date the individual becomes an institutionalized individual if the individual is eligible for medicaid on that date;~~

~~(b) The date the individual applies for medicaid while an institutionalized individual.~~

~~(2) The director shall apply to the United States secretary of health and human services for a waiver of federal law governing the medicaid program as necessary for the implementation of the five year look back period provided for by division (E)(1) of this section. If a waiver is not approved, the look back period shall be the period of time specified in 42 U.S.C. 1396p(e).~~

~~(3) The director shall adopt rules specifying, for the purpose of division (E)(1) of this section, the length of the period of ineligibility due to transfers of resources for less than fair market value on or after the look back date. The period of ineligibility shall begin with the month in which the resources were transferred. The rules shall be consistent with Title XIX of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C. 1396. The department shall allow exceptions to the period of ineligibility to the extent that exceptions are permitted by that title. An exception based on undue hardship to the institutionalized individual shall be allowed only so long as the individual cooperates with the department or the county department of job and family services in securing the return of transferred resources.~~

~~(4) To secure compliance with this division, the department may require applicants for and recipients of medicaid, as a condition of eligibility, to provide documentation of their income and resources up to five years prior to the date the individual becomes an institutionalized individual if the individual is eligible for medicaid on that date or the date the individual applies for medicaid while an institutionalized individual. Documentation may include, but is not limited to, tax returns, records from financial institutions, and real property records.~~

~~(F) The director shall, by rule adopted in accordance with section 111.15 of the Revised Code, establish standards consistent with federal law for allocating income and resources as income and resources of the spouse, children, parents, or stepparents of a recipient of or applicant for medicaid;~~

(2) Define the term "resources" as used in division (A)(1) of this

section:

(3) Specify the number of months that is to be used for the purpose of the term "look-back date" used in section 5111.0116 of the Revised Code;

(4) Establish processes to be used to determine both of the following:

(a) The date an institutionalized individual's ineligibility for services under section 5111.0116 of the Revised Code is to begin;

(b) The number of months an institutionalized individual's ineligibility for such services is to continue.

(5) Establish exceptions to the period of ineligibility that an institutionalized individual would otherwise be subject to under section 5111.0116 of the Revised Code;

(6) Define the term "other medicaid-funded long-term care services" as used in sections 5111.0117 and 5111.0118 of the Revised Code;

(7) For the purpose of division (C)(2)(c) of section 5111.0117 of the Revised Code, establish the process to determine whether the child of an aged, blind, or disabled individual is financially dependent on the individual for housing.

(B) Notwithstanding any provision of state law, including statutes, administrative rules, common law, and court rules, regarding real or personal property or domestic relations, the standards established under ~~this~~ rules adopted under division (A)(1) of this section shall be used to determine eligibility for medicaid.

~~(G) The director may, by rule adopted in accordance with section 111.15 of the Revised Code, exempt individuals who apply for or receive medicaid that may be provided pursuant to division (C) of section 5111.01 of the Revised Code from some or all of the requirements of this section.~~

Sec. 5111.0112. (A) Not later than July 1, 2006, the director of job and family services shall institute a copayment program under the medicaid program. ~~The~~ To the extent permitted by federal law, the copayment program shall establish a copayment requirement for only dental services, vision services, nonemergency emergency department services, and prescription drugs, other than generic drugs, ~~to the extent permitted by federal statutes and regulations.~~ The director shall adopt rules under section 5111.02 of the Revised Code governing the copayment program.

(B) The copayment program shall, to the extent permitted by federal law, provide for all of the following with regard to any providers participating in the medicaid program:

(1) No provider shall refuse to provide a service to a medicaid recipient who is unable to pay a required copayment for the service.

(2) Division (B)(1) of this section shall not be considered to do either of

the following with regard to a medicaid recipient who is unable to pay a required copayment:

(a) Relieve the medicaid recipient from the obligation to pay a copayment;

(b) Prohibit the provider from attempting to collect an unpaid copayment.

(3) ~~No~~ Except as provided in division (C) of this section, no provider shall waive a medicaid recipient's obligation to pay the provider a copayment.

(4) No provider or drug manufacturer, including the manufacturer's representative, employee, independent contractor, or agent, shall pay any copayment on behalf of a medicaid recipient.

(5) If it is the routine business practice of the provider to refuse service to any individual who owes an outstanding debt to the provider, the provider may consider an unpaid copayment imposed by the copayment program as an outstanding debt and may refuse service to a medicaid recipient who owes the provider an outstanding debt. If the provider intends to refuse service to a medicaid recipient who owes the provider an outstanding debt, the provider shall notify the individual of the provider's intent to refuse services.

(C) In the case of a provider that is a hospital, the copayment program shall permit the hospital to take action to collect a copayment by providing, at the time services are rendered to a medicaid recipient, notice that a copayment may be owed. If the hospital provides the notice and chooses not to take any further action to pursue collection of the copayment, the prohibition against waiving copayments specified in division (B)(3) of this section does not apply.

Sec. 5111.0116. (A) As used in this section:

(1) "Assets" include all of an individual's income and resources and those of the individual's spouse, including any income or resources the individual or spouse is entitled to but does not receive because of action by any of the following:

(a) The individual or spouse;

(b) A person or government entity, including a court or administrative agency, with legal authority to act in place of or on behalf of the individual or spouse;

(c) A person or government entity, including a court or administrative agency, acting at the direction or on the request of the individual or spouse.

(2) "Home and community-based services" means home and community-based services furnished under a medicaid waiver granted by the

United States secretary of health and human services under 42 U.S.C. 1396n(c) or (d).

(3) "Institutionalized individual" means a resident of a nursing facility, an inpatient in a medical institution for whom a payment is made based on a level of care provided in a nursing facility, or an individual described in 42 U.S.C. 1396a(a)(10)(A)(ii)(VI).

(4) "Look-back date" means the date that is a number of months specified in rules adopted under section 5111.011 of the Revised Code immediately before either of the following:

(a) The date an individual becomes an institutionalized individual if the individual is eligible for medicaid on that date;

(b) The date an individual applies for medicaid while an institutionalized individual.

(5) "Nursing facility" has the same meaning as in section 5111.20 of the Revised Code.

(6) "Nursing facility equivalent services" means services that are covered by the medicaid program, equivalent to nursing facility services, provided by an institution that provides the same level of care as a nursing facility, and provided to an inpatient of the institution who is a medicaid recipient eligible for medicaid-covered nursing facility equivalent services.

(7) "Nursing facility services" means nursing facility services covered by the medicaid program that a nursing facility provides to a resident of the nursing facility who is a medicaid recipient eligible for medicaid-covered nursing facility services.

(B) Except as provided in rules adopted under section 5111.011 of the Revised Code, an institutionalized individual is ineligible for nursing facility services, nursing facility equivalent services, and home and community-based services if the individual or individual's spouse disposes of assets for less than fair market value on or after the look-back date. The institutionalized individual's ineligibility shall begin on a date determined in accordance with rules adopted under section 5111.011 of the Revised Code and shall continue for a number of months determined in accordance with such rules.

(C) To secure compliance with this section, the director of job and family services may require an individual, as a condition of initial or continued eligibility for medicaid, to provide documentation of the individual's assets up to five years before the date the individual becomes an institutionalized individual if the individual is eligible for medicaid on that date or the date the individual applies for medicaid while an institutionalized individual. Documentation may include tax returns, records from financial

institutions, and real property records.

Sec. 5111.0117. (A) As used in this section and section 5111.0118 of the Revised Code:

(1) "ICF/MR services" means intermediate care facility for the mentally retarded services covered by the medicaid program that an intermediate care facility for the mentally retarded provides to a resident of the facility who is a medicaid recipient eligible for medicaid-covered intermediate care facility for the mentally retarded services.

(2) "Intermediate care facility for the mentally retarded" has the same meaning as in section 5111.20 of the Revised Code.

(3) "Nursing facility" has the same meaning as in section 5111.20 of the Revised Code.

(4) "Nursing facility services" means nursing facility services covered by the medicaid program that a nursing facility provides to a resident of the nursing facility who is a medicaid recipient eligible for medicaid-covered nursing facility services.

(5) "Other medicaid-funded long-term care services" has the meaning specified in rules adopted under section 5111.011 of the Revised Code.

(B) Except as provided by division (C) of this section and for the purpose of determining whether an aged, blind, or disabled individual is eligible for nursing facility services, ICF/MR services, or other medicaid-funded long-term care services, the director of job and family services may consider an aged, blind, or disabled individual's real property to not be the individual's homestead or principal place of residence once the individual has resided in a nursing facility, intermediate care facility for the mentally retarded, or other medical institution for at least thirteen months.

(C) Division (B) of this section does not apply to an individual if any of the following reside in the individual's real property that, because of this division, continues to be considered the individual's homestead or principal place of residence:

(1) The individual's spouse;

(2) The individual's child if any of the following apply:

(a) The child is under twenty-one years of age.

(b) The child is considered blind or disabled under 42 U.S.C. 1382c.

(c) The child is financially dependent on the individual for housing as determined in accordance with rules adopted under section 5111.011 of the Revised Code.

(3) The individual's sibling if the sibling has a verified equity interest in the real property and resided in the real property for at least one year immediately before the date the individual was admitted to the nursing

facility, intermediate care facility for the mentally retarded, or other medical institution.

Sec. 5111.0118. (A) Except as otherwise provided by this section, no individual shall qualify for nursing facility services or other medicaid-funded long-term care services if the individual's equity interest in the individual's home exceeds five hundred thousand dollars. The director of job and family services shall increase this amount effective January 1, 2011, and the first day of each year thereafter, by the percentage increase in the consumer price index for all urban consumers (all items; United States city average), rounded to the nearest one thousand dollars.

(B) This section does not apply to an individual if either of the following applies:

(1) Either of the following lawfully reside in the individual's home:

(a) The individual's spouse;

(b) The individual's child if the child is under twenty-one years of age or, under 42 U.S.C. 1382c, considered blind or disabled.

(2) The individual qualifies, pursuant to the process established under division (C) of this section, for a waiver of this section due to a demonstrated hardship.

(C) The director shall establish a process by which individuals may obtain a waiver of this section due to a demonstrated hardship. The process shall be consistent with the process for such waivers established by the United States secretary of health and human services under 42 U.S.C. 1396p(f)(4).

(D) Nothing in this section shall be construed as preventing an individual from using a reverse mortgage or home equity loan to reduce the individual's total equity interest in the home.

Sec. 5111.061. (A) The department of job and family services may recover a medicaid payment or portion of a payment made to a provider to which the provider is not entitled. ~~The recovery may occur at any time if the department notifies the provider of the overpayment~~ during the five-year period immediately following the end of the state fiscal year in which the overpayment was made.

(B) Among the overpayments that may be recovered under this section are the following:

(1) Payment for a service, or a day of service, not rendered;

(2) Payment for a day of service at a full per diem rate that should have been paid at a percentage of the full per diem rate;

(3) Payment for a service, or day of service, that was paid by, or partially paid by, a third-party, as defined in section 5101.571 of the Revised

Code, and the third-party's payment or partial payment was not offset against the amount paid by the medicaid program to reduce or eliminate the amount that was paid by the medicaid program;

(4) Payment when a medicaid recipient's responsibility for payment was understated and resulted in an overpayment to the provider.

(C) ~~During the period specified in division (A) of this section, the~~ The department may recover an overpayment under this section prior to or after any of the following:

(1) Adjudication of a final fiscal audit that section 5111.06 of the Revised Code requires to be conducted in accordance with Chapter 119. of the Revised Code;

(2) Adjudication of a finding under any other provision of this chapter or the rules adopted under it;

(3) Expiration of the time to issue a final fiscal audit that section 5111.06 of the Revised Code requires to be conducted in accordance with Chapter 119. of the Revised Code;

(4) Expiration of the time to issue a finding under any other provision of this chapter or the rules adopted under it.

(D)(1) Subject to division (D)(2) of this section, the recovery of an overpayment under this section does not preclude the department from subsequently doing the following:

(a) Issuing a final fiscal audit in accordance with Chapter 119. of the Revised Code, as required under section 5111.06 of the Revised Code;

(b) Issuing a finding under any other provision of this chapter or the rules adopted under it.

(2) A final fiscal audit or finding issued subsequent to the recovery of an overpayment under this section shall be reduced by the amount of the prior recovery, as appropriate.

(E) Nothing in this section limits the department's authority to recover overpayments pursuant to any other provision of the Revised Code.

Sec. ~~5111.082~~ 5111.081. The director of job and family services, in rules adopted under section 5111.02 of the Revised Code, may establish and implement a supplemental drug rebate program under which drug manufacturers may be required to provide the department of job and family services a supplemental rebate as a condition of having the drug manufacturers' drug products covered by the medicaid program without prior approval. The department may receive a supplemental rebate negotiated under the program for a drug dispensed to a medicaid recipient pursuant to a prescription or a drug purchased by a medicaid provider for administration to a medicaid recipient in the provider's primary place of

business. If necessary, the director may apply to the United States secretary of health and human services for a waiver of federal statutes and regulations to establish the supplemental drug rebate program.

If the director establishes a supplemental drug rebate program, the director shall consult with drug manufacturers regarding the establishment and implementation of the program.

Sec. ~~5111.083~~ 5111.082. (A) As used in this section:

(1) "State maximum allowable cost" means the per unit amount the department of job and family services reimburses a terminal distributor of dangerous drugs for a prescription drug included in the state maximum allowable cost program established under division (B) of this section. "State maximum allowable cost" excludes dispensing fees and copayments, coinsurance, or other cost-sharing charges, if any.

(2) "Terminal distributor of dangerous drugs" has the same meaning as in section 4729.01 of the Revised Code.

(B) The director of job and family services shall establish a state maximum allowable cost program for purposes of managing reimbursement to terminal distributors of dangerous drugs for prescription drugs identified by the director pursuant to this division. The director shall do all of the following with respect to the program:

(1) Identify and create a list of prescription drugs to be included in the program.

(2) Update the list of prescription drugs described in division (B)(1) of this section on a weekly basis.

(3) Review the state maximum allowable cost for each drug included on the list described in division (B)(1) of this section on a weekly basis.

(C) The director may adopt rules in accordance with Chapter 119. of the Revised Code to implement this section.

Sec. ~~5111.084~~ 5111.083. (A) As used in this section, "licensed health professional authorized to prescribe drugs" has the same meaning as in section 4729.01 of the Revised Code.

(B) The director of job and family services may establish an e-prescribing system for the medicaid program under which a medicaid provider who is a licensed health professional authorized to prescribe drugs shall use an electronic system to prescribe a drug for a medicaid recipient when required to do so by division (C) of this section. The e-prescribing system shall eliminate the need for such medicaid providers to make prescriptions for medicaid recipients by handwriting or telephone. The e-prescribing system also shall provide such medicaid providers with an up-to-date, clinically relevant drug information database and a system of

electronically monitoring medicaid recipients' medical history, drug regimen compliance, and fraud and abuse.

(C) If the director establishes an e-prescribing system under division (B) of this section, the director shall do all of the following:

(1) Require that a medicaid provider who is a licensed health professional authorized to prescribe drugs use the e-prescribing system during a fiscal year if the medicaid provider was one of the ten medicaid providers who, during the calendar year that precedes that fiscal year, issued the most prescriptions for medicaid recipients receiving hospital services;

(2) Before the beginning of each fiscal year, determine the ten medicaid providers that issued the most prescriptions for medicaid recipients receiving hospital services during the calendar year that precedes the upcoming fiscal year and notify those medicaid providers that they must use the e-prescribing system for the upcoming fiscal year;

(3) Seek the most federal financial participation available for the development and implementation of the e-prescribing system.

Sec. ~~5111.085~~ 5111.084. There is hereby established the pharmacy and therapeutics committee of the department of job and family services. The committee shall consist of nine members and shall be appointed by the director of job and family services. The membership of the committee shall include: three pharmacists licensed under Chapter 4729. of the Revised Code; two doctors of medicine and two doctors of osteopathy licensed under Chapter 4731. of the Revised Code; a registered nurse licensed under Chapter 4723. of the Revised Code; and a pharmacologist who has a doctoral degree. The committee shall elect one of its members as chairperson.

Sec. 5111.101. (A) As used in this section, "federal health care programs" has the same meaning as in 42 U.S.C. 1320a-7b(f).

(B) Each person and government entity that receives or makes medicaid payments in a calendar year that total five million dollars or more shall, as a condition of receiving such payments, do all of the following:

(1) Provide each of the person or government entity's employees (including management employees), contractors, and agents, detailed, written information about the role of all of the following in preventing and detecting fraud, waste, and abuse in federal health care programs:

(a) Federal false claims law under 31 U.S.C. 3729 to 3733;

(b) Federal administrative remedies for false claims and statements available under 31 U.S.C. 3801 to 3812;

(c) Sections 124.341, 2913.40, 2913.401, and 2921.13 of the Revised Code and any other state laws pertaining to civil or criminal penalties for

false claims and statements:

(d) Whistleblower protections under the laws specified in divisions (B)(1)(a) to (c) of this section.

(2) Include in the written information provided under division (B)(1) of this section detailed information about the person or government entity's policies and procedures for preventing and detecting fraud, waste, and abuse.

(3) Include in the person or government entity's employee handbook a specific discussion of the laws specified in division (B)(1) of this section, the rights of employees to be protected as whistleblowers, and the person or government entity's policies and procedures for preventing and detecting fraud, waste, and abuse.

Sec. 5111.11. (A) As used in this section and section 5111.111 of the Revised Code:

(1) "Estate" includes both of the following:

(a) All real and personal property and other assets to be administered under Title XXI of the Revised Code and property that would be administered under that title if not for section 2113.03 or 2113.031 of the Revised Code;

(b) Any other real and personal property and other assets in which an individual had any legal title or interest at the time of death (to the extent of the interest), including assets conveyed to a survivor, heir, or assign of the individual through joint tenancy, tenancy in common, survivorship, life estate, living trust, or other arrangement.

(2) "Institution" means a nursing facility, intermediate care facility for the mentally retarded, or a medical institution.

(3) "Intermediate care facility for the mentally retarded" and "nursing facility" have the same meanings as in section 5111.20 of the Revised Code.

(4) "Permanently institutionalized individual" means an individual to whom all of the following apply:

(a) Is an inpatient in an institution;

(b) Is required, as a condition of the medicaid program paying for the individual's services in the institution, to spend for costs of medical or nursing care all of the individual's income except for an amount for personal needs specified by the department of job and family services;

(c) Cannot reasonably be expected to be discharged from the institution and return home as determined by the department of job and family services.

(5) "Qualified state long-term care insurance partnership program" means the program established under section 5111.18 of the Revised Code.

(6) "Time of death" shall not be construed to mean a time after which a

legal title or interest in real or personal property or other asset may pass by survivorship or other operation of law due to the death of the decedent or terminate by reason of the decedent's death.

(B) To the extent permitted by federal law, the department of job and family services shall institute an estate recovery program under which the department shall, except as provided in divisions (C) ~~and~~, (D), and (E) of this section, do both of the following:

(1) For the costs of medicaid services the medicaid program correctly paid or will pay on behalf of a permanently institutionalized individual of any age, seek adjustment or recovery from the individual's estate or on the sale of property of the individual or spouse that is subject to a lien imposed under section 5111.111 of the Revised Code;

(2) For the costs of medicaid services the medicaid program correctly paid or will pay on behalf of an individual fifty-five years of age or older who is not a permanently institutionalized individual, seek adjustment or recovery from the individual's estate.

(C)(1) No adjustment or recovery may be made under division (B)(1) of this section from a permanently institutionalized individual's estate or on the sale of property of a permanently institutionalized individual that is subject to a lien imposed under section 5111.111 of the Revised Code or under division (B)(2) of this section from an individual's estate while either of the following are alive:

(a) The spouse of the permanently institutionalized individual or individual;

(b) The son or daughter of a permanently institutionalized individual or individual if the son or daughter is under age twenty-one or, under 42 U.S.C. 1382c, is considered blind or disabled.

(2) No adjustment or recovery may be made under division (B)(1) of this section from a permanently institutionalized individual's home that is subject to a lien imposed under section 5111.111 of the Revised Code while either of the following lawfully reside in the home:

(a) The permanently institutionalized individual's sibling who resided in the home for at least one year immediately before the date of the permanently institutionalized individual's admission to the institution and on a continuous basis since that time;

(b) The permanently institutionalized individual's son or daughter who provided care to the permanently institutionalized individual that delayed the permanently institutionalized individual's institutionalization and resided in the home for at least two years immediately before the date of the permanently institutionalized individual's admission to the institution and on

a continuous basis since that time.

(D) In the case of a participant of the qualified state long-term care insurance partnership program, adjustment or recovery required by this section may be reduced in accordance with rules adopted under division (G) of this section.

(E) The department shall, in accordance with procedures and criteria established in rules adopted under division (G) of this section, waive seeking an adjustment or recovery otherwise required by this section if the director of job and family services determines that adjustment or recovery would work an undue hardship. The department may limit the duration of the waiver to the period during which the undue hardship exists.

~~The director, in accordance with Chapter 119. of the Revised Code, shall adopt rules regarding the estate recovery program, including rules that establish procedures and criteria for waiver of adjustment or recovery due to an undue hardship. These rules shall meet the standards specified by the United States secretary of health and human services under 42 U.S.C. 1396p(b)(3), as amended.~~

~~(E)~~(F) For the purpose of determining whether an individual meets the definition of "permanently institutionalized individual" established for this section, a rebuttable presumption exists that the individual cannot reasonably be expected to be discharged from an institution and return home if either of the following is the case:

(1) The individual declares that he or she does not intend to return home.

(2) The individual has been an inpatient in an institution for at least six months.

(G) The director of job and family services shall adopt rules in accordance with Chapter 119. of the Revised Code regarding the estate recovery program, including rules that do both of the following:

(1) For the purpose of division (D) of this section and consistent with 42 U.S.C. 1396p(b)(1)(C), provide for reducing an adjustment or recovery in the case of a participant of the qualified state long-term care insurance partnership program;

(2) For the purpose of division (E) of this section and consistent with the standards specified by the United States secretary of health and human services under 42 U.S.C. 1396p(b)(3), establish procedures and criteria for waiving adjustment or recovery due to an undue hardship.

Sec. 5111.151. (A) This section applies to eligibility determinations for all cases involving ~~medical assistance~~ medicaid provided pursuant to this chapter, qualified medicare beneficiaries, specified low-income medicare

beneficiaries, qualifying individuals-1, qualifying individuals-2, and medical assistance for covered families and children.

(B) As used in this section:

(1) "Trust" means any arrangement in which a grantor transfers real or personal property to a trust with the intention that it be held, managed, or administered by at least one trustee for the benefit of the grantor or beneficiaries. "Trust" includes any legal instrument or device similar to a trust.

(2) "Legal instrument or device similar to a trust" includes, but is not limited to, escrow accounts, investment accounts, partnerships, contracts, and other similar arrangements that are not called trusts under state law but are similar to a trust and to which all of the following apply:

(a) The property in the trust is held, managed, retained, or administered by a trustee.

(b) The trustee has an equitable, legal, or fiduciary duty to hold, manage, retain, or administer the property for the benefit of the beneficiary.

(c) The trustee holds identifiable property for the beneficiary.

(3) "Grantor" is a person who creates a trust, including all of the following:

(a) An individual;

(b) An individual's spouse;

(c) A person, including a court or administrative body, with legal authority to act in place of or on behalf of an individual or an individual's spouse;

(d) A person, including a court or administrative body, that acts at the direction or on request of an individual or the individual's spouse.

(4) "Beneficiary" is a person or persons, including a grantor, who benefits in some way from a trust.

(5) "Trustee" is a person who manages a trust's principal and income for the benefit of the beneficiaries.

(6) "Person" has the same meaning as in section 1.59 of the Revised Code and includes an individual, corporation, business trust, estate, trust, partnership, and association.

(7) "Applicant" is an individual who applies for ~~medical assistance benefits~~ medicaid or the individual's spouse.

(8) "Recipient" is an individual who receives ~~medical assistance benefits~~ medicaid or the individual's spouse.

(9) "Revocable trust" is a trust that can be revoked by the grantor or the beneficiary, including all of the following, even if the terms of the trust state that it is irrevocable:

(a) A trust that provides that the trust can be terminated only by a court;

(b) A trust that terminates on the happening of an event, but only if the event occurs at the direction or control of the grantor, beneficiary, or trustee.

(10) "Irrevocable trust" is a trust that cannot be revoked by the grantor or terminated by a court and that terminates only on the occurrence of an event outside of the control or direction of the beneficiary or grantor.

(11) "Payment" is any disbursement from the principal or income of the trust, including actual cash, noncash or property disbursements, or the right to use and occupy real property.

(12) "Payments to or for the benefit of the applicant or recipient" is a payment to any person resulting in a direct or indirect benefit to the applicant or recipient.

(13) "Testamentary trust" is a trust that is established by a will and does not take effect until after the death of the person who created the trust.

(C) If an applicant or recipient is a beneficiary of a trust, the county department of job and family services shall determine what type of trust it is and shall treat the trust in accordance with the appropriate provisions of this section and rules adopted by the department of job and family services governing trusts. The county department of job and family services may determine that the trust or portion of the trust is one of the following:

(1) A countable resource;

(2) Countable income;

(3) A countable resource and countable income;

(4) Not a countable resource or countable income.

(D)(1) A trust or legal instrument or device similar to a trust shall be considered a medicaid qualifying trust if all of the following apply:

(a) The trust was established on or prior to August 10, 1993.

(b) The trust was not established by a will.

(c) The trust was established by an applicant or recipient.

(d) The applicant or recipient is or may become the beneficiary of all or part of the trust.

(e) Payment from the trust is determined by one or more trustees who are permitted to exercise any discretion with respect to the distribution to the applicant or recipient.

(2) If a trust meets the requirement of division (D)(1) of this section, the amount of the trust that is considered by the county department of job and family services as an available resource to the applicant or recipient shall be the maximum amount of payments permitted under the terms of the trust to be distributed to the applicant or recipient, assuming the full exercise of discretion by the trustee or trustees. The maximum amount shall include

only amounts that are permitted to be distributed but are not distributed from either the income or principal of the trust.

(3) Amounts that are actually distributed from a ~~Medicaid~~ medicaid qualifying trust to a beneficiary for any purpose shall be treated in accordance with rules adopted by the department of job and family services governing income.

(4) Availability of a medicaid qualifying trust shall be considered without regard to any of the following:

(a) Whether or not the trust is irrevocable or was established for purposes other than to enable a grantor to qualify for medicaid, medical assistance for covered families and children, or as a qualified medicare beneficiary, specified low-income medicare beneficiary, qualifying individual-1, or qualifying individual-2;

(b) Whether or not the trustee actually exercises discretion.

(5) If any real or personal property is transferred to a medicaid qualifying trust that is not distributable to the applicant or recipient, the transfer shall be considered an improper transfer disposition of resources assets and shall be subject to section 5111.0116 of the Revised Code and rules to implement that section adopted by the department of job and family services governing improper transfers of resources under section 5111.011 of the Revised Code.

(6) The baseline date for the look-back period for transfers disposition of assets involving a medicaid qualifying trust shall be the date on which the applicant or recipient is both institutionalized and first applies for medical assistance. ~~The following conditions also apply to look-back periods for transfers of assets involving medicaid qualifying trusts:~~

~~(a) If a medicaid qualifying trust is a revocable trust and a portion of the trust is distributed to someone other than the applicant or recipient for the benefit of someone other than the applicant or recipient, the distribution shall be considered an improper transfer of resources. The look-back period shall be sixty months from the baseline date. The transfer shall be considered to have taken place on the date on which the payment to someone other than the applicant or recipient was made.~~

~~(b) If a medicaid qualifying trust is an irrevocable trust and a portion of the trust is not distributable to the applicant or recipient, the trust shall be treated as an improper transfer of resources. The look-back period shall be sixty months from the baseline date. The transfer is considered to have been made as of the later of the date the trust was established or the date on which payment to the applicant or recipient was foreclosed. The value of the assets shall not be reduced by any payments from the trust that may be made from~~

~~these unavailable assets at a later date.~~

~~(c) If a medicaid qualifying trust is an irrevocable trust and a portion or all of the trust may be disbursed to or for the benefit of the applicant or recipient, any payment that is made to another person other than the applicant or recipient shall be considered an improper transfer of resources. The look-back period shall be thirty-six months from the baseline date. The transfer shall be considered to have been made as of the date of payment to the other person medicaid.~~

(E)(1) A trust or legal instrument or device similar to a trust shall be considered a self-settled trust if all of the following apply:

(a) The trust was established on or after August 11, 1993.

(b) The trust was not established by a will.

(c) The trust was established by an applicant or recipient, spouse of an applicant or recipient, or a person, including a court or administrative body, with legal authority to act in place of or on behalf of an applicant, recipient, or spouse, or acting at the direction or on request of an applicant, recipient, or spouse.

(2) A trust that meets the requirements of division (E)(1) of this section and is a revocable trust shall be treated by the county department of job and family services as follows:

(a) The corpus of the trust shall be considered a resource available to the applicant or recipient.

(b) Payments from the trust to or for the benefit of the applicant or recipient shall be considered unearned income of the applicant or recipient.

(c) Any other payments from the trust shall be considered an improper ~~transfer~~ disposition of ~~resources~~ assets and shall be subject to section 5111.0116 of the Revised Code and rules to implement that section adopted by the department of job and family services governing improper transfers of resources under section 5111.011 of the Revised Code.

(3) A trust that meets the requirements of division (E)(1) of this section and is an irrevocable trust shall be treated by the county department of job and family services as follows:

(a) If there are any circumstances under which payment from the trust could be made to or for the benefit of the applicant or recipient, including a payment that can be made only in the future, the portion from which payments could be made shall be considered a resource available to the applicant or recipient. The county department of job and family services shall not take into account when payments can be made.

(b) Any payment that is actually made to or for the benefit of the applicant or recipient from either the corpus or income shall be considered

unearned income.

(c) If a payment is made to someone other than to the applicant or recipient and the payment is not for the benefit of the applicant or recipient, the payment shall be considered an improper transfer disposition of resources assets and shall be subject to section 5111.0116 of the Revised Code and rules to implement that section ~~adopted by the department of job and family services governing improper transfers of resources under section 5111.011 of the Revised Code.~~

(d) The date of the transfer disposition shall be the later of the date of establishment of the trust or the date of the occurrence of the event.

(e) When determining the value of the transferred resource disposed asset under this provision, the value of the trust shall be its value on the date payment to the applicant or recipient was foreclosed.

(f) Any income earned or other resources added subsequent to the foreclosure date shall be added to the total value of the trust.

(g) Any payments to or for the benefit of the applicant or recipient after the foreclosure date but prior to the application date shall be subtracted from the total value. Any other payments shall not be subtracted from the value.

(h) Any addition of resources assets after the foreclosure date shall be considered a separate transfer disposition.

(4) If a trust is funded with assets of another person or persons in addition to assets of the applicant or recipient, the applicable provisions of this section and rules adopted by the department of job and family services governing trusts shall apply only to the portion of the trust attributable to the applicant or recipient.

(5) The availability of a self-settled trust shall be considered without regard to any of the following:

(a) The purpose for which the trust is established;

(b) Whether the trustees have exercised or may exercise discretion under the trust;

(c) Any restrictions on when or whether distributions may be made from the trust;

(d) Any restrictions on the use of distributions from the trust.

(6) The baseline date for the look-back period for transfers dispositions of assets involving a self-settled trust shall be the date on which the applicant or recipient is both institutionalized and first applies for ~~medical assistance. The following conditions also apply to look back periods for transfers of assets involving self-settled trusts:~~

(a) ~~If a self-settled trust is a revocable trust and a portion of the trust is distributed to someone other than the applicant or recipient for the benefit of~~

~~someone other than the applicant or recipient, the distribution shall be considered an improper transfer of resources. The look back period shall be sixty months from the baseline date. The transfer shall be considered to have taken place on the date on which the payment to someone other than the applicant or recipient was made.~~

~~(b) If a self-settled trust is an irrevocable trust and a portion of the trust is not distributable to the applicant or recipient, the trust shall be treated as an improper transfer of resources. The look back period shall be sixty months from the baseline date. The transfer is considered to have been made as of the later of the date the trust was established or the date on which payment to the applicant or recipient was foreclosed. The value of these assets shall not be reduced by any payments from the trust that may be made from these unavailable assets at a later date.~~

~~(c) If a self-settled trust is an irrevocable trust and a portion or all of the trust may be disbursed to or for the benefit of the applicant or recipient, any payment that is made to another person other than the applicant or recipient shall be considered an improper transfer of resources. The look back period shall be thirty six months from the baseline date. The transfer shall be considered to have been made as of the date of payment to the other person medicaid.~~

(F) The principal or income from any of the following shall be exempt from being counted as a resource by a county department of job and family services:

(1)(a) A special needs trust that meets all of the following requirements:

(i) The trust contains assets of an applicant or recipient under sixty-five years of age and may contain the assets of other individuals.

(ii) The applicant or recipient is disabled as defined in rules adopted by the department of job and family services.

(iii) The trust is established for the benefit of the applicant or recipient by a parent, grandparent, legal guardian, or a court.

(iv) The trust requires that on the death of the applicant or recipient the state will receive all amounts remaining in the trust up to an amount equal to the total amount of ~~medical assistance~~ medicaid paid on behalf of the applicant or recipient.

(b) If a special needs trust meets the requirements of division (F)(1)(a) of this section and has been established for a disabled applicant or recipient under sixty-five years of age, the exemption for the trust granted pursuant to division (F) of this section shall continue after the disabled applicant or recipient becomes sixty-five years of age if the applicant or recipient continues to be disabled as defined in rules adopted by the department of job

and family services. Except for income earned by the trust, the grantor shall not add to or otherwise augment the trust after the applicant or recipient attains sixty-five years of age. An addition or augmentation of the trust by the applicant or recipient with the applicant's own assets after the applicant or recipient attains sixty-five years of age shall be treated as an improper ~~transfer disposition of resources~~ assets.

(c) Cash distributions to the applicant or recipient shall be counted as unearned income. All other distributions from the trust shall be treated as provided in rules adopted by the department of job and family services governing in-kind income.

(d) Transfers of assets to a special needs trust shall not be treated as an improper transfer of resources. Assets held prior to the transfer to the trust shall be considered as countable assets or countable income or countable assets and income.

(2)(a) A qualifying income trust that meets all of the following requirements:

(i) The trust is composed only of pension, social security, and other income to the applicant or recipient, including accumulated interest in the trust.

(ii) The income is received by the individual and the right to receive the income is not assigned or transferred to the trust.

(iii) The trust requires that on the death of the applicant or recipient the state will receive all amounts remaining in the trust up to an amount equal to the total amount of ~~medical assistance~~ medicaid paid on behalf of the applicant or recipient.

(b) No resources shall be used to establish or augment the trust.

(c) If an applicant or recipient has irrevocably transferred or assigned the applicant's or recipient's right to receive income to the trust, the trust shall not be considered a qualifying income trust by the county department of job and family services.

(d) Income placed in a qualifying income trust shall not be counted in determining an applicant's or recipient's eligibility for ~~medical assistance~~ medicaid. The recipient of the funds may place any income directly into a qualifying income trust without those funds adversely affecting the applicant's or recipient's eligibility for ~~medical assistance~~ medicaid. Income generated by the trust that remains in the trust shall not be considered as income to the applicant or recipient.

(e) All income placed in a qualifying income trust shall be combined with any countable income not placed in the trust to arrive at a base income figure to be used for spend down calculations.

(f) The base income figure shall be used for post-eligibility deductions, including personal needs allowance, monthly income allowance, family allowance, and medical expenses not subject to third party payment. Any income remaining shall be used toward payment of patient liability. Payments made from a qualifying income trust shall not be combined with the base income figure for post-eligibility calculations.

(g) The base income figure shall be used when determining the spend down budget for the applicant or recipient. Any income remaining after allowable deductions are permitted as provided under rules adopted by the department of job and family services shall be considered the applicant's or recipient's spend down liability.

(3)(a) A pooled trust that meets all of the following requirements:

(i) The trust contains the assets of the applicant or recipient of any age who is disabled as defined in rules adopted by the department of job and family services.

(ii) The trust is established and managed by a nonprofit association.

(iii) A separate account is maintained for each beneficiary of the trust but, for purposes of investment and management of funds, the trust pools the funds in these accounts.

(iv) Accounts in the trust are established by the applicant or recipient, the applicant's or recipient's parent, grandparent, or legal guardian, or a court solely for the benefit of individuals who are disabled.

(v) The trust requires that, to the extent that any amounts remaining in the beneficiary's account on the death of the beneficiary are not retained by the trust, the trust pay to the state the amounts remaining in the trust up to an amount equal to the total amount of ~~medical assistance~~ medicaid paid on behalf of the beneficiary.

(b) Cash distributions to the applicant or recipient shall be counted as unearned income. All other distributions from the trust shall be treated as provided in rules adopted by the department of job and family services governing in-kind income.

(c) Transfers of assets to a pooled trust shall not be treated as an improper ~~transfer~~ disposition of ~~resources~~ assets. Assets held prior to the transfer to the trust shall be considered as countable assets, countable income, or countable assets and income.

(4) A supplemental services trust that meets the requirements of section 1339.51 of the Revised Code and to which all of the following apply:

(a) A person may establish a supplemental services trust pursuant to section 1339.51 of the Revised Code only for another person who is eligible to receive services through one of the following agencies:

- (i) The department of mental retardation and developmental disabilities;
- (ii) A county board of mental retardation and developmental disabilities;
- (iii) The department of mental health;
- (iv) A board of alcohol, drug addiction, and mental health services.

(b) A county department of job and family services shall not determine eligibility for another agency's program. An applicant or recipient shall do one of the following:

(i) Provide documentation from one of the agencies listed in division (F)(4)(a) of this section that establishes that the applicant or recipient was determined to be eligible for services from the agency at the time of the creation of the trust;

(ii) Provide an order from a court of competent jurisdiction that states that the applicant or recipient was eligible for services from one of the agencies listed in division (F)(4)(a) of this section at the time of the creation of the trust.

(c) At the time the trust is created, the trust principal does not exceed the maximum amount permitted. The maximum amount permitted in calendar year ~~2002~~ 2006 is two hundred ~~fourteen~~ twenty-two thousand dollars. Each year thereafter, the maximum amount permitted is the prior year's amount plus two thousand dollars.

(d) A county department of job and family services shall review the trust to determine whether it complies with the provisions of section 1339.51 of the Revised Code.

(e) Payments from supplemental services trusts shall be exempt as long as the payments are for supplemental services as defined in rules adopted by the department of job and family services. All supplemental services shall be purchased by the trustee and shall not be purchased through direct cash payments to the beneficiary.

(f) If a trust is represented as a supplemental services trust and a county department of job and family services determines that the trust does not meet the requirements provided in division (F)(4) of this section and section 1339.51 of the Revised Code, the county department of job and family services shall not consider it an exempt trust.

(G)(1) A trust or legal instrument or device similar to a trust shall be considered a trust established by an individual for the benefit of the applicant or recipient if all of the following apply:

- (a) The trust is created by a person other than the applicant or recipient.
- (b) The trust names the applicant or recipient as a beneficiary.

(c) The trust is funded with assets or property in which the applicant or recipient has never held an ownership interest prior to the establishment of

the trust.

(2) Any portion of a trust that meets the requirements of division (G)(1) of this section shall be an available resource only if the trust permits the trustee to expend principal, corpus, or assets of the trust for the applicant's or recipient's medical care, care, comfort, maintenance, health, welfare, general well being, or any combination of these purposes.

(3) A trust that meets the requirements of division (G)(1) of this section shall be considered an available resource even if the trust contains any of the following types of provisions:

(a) A provision that prohibits the trustee from making payments that would supplant or replace ~~medical assistance~~ medicaid or other public assistance;

(b) A provision that prohibits the trustee from making payments that would impact or have an effect on the applicant's or recipient's right, ability, or opportunity to receive ~~medical assistance~~ medicaid or other public assistance;

(c) A provision that attempts to prevent the trust or its corpus or principal from being counted as an available resource.

(4) A trust that meets the requirements of division (G)(1) of this section shall not be counted as an available resource if at least one of the following circumstances applies:

(a) If a trust contains a clear statement requiring the trustee to preserve a portion of the trust for another beneficiary or remainderman, that portion of the trust shall not be counted as an available resource. Terms of a trust that grant discretion to preserve a portion of the trust shall not qualify as a clear statement requiring the trustee to preserve a portion of the trust.

(b) If a trust contains a clear statement requiring the trustee to use a portion of the trust for a purpose other than medical care, care, comfort, maintenance, welfare, or general well being of the applicant or recipient, that portion of the trust shall not be counted as an available resource. Terms of a trust that grant discretion to limit the use of a portion of the trust shall not qualify as a clear statement requiring the trustee to use a portion of the trust for a particular purpose.

(c) If a trust contains a clear statement limiting the trustee to making fixed periodic payments, the trust shall not be counted as an available resource and payments shall be treated in accordance with rules adopted by the department of job and family services governing income. Terms of a trust that grant discretion to limit payments shall not qualify as a clear statement requiring the trustee to make fixed periodic payments.

(d) If a trust contains a clear statement that requires the trustee to

terminate the trust if it is counted as an available resource, the trust shall not be counted as an available resource. Terms of a trust that grant discretion to terminate the trust do not qualify as a clear statement requiring the trustee to terminate the trust.

(e) If a person obtains a judgment from a court of competent jurisdiction that expressly prevents the trustee from using part or all of the trust for the medical care, care, comfort, maintenance, welfare, or general well being of the applicant or recipient, the trust or that portion of the trust subject to the court order shall not be counted as a resource.

(f) If a trust is specifically exempt from being counted as an available resource by a provision of the Revised Code, rules, or federal law, the trust shall not be counted as a resource.

(g) If an applicant or recipient presents a final judgment from a court demonstrating that the applicant or recipient was unsuccessful in a civil action against the trustee to compel payments from the trust, the trust shall not be counted as an available resource.

(h) If an applicant or recipient presents a final judgment from a court demonstrating that in a civil action against the trustee the applicant or recipient was only able to compel limited or periodic payments, the trust shall not be counted as an available resource and payments shall be treated in accordance with rules adopted by the department of job and family services governing income.

(i) If an applicant or recipient provides written documentation showing that the cost of a civil action brought to compel payments from the trust would be cost prohibitive, the trust shall not be counted as an available resource.

(5) Any actual payments to the applicant or recipient from a trust that meet the requirements of division (G)(1) of this section, including trusts that are not counted as an available resource, shall be treated as provided in rules adopted by the department of job and family services governing income. Payments to any person other than the applicant or recipient shall not be considered income to the applicant or recipient. Payments from the trust to a person other than the applicant or recipient shall not be considered an improper ~~transfer~~ disposition of assets.

Sec. 5111.161. (A) There is hereby created the medicaid care management working group, consisting of the following members:

(1) Three individuals representing medicaid health insuring corporations, as defined in section 5111.176 of the Revised Code, one appointed by the president of the senate, one appointed by the speaker of the house of representatives, and one appointed by the governor;

(2) One individual representing programs that provide enhanced care management services, appointed by the governor;

(3) Four individuals representing health care professional and trade associations, appointed as follows:

(a) One representative of the American academy of pediatrics, appointed by the president of the senate;

(b) One representative of the American academy of family physicians, appointed by the speaker of the house of representatives;

(c) One representative of the Ohio state medical association, appointed by the president of the senate;

(d) One representative of the Ohio hospital association, appointed by the speaker of the house of representatives.

(4) One individual representing behavioral health professional and trade associations, appointed by the speaker of the house of representatives;

(5) Two individuals representing consumer advocates, one appointed by the president of the senate and one appointed by the speaker of the house of representatives;

(6) One individual representing county departments of job and family services, appointed by the president of the senate;

(7) Three individuals representing the business community, one appointed by the president of the senate, one appointed by the speaker of the house of representatives, and one appointed by the governor;

(8) One individual representing providers of services that the state has the option of providing under federal medicaid law. The individual shall be appointed by the president of the senate from among one nomination each from the Ohio optometric association, the Ohio dental association, and the Ohio podiatric medical association.

(9) The director of job and family services or the director's designee;

~~(9)~~(10) The director of health or the director's designee;

~~(10)~~(11) The director of aging or the director's designee.

(B) The members of the working group shall serve at the pleasure of their appointing authorities. Vacancies shall be filled in the manner provided for original appointments.

(C) The working group shall develop guidelines that the department of job and family services may consider when entering into contracts under section 5111.17 of the Revised Code with managed care organizations for purposes of the care management system established under section 5111.16 of the Revised Code. The working group shall consult regularly with the departments of insurance, alcohol and drug addiction services, mental health, and mental retardation and developmental disabilities and the

rehabilitation services commission.

In developing the guidelines, the working group shall do all of the following:

(1) Examine the best practice standards used in managed care programs and other health care and related systems to maximize patient and provider satisfaction, maintain quality of care, and obtain cost-effectiveness;

(2) Consider the most effective means of facilitating the expansion of the care management system and increasing consistency within the system;

(3) Make recommendations for coordinating the regulatory relationships involved in the medicaid care management system;

(4) Make recommendations for improving the resolution of contracting issues among the providers involved in the care management system;

(5) Make recommendations that the department may consider when developing and implementing the financial incentive program under division (B) of section 5111.17 of the Revised Code to improve and reward positive health outcomes through managed care contracts. In making these recommendations, the working group shall include all of the following:

(a) Standards and procedures by which care management contractors may receive financial incentives for positive health outcomes measured on an individual basis;

(b) Specific measures of positive health outcomes, particularly among individuals with high-risk health conditions;

(c) Criteria for determining what constitutes a completed health outcome;

(d) Methods of funding the program without requiring an increase in appropriations.

(D) The working group shall prepare an annual report on its activities and shall submit the report to the president of the senate, speaker of the house of representatives, and governor. The report shall include any findings and recommendations the working group considers relevant to its duties. The working group shall complete an initial report not later than December 31, 2005. Each year thereafter, the working group shall complete its annual report by the last day of December.

Sec. 5111.162. (A) As used in this section, ~~"medicaid:~~

(1) "Emergency services" has the same meaning as in section 1932(b)(2) of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C. 1396u-2(b)(2), as amended.

(2) "Medicaid managed care organization" means a managed care organization that has entered into a contract with the department of job and family services pursuant to section 5111.17 of the Revised Code.

(B) Except as provided in division (C) of this section, when a participant in the care management system established under section 5111.16 of the Revised Code is enrolled in a medicaid managed care organization and the organization refers the participant to receive services, other than emergency services provided on or after January 1, 2007, at a hospital that participates in the medicaid program but is not under contract with the organization, the hospital shall provide the service for which the referral was made and shall accept from the organization, as payment in full, the amount derived from the reimbursement rate used by the department to reimburse other hospitals of the same type for providing the same service to a medicaid recipient who is not enrolled in a medicaid managed care organization.

(C) A hospital is not subject to division (B) of this section if all of the following are the case:

(1) The hospital is located in a county in which participants in the care management system are required before January 1, 2006, to be enrolled in a medicaid managed care organization that is a health insuring corporation;

(2) The hospital has entered into a contract before January 1, 2006, with at least one health insuring corporation serving the participants specified in division (C)(1) of this section;

(3) The hospital remains under contract with at least one health insuring corporation serving participants in the care management system who are required to be enrolled in a health insuring corporation.

(D) The director of job and family services shall adopt rules specifying the circumstances under which a medicaid managed care organization is permitted to refer a participant in the care management system to a hospital that is not under contract with the organization. The director may adopt any other rules necessary to implement this section. All rules adopted under this section shall be adopted in accordance with Chapter 119. of the Revised Code.

Sec. 5111.163. (A) As used in this section:

(1) "Emergency services" has the same meaning as in section 1932(b)(2) of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C. 1396u-2(b)(2), as amended.

(2) "Medicaid managed care organization" has the same meaning as in section 5111.162 of the Revised Code.

(3) "Provider" has the same meaning as in section 5111.06 of the Revised Code.

(B) When a participant in the care management system established under section 5111.16 of the Revised Code is enrolled in a medicaid managed care organization and receives emergency services on or after

January 1, 2007, from a provider that is not under contract with the organization, the provider shall accept from the organization, as payment in full, not more than the amounts (less any payments for indirect costs of medical education and direct costs of graduate medical education) that the provider could collect if the participant received medicaid other than through enrollment in a managed care organization.

Sec. ~~5404.93~~ 5111.178. (A) The director of job and family services shall determine whether a waiver of federal medicaid requirements is necessary to fulfill the requirements of section 3901.3814 of the Revised Code. If the director determines a waiver is necessary, the department of job and family services shall apply to the United States secretary of health and human services for the waiver.

(B)(1) If the director determines that section 3901.3814 of the Revised Code can be implemented without a waiver or a waiver is granted, the department shall notify the department of insurance that the section can be implemented. Implementation of the section shall be effective eighteen months after the notice is sent.

(2) At the time the notice is given under division (B)(1) of this section, the department shall also give notice to each health insuring corporation that provides coverage to medicaid recipients. The notice shall inform the corporation that sections 3901.38 and 3901.381 to 3901.3814 of the Revised Code apply to claims for services rendered to recipients on the date determined under division (B)(1) of this section, instead of the prompt payment requirements of 42 C.F.R. 447.46. That date shall be specified in the notice.

Sec. 5111.18. Not later than September 1, 2007, the director of job and family services shall establish a qualified state long-term care insurance partnership program consistent with the definition of that term in 42 U.S.C. 1396p(b)(1)(C)(iii). An individual participating in the program who is subject to the medicaid estate recovery program instituted under section 5111.11 of the Revised Code shall be eligible for the reduced adjustment or recovery under division (D) of that section.

The director of job and family services may adopt rules in accordance with Chapter 119. of the Revised Code as necessary to implement this section.

Sec. 5111.20. As used in sections 5111.20 to 5111.34 of the Revised Code:

(A) "Allowable costs" are those costs determined by the department of job and family services to be reasonable and do not include fines paid under sections 5111.35 to 5111.61 and section 5111.99 of the Revised Code.

(B) "Ancillary and support costs" means all reasonable costs incurred by a nursing facility other than direct care costs or capital costs. "Ancillary and support costs" includes, but is not limited to, costs of activities, social services, pharmacy consultants, habilitation supervisors, qualified mental retardation professionals, program directors, medical and habilitation records, program supplies, incontinence supplies, food, enterals, dietary supplies and personnel, laundry, housekeeping, security, administration, medical equipment, utilities, liability insurance, bookkeeping, purchasing department, human resources, communications, travel, dues, license fees, subscriptions, home office costs not otherwise allocated, legal services, accounting services, minor equipment, maintenance and repairs, help-wanted advertising, informational advertising, start-up costs, organizational expenses, other interest, property insurance, employee training and staff development, employee benefits, payroll taxes, and workers' compensation premiums or costs for self-insurance claims and related costs as specified in rules adopted by the director of job and family services under section 5111.02 of the Revised Code, for personnel listed in this division. "Ancillary and support costs" also means the cost of equipment, including vehicles, acquired by operating lease executed before December 1, 1992, if the costs are reported as administrative and general costs on the facility's cost report for the cost reporting period ending December 31, 1992.

(C) "Capital costs" means costs of ownership and, in the case of an intermediate care facility for the mentally retarded, costs of nonextensive renovation.

(1) "Cost of ownership" means the actual expense incurred for all of the following:

(a) Depreciation and interest on any capital assets that cost five hundred dollars or more per item, including the following:

(i) Buildings;

(ii) Building improvements that are not approved as nonextensive renovations under section 5111.251 of the Revised Code;

(iii) Except as provided in division (B) of this section, equipment;

(iv) In the case of an intermediate care facility for the mentally retarded, extensive renovations;

(v) Transportation equipment.

(b) Amortization and interest on land improvements and leasehold improvements;

(c) Amortization of financing costs;

(d) Except as provided in division (K) of this section, lease and rent of

land, building, and equipment.

The costs of capital assets of less than five hundred dollars per item may be considered capital costs in accordance with a provider's practice.

(2) "Costs of nonextensive renovation" means the actual expense incurred by an intermediate care facility for the mentally retarded for depreciation or amortization and interest on renovations that are not extensive renovations.

(D) "Capital lease" and "operating lease" shall be construed in accordance with generally accepted accounting principles.

(E) "Case-mix score" means the measure determined under section 5111.232 of the Revised Code of the relative direct-care resources needed to provide care and habilitation to a resident of a nursing facility or intermediate care facility for the mentally retarded.

(F) "Date of licensure," for a facility originally licensed as a nursing home under Chapter 3721. of the Revised Code, means the date specific beds were originally licensed as nursing home beds under that chapter, regardless of whether they were subsequently licensed as residential facility beds under section 5123.19 of the Revised Code. For a facility originally licensed as a residential facility under section 5123.19 of the Revised Code, "date of licensure" means the date specific beds were originally licensed as residential facility beds under that section.

(1) If nursing home beds licensed under Chapter 3721. of the Revised Code or residential facility beds licensed under section 5123.19 of the Revised Code were not required by law to be licensed when they were originally used to provide nursing home or residential facility services, "date of licensure" means the date the beds first were used to provide nursing home or residential facility services, regardless of the date the present provider obtained licensure.

(2) If a facility adds nursing home beds or residential facility beds or extensively renovates all or part of the facility after its original date of licensure, it will have a different date of licensure for the additional beds or extensively renovated portion of the facility, unless the beds are added in a space that was constructed at the same time as the previously licensed beds but was not licensed under Chapter 3721. or section 5123.19 of the Revised Code at that time.

(G) "Desk-reviewed" means that costs as reported on a cost report submitted under section 5111.26 of the Revised Code have been subjected to a desk review under division (A) of section 5111.27 of the Revised Code and preliminarily determined to be allowable costs.

(H) "Direct care costs" means all of the following:

(1)(a) Costs for registered nurses, licensed practical nurses, and nurse aides employed by the facility;

(b) Costs for direct care staff, administrative nursing staff, medical directors, ~~habilitation staff, qualified mental retardation professionals, program directors,~~ respiratory therapists, ~~habilitation supervisors,~~ and except as provided in division ~~(G)~~(H)(2) of this section, other persons holding degrees qualifying them to provide therapy;

(c) Costs of purchased nursing services;

(d) Costs of quality assurance;

(e) Costs of training and staff development, employee benefits, payroll taxes, and workers' compensation premiums or costs for self-insurance claims and related costs as specified in rules adopted by the director of job and family services in accordance with Chapter 119. of the Revised Code, for personnel listed in divisions (H)(1)(a), (b), and (d) of this section;

(f) Costs of consulting and management fees related to direct care;

(g) Allocated direct care home office costs.

(2) In addition to the costs specified in division (H)(1) of this section, for nursing facilities only, direct care costs include costs of habilitation staff (other than habilitation supervisors), medical supplies, emergency oxygen, habilitation supplies, and universal precautions supplies.

(3) In addition to the costs specified in division (H)(1) of this section, for intermediate care facilities for the mentally retarded only, direct care costs include both of the following:

(a) Costs for physical therapists and physical therapy assistants, occupational therapists and occupational therapy assistants, speech therapists, audiologists, habilitation staff (including habilitation supervisors), qualified mental retardation professionals, program directors, social services staff, activities staff, psychologists and psychology assistants, and social workers and counselors;

(b) Costs of training and staff development, employee benefits, payroll taxes, and workers' compensation premiums or costs for self-insurance claims and related costs as specified in rules adopted under section 5111.02 of the Revised Code, for personnel listed in division (H)(3)(a) of this section.

(4) Costs of other direct-care resources that are specified as direct care costs in rules adopted under section 5111.02 of the Revised Code.

(I) "Fiscal year" means the fiscal year of this state, as specified in section 9.34 of the Revised Code.

(J) "Franchise permit fee" means the fee imposed by sections 3721.50 to 3721.58 of the Revised Code.

(K) "Indirect care costs" means all reasonable costs incurred by an intermediate care facility for the mentally retarded other than direct care costs, other protected costs, or capital costs. "Indirect care costs" includes but is not limited to costs of habilitation supplies, pharmacy consultants, medical and habilitation records, program supplies, incontinence supplies, food, enterals, dietary supplies and personnel, laundry, housekeeping, security, administration, liability insurance, bookkeeping, purchasing department, human resources, communications, travel, dues, license fees, subscriptions, home office costs not otherwise allocated, legal services, accounting services, minor equipment, maintenance and repairs, help-wanted advertising, informational advertising, start-up costs, organizational expenses, other interest, property insurance, employee training and staff development, employee benefits, payroll taxes, and workers' compensation premiums or costs for self-insurance claims and related costs as specified in rules adopted under section 5111.02 of the Revised Code, for personnel listed in this division. Notwithstanding division (C)(1) of this section, "indirect care costs" also means the cost of equipment, including vehicles, acquired by operating lease executed before December 1, 1992, if the costs are reported as administrative and general costs on the facility's cost report for the cost reporting period ending December 31, 1992.

(L) "Inpatient days" means all days during which a resident, regardless of payment source, occupies a bed in a nursing facility or intermediate care facility for the mentally retarded that is included in the facility's certified capacity under Title XIX. Therapeutic or hospital leave days for which payment is made under section 5111.33 of the Revised Code are considered inpatient days proportionate to the percentage of the facility's per resident per day rate paid for those days.

(M) "Intermediate care facility for the mentally retarded" means an intermediate care facility for the mentally retarded certified as in compliance with applicable standards for the medicaid program by the director of health in accordance with Title XIX.

(N) "Maintenance and repair expenses" means, except as provided in division (BB)(2) of this section, expenditures that are necessary and proper to maintain an asset in a normally efficient working condition and that do not extend the useful life of the asset two years or more. "Maintenance and repair expenses" includes but is not limited to the cost of ordinary repairs such as painting and wallpapering.

(O) "Medicaid days" means all days during which a resident who is a Medicaid recipient eligible for nursing facility services occupies a bed in a nursing facility that is included in the nursing facility's certified capacity

under Title XIX. Therapeutic or hospital leave days for which payment is made under section 5111.33 of the Revised Code are considered Medicaid days proportionate to the percentage of the nursing facility's per resident per day rate paid for those days.

(P) "Nursing facility" means a facility, or a distinct part of a facility, that is certified as a nursing facility by the director of health in accordance with Title XIX and is not an intermediate care facility for the mentally retarded. "Nursing facility" includes a facility, or a distinct part of a facility, that is certified as a nursing facility by the director of health in accordance with Title XIX and is certified as a skilled nursing facility by the director in accordance with Title XVIII.

(Q) "Operator" means the person or government entity responsible for the daily operating and management decisions for a nursing facility or intermediate care facility for the mentally retarded.

(R) "Other protected costs" means costs incurred by an intermediate care facility for the mentally retarded for medical supplies; real estate, franchise, and property taxes; natural gas, fuel oil, water, electricity, sewage, and refuse and hazardous medical waste collection; allocated other protected home office costs; and any additional costs defined as other protected costs in rules adopted under section 5111.02 of the Revised Code.

(S)(1) "Owner" means any person or government entity that has at least five per cent ownership or interest, either directly, indirectly, or in any combination, in any of the following regarding a nursing facility or intermediate care facility for the mentally retarded:

- (a) The land on which the facility is located;
- (b) The structure in which the facility is located;
- (c) Any mortgage, contract for deed, or other obligation secured in whole or in part by the land or structure on or in which the facility is located;
- (d) Any lease or sublease of the land or structure on or in which the facility is located.

(2) "Owner" does not mean a holder of a debenture or bond related to the nursing facility or intermediate care facility for the mentally retarded and purchased at public issue or a regulated lender that has made a loan related to the facility unless the holder or lender operates the facility directly or through a subsidiary.

(T) "Patient" includes "resident."

(U) Except as provided in divisions (U)(1) and (2) of this section, "per diem" means a nursing facility's or intermediate care facility for the mentally retarded's actual, allowable costs in a given cost center in a cost

reporting period, divided by the facility's inpatient days for that cost reporting period.

(1) When calculating indirect care costs for the purpose of establishing rates under section 5111.241 of the Revised Code, "per diem" means an intermediate care facility for the mentally retarded's actual, allowable indirect care costs in a cost reporting period divided by the greater of the facility's inpatient days for that period or the number of inpatient days the facility would have had during that period if its occupancy rate had been eighty-five per cent.

(2) When calculating capital costs for the purpose of establishing rates under section 5111.251 of the Revised Code, "per diem" means a facility's actual, allowable capital costs in a cost reporting period divided by the greater of the facility's inpatient days for that period or the number of inpatient days the facility would have had during that period if its occupancy rate had been ninety-five per cent.

(V) "Provider" means an operator with a provider agreement.

(W) "Provider agreement" means a contract between the department of job and family services and the operator of a nursing facility or intermediate care facility for the mentally retarded for the provision of nursing facility services or intermediate care facility services for the mentally retarded under the medicaid program.

(X) "Purchased nursing services" means services that are provided in a nursing facility by registered nurses, licensed practical nurses, or nurse aides who are not employees of the facility.

(Y) "Reasonable" means that a cost is an actual cost that is appropriate and helpful to develop and maintain the operation of patient care facilities and activities, including normal standby costs, and that does not exceed what a prudent buyer pays for a given item or services. Reasonable costs may vary from provider to provider and from time to time for the same provider.

(Z) "Related party" means an individual or organization that, to a significant extent, has common ownership with, is associated or affiliated with, has control of, or is controlled by, the provider.

(1) An individual who is a relative of an owner is a related party.

(2) Common ownership exists when an individual or individuals possess significant ownership or equity in both the provider and the other organization. Significant ownership or equity exists when an individual or individuals possess five per cent ownership or equity in both the provider and a supplier. Significant ownership or equity is presumed to exist when an individual or individuals possess ten per cent ownership or equity in both

the provider and another organization from which the provider purchases or leases real property.

(3) Control exists when an individual or organization has the power, directly or indirectly, to significantly influence or direct the actions or policies of an organization.

(4) An individual or organization that supplies goods or services to a provider shall not be considered a related party if all of the following conditions are met:

(a) The supplier is a separate bona fide organization.

(b) A substantial part of the supplier's business activity of the type carried on with the provider is transacted with others than the provider and there is an open, competitive market for the types of goods or services the supplier furnishes.

(c) The types of goods or services are commonly obtained by other nursing facilities or intermediate care facilities for the mentally retarded from outside organizations and are not a basic element of patient care ordinarily furnished directly to patients by the facilities.

(d) The charge to the provider is in line with the charge for the goods or services in the open market and no more than the charge made under comparable circumstances to others by the supplier.

(AA) "Relative of owner" means an individual who is related to an owner of a nursing facility or intermediate care facility for the mentally retarded by one of the following relationships:

(1) Spouse;

(2) Natural parent, child, or sibling;

(3) Adopted parent, child, or sibling;

(4) Stepparent, stepchild, stepbrother, or stepsister;

(5) Father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law;

(6) Grandparent or grandchild;

(7) Foster caregiver, foster child, foster brother, or foster sister.

(BB) "Renovation" and "extensive renovation" mean:

(1) Any betterment, improvement, or restoration of an intermediate care facility for the mentally retarded started before July 1, 1993, that meets the definition of a renovation or extensive renovation established in rules adopted by the director of job and family services in effect on December 22, 1992.

(2) In the case of betterments, improvements, and restorations of intermediate care facilities for the mentally retarded started on or after July 1, 1993:

(a) "Renovation" means the betterment, improvement, or restoration of an intermediate care facility for the mentally retarded beyond its current functional capacity through a structural change that costs at least five hundred dollars per bed. A renovation may include betterment, improvement, restoration, or replacement of assets that are affixed to the building and have a useful life of at least five years. A renovation may include costs that otherwise would be considered maintenance and repair expenses if they are an integral part of the structural change that makes up the renovation project. "Renovation" does not mean construction of additional space for beds that will be added to a facility's licensed or certified capacity.

(b) "Extensive renovation" means a renovation that costs more than sixty-five per cent and no more than eighty-five per cent of the cost of constructing a new bed and that extends the useful life of the assets for at least ten years.

For the purposes of division (BB)(2) of this section, the cost of constructing a new bed shall be considered to be forty thousand dollars, adjusted for the estimated rate of inflation from January 1, 1993, to the end of the calendar year during which the renovation is completed, using the consumer price index for shelter costs for all urban consumers for the north central region, as published by the United States bureau of labor statistics.

The department of job and family services may treat a renovation that costs more than eighty-five per cent of the cost of constructing new beds as an extensive renovation if the department determines that the renovation is more prudent than construction of new beds.

(CC) "Title XIX" means Title XIX of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C. 1396, as amended.

(DD) "Title XVIII" means Title XVIII of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C. 1395, as amended.

Sec. 5111.222. (A) Except as otherwise provided by sections 5111.20 to 5111.33 of the Revised Code and by division (B) of this section, the payments that the department of job and family services shall agree to make to the provider of a nursing facility pursuant to a provider agreement shall equal the sum of all of the following:

(1) The rate for direct care costs determined for the nursing facility under section 5111.231 of the Revised Code;

(2) The rate for ancillary and support costs determined for the nursing facility's ancillary and support cost peer group under section 5111.24 of the Revised Code;

(3) The rate for tax costs determined for the nursing facility under

section 5111.242 of the Revised Code;

(4) The rate for franchise permit fees determined for the nursing facility under section 5111.243 of the Revised Code;

(5) The quality incentive payment paid to the nursing ~~facility's quality tier group~~ facility under section 5111.244 of the Revised Code;

(6) The median rate for capital costs for the nursing facilities in the nursing facility's capital costs peer group as determined under section 5111.25 of the Revised Code.

(B) The department shall adjust the ~~payment rates~~ otherwise determined under ~~division~~ divisions (A)(1), (2), (3), and (6) of this section as directed by the general assembly through the enactment of law governing medicaid payments to providers of nursing facilities, including any law that does either of the following:

(1) Establishes factors by which the ~~payments rates~~ are to be adjusted;

(2) Establishes a methodology for phasing in the rates determined for fiscal year 2006 under uncodified law the general assembly enacts to rates determined for subsequent fiscal years under sections 5111.20 to 5111.33 of the Revised Code.

Sec. 5111.231. (A) As used in this section, "applicable calendar year" means the following:

(1) For the purpose of the department of job and family services' initial determination under division (D) of this section of each peer group's cost per case-mix unit, calendar year 2003;

(2) For the purpose of the department's subsequent determinations under division (D) of this section of each peer group's cost per case-mix unit, the calendar year the department selects.

(B) The department of job and family services shall pay a provider for each of the provider's eligible nursing facilities a per resident per day rate for direct care costs determined ~~semi-annually~~ semiannually by multiplying the cost per case-mix unit determined under division (D) of this section for the facility's peer group by the facility's semiannual case-mix score determined under section 5111.232 of the Revised Code.

(C) For the purpose of determining nursing facilities' rate for direct care costs, the department shall establish three peer groups.

Each nursing facility located in any of the following counties shall be placed in peer group one: Brown, Butler, Clermont, Clinton, Hamilton, and Warren.

Each nursing facility located in any of the following counties shall be placed in peer group two: Ashtabula, Champaign, Clark, Cuyahoga, Darke, Delaware, Fairfield, Fayette, Franklin, Fulton, Geauga, Greene, Hancock,

Knox, Lake, Licking, Lorain, Lucas, Madison, Marion, Medina, Miami, Montgomery, Morrow, Ottawa, Pickaway, Portage, Preble, Ross, Sandusky, Seneca, Summit, Union, and Wood.

Each nursing facility located in any of the following counties shall be placed in peer group three: Adams, Allen, Ashland, Athens, Auglaize, Belmont, Carroll, Columbiana, Coshocton, Crawford, Defiance, Erie, Gallia, Guernsey, Hardin, Harrison, Henry, Highland, Hocking, Holmes, Huron, Jackson, Jefferson, Lawrence, Logan, Mahoning, Meigs, Mercer, Monroe, Morgan, Muskingum, Noble, Paulding, Perry, Pike, Putnam, Richland, Scioto, Shelby, Stark, Trumbull, Tuscarawas, Van Wert, Vinton, Washington, Wayne, Williams, and Wyandot.

(D)(1) At least once every ten years, the department shall determine a cost per case-mix unit for each peer group established under division (C) of this section. A cost per case-mix unit determined under this division for a peer group shall be used for subsequent years until the department redetermines it. To determine a peer group's cost per case-mix unit, the department shall do all of the following:

(a) Determine the cost per case-mix unit for each nursing facility in the peer group for the applicable calendar year by dividing each facility's desk-reviewed, actual, allowable, per diem direct care costs for the applicable calendar year by the facility's annual average case-mix score determined under section 5111.232 of the Revised Code for the applicable calendar year.

(b) Subject to division (D)(2) of this section, identify which nursing facility in the peer group is at the twenty-fifth percentile of the cost per case-mix units determined under division (D)(1)(a) of this section.

(c) Calculate the amount that is seven per cent above the cost per case-mix unit determined under division (D)(1)(a) of this section for the nursing facility identified under division (D)(1)(b) of this section.

(d) Multiply the amount calculated under division (D)(1)(c) of this section by the rate of inflation for the eighteen-month period beginning on the first day of July of the applicable calendar year and ending the last day of December of the calendar year immediately following the applicable calendar year using the employment cost index for total compensation, health services component, published by the United States bureau of labor statistics.

(2) In making the identification under division (D)(1)(b) of this section, the department shall exclude both of the following:

(a) Nursing facilities that participated in the medicaid program under the same provider for less than twelve months in the applicable calendar year;

(b) Nursing facilities whose ~~direct care costs are~~ cost per case-mix unit is more than one standard deviation from the mean ~~desk reviewed, actual, allowable, per diem direct care cost~~ per case-mix unit for all nursing facilities in the nursing facility's peer group for the applicable calendar year.

(3) The department shall not redetermine a peer group's cost per case-mix unit under this division based on additional information that it receives after the peer group's per case-mix unit is determined. The department shall redetermine a peer group's cost per case-mix unit only if it made an error in determining the peer group's cost per case-mix unit based on information available to the department at the time of the original determination.

Sec. 5111.244. (A) As used in this section, "deficiency" and "standard survey" have the same meanings as in section 5111.35 of the Revised Code.

(B) Each fiscal year, the department of job and family services shall pay the provider of each nursing facility ~~placed in the first, second, and third quality tier groups established under division (C) of this section~~ a quality incentive payment. ~~Nursing facilities placed in the first group shall receive the highest payment. Nursing facilities placed in the second group shall receive the second highest payment. Nursing facilities placed in the third group shall receive the third highest payment. Nursing facilities placed in the fourth group shall receive no payment.~~ The amount of a quality incentive payment paid to a provider for a fiscal year shall be based on the number of points the provider's nursing facility is awarded under division (C) of this section for that fiscal year. The amount of a quality incentive payment paid to a provider of a nursing facility that is awarded no points may be zero. The mean payment for fiscal year 2007, weighted by medicaid days, shall be two per cent of the average rate for all nursing facilities calculated under sections 5111.20 to 5111.33 of the Revised Code, excluding this section three dollars per medicaid day. Nursing facilities placed in the fourth group shall be included for the purpose of determining the mean payment. The department shall adjust the mean payment for subsequent fiscal years by the same adjustment factors the department uses to adjust, pursuant to division (B) of section 5111.222 of the Revised Code, nursing facilities' rates otherwise determined under divisions (A)(1), (2), (3), and (6) of that section.

(C) ~~Each year, the department shall establish four quality tier groups. Each group shall consist of one quarter of all nursing facilities participating in the medicaid program. The first group shall consist of the quarter of nursing facilities individually awarded the most number of points under division (D) of this section. The second group shall consist of the quarter of nursing facilities individually awarded the second most number of points~~

~~under division (D) of this section. The third group shall consist of the quarter of nursing facilities individually awarded the third most number of points under division (D) of this section. The fourth group shall consist of the quarter of nursing facilities individually awarded the least number of points under division (D) of this section.~~

~~(D)~~ Each year (1) Except as provided by division (C)(2) of this section, the department shall annually award each nursing facility participating in the medicaid program one point for each of the following accountability measures the facility meets:

~~(1)~~(a) The facility had no health deficiencies on the facility's most recent standard survey.

~~(2)~~(b) The facility had no health deficiencies with a scope and severity level greater than E, as determined under nursing facility certification standards established under Title XIX, on the facility's most recent standard survey.

~~(3)~~(c) The facility's resident satisfaction is above the statewide average.

~~(4)~~(d) The facility's family satisfaction is above the statewide average.

~~(5)~~(e) The number of hours the facility employs nurses is above the statewide average.

~~(6)~~(f) The facility's employee retention rate is above the average for the facility's peer group established in division (C) of section 5111.231 of the Revised Code.

~~(7)~~(g) The facility's occupancy rate is above the statewide average.

~~(8)~~(h) The facility's medicaid utilization rate is above the statewide average.

~~(9)~~(i) The facility's case-mix score is above the statewide average.

~~(E)~~(2) The department shall award points pursuant to division (C)(1)(c) or (d) of this section only for a fiscal year immediately following a calendar year for which a survey of resident or family satisfaction has been conducted under section 173.47 of the Revised Code.

(D) The director of job and family services shall adopt rules under section 5111.02 of the Revised Code as necessary to implement this section. The rules shall include rules establishing the system for awarding points under division ~~(D)~~(C) of this section.

Sec. 5111.27. (A) The department of job and family services shall conduct a desk review of each cost report it receives under section 5111.26 of the Revised Code. Based on the desk review, the department shall make a preliminary determination of whether the reported costs are allowable costs. The department shall notify each provider of whether any of the reported costs are preliminarily determined not to be allowable, the rate calculation

under sections 5111.20 to 5111.33 of the Revised Code that results from that determination, and the reasons for the determination and resulting rate. The department shall allow the provider to verify the calculation and submit additional information.

(B) The department may conduct an audit, as defined by rule adopted under section 5111.02 of the Revised Code, of any cost report and shall notify the provider of its findings.

Audits shall be conducted by auditors under contract with or employed by the department. The decision whether to conduct an audit and the scope of the audit, which may be a desk or field audit, shall be determined based on prior performance of the provider and may be based on a risk analysis or other evidence that gives the department reason to believe that the provider has reported costs improperly. A desk or field audit may be performed annually, but is required whenever a provider does not pass the risk analysis tolerance factors. The department shall issue the audit report no later than three years after the cost report is filed, or upon the completion of a desk or field audit on the report or a report for a subsequent cost reporting period, whichever is earlier. During the time within which the department may issue an audit report, the provider may amend the cost report upon discovery of a material error or material additional information. The department shall review the amended cost report for accuracy and notify the provider of its determination.

The department may establish a contract for the auditing of facilities by outside firms. Each contract entered into by bidding shall be effective for one to two years. The department shall establish an audit manual and program which shall require that all field audits, conducted either pursuant to a contract or by department employees:

(1) Comply with the applicable rules prescribed pursuant to Titles XVIII and XIX;

(2) Consider generally accepted auditing standards prescribed by the American institute of certified public accountants;

(3) Include a written summary as to whether the costs included in the report examined during the audit are allowable and are presented fairly in accordance with generally accepted accounting principles and department rules, and whether, in all material respects, allowable costs are documented, reasonable, and related to patient care;

(4) Are conducted by accounting firms or auditors who, during the period of the auditors' professional engagement or employment and during the period covered by the cost reports, do not have nor are committed to acquire any direct or indirect financial interest in the ownership, financing,

or operation of a nursing facility or intermediate care facility for the mentally retarded in this state;

(5) Are conducted by accounting firms or auditors who, as a condition of the contract or employment, shall not audit any facility that has been a client of the firm or auditor;

(6) Are conducted by auditors who are otherwise independent as determined by the standards of independence established by the American institute of certified public accountants;

(7) Are completed within the time period specified by the department;

(8) Provide to the provider complete written interpretations that explain in detail the application of all relevant contract provisions, regulations, auditing standards, rate formulae, and departmental policies, with explanations and examples, that are sufficient to permit the provider to calculate with reasonable certainty those costs that are allowable and the rate to which the provider's facility is entitled.

For the purposes of division (B)(4) of this section, employment of a member of an auditor's family by a nursing facility or intermediate care facility for the mentally retarded that the auditor does not review does not constitute a direct or indirect financial interest in the ownership, financing, or operation of the facility.

(C) The department, pursuant to rules adopted under section 5111.02 of the Revised Code, may conduct an exception review of assessment data submitted under section 5111.232 of the Revised Code. The department may conduct an exception review based on the findings of a certification survey conducted by the department of health, a risk analysis, or prior performance of the provider.

Exception reviews shall be conducted at the facility by appropriate health professionals under contract with or employed by the department of job and family services. The professionals may review resident assessment forms and supporting documentation, conduct interviews, and observe residents to identify any patterns or trends of inaccurate assessments and resulting inaccurate case-mix scores.

The rules shall establish an exception review program that requires that exception reviews do all of the following:

(1) Comply with Titles XVIII and XIX;

(2) Provide a written summary that states whether the resident assessment forms have been completed accurately;

(3) Are conducted by health professionals who, during the period of their professional engagement or employment with the department, neither have nor are committed to acquire any direct or indirect financial interest in

the ownership, financing, or operation of a nursing facility or intermediate care facility for the mentally retarded in this state;

(4) Are conducted by health professionals who, as a condition of their engagement or employment with the department, shall not review any provider that has been a client of the professional.

For the purposes of division (C)(3) of this section, employment of a member of a health professional's family by a nursing facility or intermediate care facility for the mentally retarded that the professional does not review does not constitute a direct or indirect financial interest in the ownership, financing, or operation of the facility.

If an exception review is conducted before the effective date of the rate that is based on the case-mix data subject to the review and the review results in findings that exceed tolerance levels specified in the rules adopted under this division, the department, in accordance with those rules, may use the findings to recalculate individual resident case-mix scores, quarterly average facility case-mix scores, and annual average facility case-mix scores. The department may use the recalculated quarterly and annual facility average case-mix scores to calculate the facility's rate for direct care costs for the appropriate calendar quarter or quarters.

(D) The department shall prepare a written summary of any audit disallowance or exception review finding that is made after the effective date of the rate that is based on the cost or case-mix data. Where the provider is pursuing judicial or administrative remedies in good faith regarding the disallowance or finding, the department shall not withhold from the provider's current payments any amounts the department claims to be due from the provider pursuant to section 5111.28 of the Revised Code.

(E) The department shall not reduce rates calculated under sections 5111.20 to 5111.33 of the Revised Code on the basis that the provider charges a lower rate to any resident who is not eligible for the medicaid program.

(F) The department shall adjust the rates calculated under sections 5111.20 to 5111.33 of the Revised Code to account for reasonable additional costs that must be incurred by ~~nursing facilities and~~ intermediate care facilities for the mentally retarded to comply with requirements of federal or state statutes, rules, or policies enacted or amended after January 1, 1992, or with orders issued by state or local fire authorities.

Sec. 5111.31. (A) Every provider agreement with the provider of a nursing facility or intermediate care facility for the mentally retarded shall:

(1) Prohibit the provider from failing or refusing to retain as a patient any person because the person is, becomes, or may, as a patient in the

facility, become a medicaid recipient. For the purposes of this division, a medicaid recipient who is a patient in a facility shall be considered a patient in the facility during any hospital stays totaling less than twenty-five days during any twelve-month period. Recipients who have been identified by the department of job and family services or its designee as requiring the level of care of an intermediate care facility for the mentally retarded shall not be subject to a maximum period of absences during which they are considered patients if prior authorization of the department for visits with relatives and friends and participation in therapeutic programs is obtained under rules adopted under section 5111.02 of the Revised Code.

(2) Except as provided by division (B)(1) of this section, include any part of the facility that meets standards for certification of compliance with federal and state laws and rules for participation in the medicaid program.

(3) Prohibit the provider from discriminating against any patient on the basis of race, color, sex, creed, or national origin.

(4) Except as otherwise prohibited under section 5111.55 of the Revised Code, prohibit the provider from failing or refusing to accept a patient because the patient is, becomes, or may, as a patient in the facility, become a medicaid recipient if less than eighty per cent of the patients in the facility are medicaid recipients.

(B)(1) Except as provided by division (B)(2) of this section, the following are not required to be included in a provider agreement unless otherwise required by federal law:

(a) Beds added during the period beginning July 1, 1987, and ending July 1, 1993, to a nursing home licensed under Chapter 3721. of the Revised Code;

(b) Beds in an intermediate care facility for the mentally retarded that are designated for respite care under a medicaid waiver component operated pursuant to a waiver sought under section 5111.87 of the Revised Code;

(c) Beds that are converted to providing home and community-based services under the ICF/MR conversion pilot program authorized by a waiver sought under division (B)(1) of section 5111.88 of the Revised Code.

(2) If a provider chooses to include a bed specified in division (B)(1)(a) of this section in a provider agreement, the bed may not be removed from the provider agreement unless the provider withdraws the facility in which the bed is located from the medicaid program.

(C) Nothing in this section shall bar a provider that is a religious organization operating a religious or denominational nursing facility or intermediate care facility for the mentally retarded from giving preference to persons of the same religion or denomination. Nothing in this section shall

bar any provider from giving preference to persons with whom the provider has contracted to provide continuing care.

(D) Nothing in this section shall bar the provider of a county home organized under Chapter 5155. of the Revised Code from admitting residents exclusively from the county in which the county home is located.

(E) No provider of a nursing facility or intermediate care facility for the mentally retarded for which a provider agreement is in effect shall violate the provider contract obligations imposed under this section.

(F) Nothing in divisions (A) and (C) of this section shall bar a provider from retaining patients who have resided in the provider's facility for not less than one year as private pay patients and who subsequently become medicaid recipients, but refusing to accept as a patient any person who is or may, as a patient in the facility, become a medicaid recipient, if all of the following apply:

(1) The provider does not refuse to retain any patient who has resided in the provider's facility for not less than one year as a private pay patient because the patient becomes a medicaid recipient, except as necessary to comply with division (F)(2) of this section;

(2) The number of medicaid recipients retained under this division does not at any time exceed ten per cent of all the patients in the facility;

(3) On July 1, 1980, all the patients in the facility were private pay patients.

Sec. 5111.88. (A) As used in sections 5111.88 to ~~5111.8812~~ 5111.8817 of the Revised Code:

"Administrative agency" means the department of job and family services or, if the department assigns the day-to-day administration of the ICF/MR conversion pilot program to the department of mental retardation and developmental disabilities pursuant to section 5111.887 of the Revised Code, the department of mental retardation and developmental disabilities.

"ICF/MR conversion pilot program" means the medicaid waiver component authorized by a waiver sought under division (B)(1) of this section.

"ICF/MR services" means intermediate care facility for the mentally retarded services covered by the medicaid program that an intermediate care facility for the mentally retarded provides to a resident of the facility who is a medicaid recipient eligible for medicaid-covered intermediate care facility for the mentally retarded services.

"Intermediate care facility for the mentally retarded" has the same meaning as in section 5111.20 of the Revised Code.

"Medicaid waiver component" has the same meaning as in section

5111.85 of the Revised Code.

(B) By July 1, 2006, or as soon thereafter as practical, but not later than January 1, 2007, the director of job and family services shall, after consulting with and receiving input from the ICF/MR conversion advisory council, submit both of the following to the United States secretary of health and human services:

(1) An application for a waiver authorizing the ICF/MR conversion pilot program under which intermediate care facilities for the mentally retarded, other than such facilities operated by the department of mental retardation and developmental disabilities, may volunteer to convert in whole or in part from providing intermediate care facility for the mentally retarded services to providing home and community-based services and individuals with mental retardation or a developmental disability who are eligible for ICF/MR services may volunteer to receive instead home and community-based services;

(2) An amendment to the state medicaid plan to authorize the director, beginning on the first day that the ICF/MR conversion pilot program begins implementation under section 5111.882 of the Revised Code and except as provided by section 5111.8811 of the Revised Code, to refuse to enter into or amend a medicaid provider agreement with the operator of an intermediate care facility for the mentally retarded if the provider agreement or amendment would authorize the operator to receive medicaid payments for more intermediate care facility for the mentally retarded beds than the operator receives on the day before that day.

(C) The director shall notify the governor, speaker and minority leader of the house of representatives, and president and minority leader of the senate when the director submits the application for the ICF/MR conversion pilot program under division (B)(1) of this section and the amendment to the state medicaid plan under division (B)(2) of this section. The director is not required to submit the application and the amendment at the same time.

Sec. 5111.882. If the United States secretary of health and human services approves the waiver requested under division (B)(1) of section 5111.88 of the Revised Code, the administrative agency shall implement the ICF/MR conversion pilot program for not less than three years as follows:

(A) Permit no more than two hundred individuals to participate in the program at one time;

(B) Select, from among volunteers only, enough intermediate care facilities for the mentally retarded to convert in whole or in part from providing ICF/MR services to providing home and community-based services as necessary to accommodate each individual participating in the

~~program and ensure that the facilities selected for conversion cease, except as provided by section 5111.8811 of the Revised Code, to provide any ICF/MR services once the conversion takes place;~~

(C) Subject to division (A) of this section, permit individuals who reside in an intermediate care facility for the mentally retarded that converts in whole or in part to providing home and community-based services to choose whether to participate in the program or, if the facility ceases to have enough ICF/MR-certified beds for the individual, to transfer to another intermediate care facility for the mentally retarded that ~~is not converting~~ has an available ICF/MR-certified bed for the individual;

(D) Ensure that no individual receiving ICF/MR services ~~on the effective date of this section~~ suffers an interruption in medicaid-covered services that the individual is eligible to receive;

(E) Collect information as necessary for the evaluation required by section 5111.889 of the Revised Code;

(F) After consulting with the ICF/MR conversion advisory council, make adjustments to the program that the administrative agency and, if the administrative agency is not the department of job and family services, the department agree are both necessary for the program to be implemented more effectively and consistent with the terms of the waiver authorizing the program. No adjustment may be made that expands the size or scope of the program.

Sec. 5111.889. (A) The administrative agency, in consultation with the ICF/MR conversion advisory council, shall conduct an evaluation of the ICF/MR conversion pilot program. All of the following shall be examined as part of the evaluation:

(1) The effectiveness of the home and community-based services provided under the program in meeting the health and welfare needs of the individuals participating in the program as identified in the individuals' written individual service plans;

(2) The satisfaction of the individuals participating in the program with the home and community-based services;

(3) The impact that the conversion in whole or in part from providing ICF/MR services to providing home and community-based services has on the intermediate care facilities for the mentally retarded that so convert;

(4) The program's cost effectiveness, including administrative cost effectiveness;

(5) Feedback about the program from the individuals participating in the program, such individuals' families and guardians, county boards of mental retardation and developmental disabilities, and providers of home and

community-based services under the program;

(6) Other matters the administrative agency considers appropriate for evaluation.

(B) The administrative agency, in consultation with the ICF/MR conversion advisory council, shall prepare two reports of the evaluation conducted under this section. The initial report shall be finished not sooner than the last day of the ICF/MR conversion pilot program's first year of operation. The final report shall be finished not sooner than the last day of the program's second year of operation. The administrative agency shall provide a copy of each report to the governor, president and minority leader of the senate, and speaker and minority leader of the house of representatives.

Sec. 5111.8811. An intermediate care facility for the mentally retarded that converts in whole or in part from providing ICF/MR services to providing home and community-based services under the ICF/MR conversion pilot program may reconvert the converted beds to providing ICF/MR services after the program terminates unless ~~either~~ any of the following is the case:

(A) The program, following the general assembly's enactment of law authorizing the program's statewide implementation, is implemented statewide;

(B) The facility no longer meets the requirements for certification as an intermediate care facility for the mentally retarded;

(C) The facility no longer meets the requirements for licensure as a residential facility under section 5123.19 of the Revised Code or, if the facility is eligible under section 5123.192 of the Revised Code to be licensed as a nursing home, the requirements for licensure as a nursing home under section 3721.02 or 3721.09 of the Revised Code.

Sec. 5111.8812. (A) Subject to division (B) of this section and beginning not later than two and one-half years after the date the ICF/MR conversion pilot program terminates, the department of mental retardation and developmental disabilities shall be responsible for a portion of the nonfederal share of medicaid expenditures for ICF/MR services ~~provided by~~ incurred for any beds of an intermediate care facility for the mentally retarded that ~~reconverts~~ are reconverted to providing ICF/MR services under section 5111.8811 of the Revised Code. The portion for which the department shall be responsible shall be the portion that the department and department of job and family services specify in an agreement.

(B) The department of mental retardation and developmental disabilities shall not be responsible for any portion of the nonfederal share of medicaid

expenditures for ICF/MR services incurred for any beds of an intermediate care facility for the mentally retarded that are in excess of the number of beds the facility had while participating in the ICF/MR conversion pilot program.

Sec. 5111.8813. The operator of an intermediate care facility for the mentally retarded that converts only in part from providing ICF/MR services to providing home and community-based services under the ICF/MR conversion pilot program shall place the beds that convert in a distinct part of the facility that houses the intermediate care facility for the mentally retarded.

Sec. 5111.8814. An intermediate care facility for the mentally retarded that converts in whole to providing home and community-based services under the ICF/MR conversion pilot program shall either be licensed as a residential facility under section 5123.19 of the Revised Code or certified to provide supported living under section 5126.431 of the Revised Code. If an intermediate care facility for the mentally retarded converts in part to providing such home and community-based services, the distinct part of the facility that provides the home and community-based services shall either be licensed as a residential facility under section 5123.19 of the Revised Code or certified to provide supported living under section 5126.431 of the Revised Code. The facility or distinct part of the facility shall be licensed as a residential facility rather than certified to provide supported living if it meets the definition of "residential facility" in section 5123.19 of the Revised Code.

Sec. 5111.8815. (A) Not later than thirty days after the date a resident of an intermediate care facility for the mentally retarded is enrolled in the ICF/MR conversion pilot program, the operator of the intermediate care facility for the mentally retarded shall do the following regardless of whether the resident resides in a distinct part of a facility that also houses the intermediate care facility for the mentally retarded:

(1) If the intermediate care facility for the mentally retarded is licensed as a residential facility under section 5123.19 of the Revised Code, notify the director of mental retardation and developmental disabilities of the resident's enrollment;

(2) If the intermediate care facility for the mentally retarded is licensed as a nursing home under section 3721.02 of the Revised Code, notify the director of health of the resident's enrollment;

(3) If the intermediate care facility for the mentally retarded is licensed as a nursing home by a political subdivision under section 3721.09 of the Revised Code, notify the officials of the political subdivision of the

resident's enrollment.

(B) The director of mental retardation and developmental disabilities, director of health, and officials of a political subdivision shall reduce the licensed capacity of a residential facility or nursing home by the number of the residential facility's or nursing home's residents who enroll in the ICF/MR conversion pilot program. The director of job and family services shall be notified of each reduction in licensed capacity made under this section.

Sec. 5111.8816. Not later than thirty days after the date an intermediate care facility for the mentally retarded converts in whole or in part to providing home and community-based services under the ICF/MR conversion pilot program, the operator of the facility shall notify the director of job and family services of the number of beds that converted. The director of job and family services shall notify the director of health of the operator's notice. The director of health shall reduce the facility's certified capacity by the number of beds that convert. The director of health shall notify the director of job and family services whenever the director of health takes action under this section.

Sec. 5111.8817. On receipt of notice from the director of health under section 5111.8816 of the Revised Code that the director has reduced the certified capacity of an intermediate care facility for the mentally retarded, the director of job and family services shall amend the facility's medicaid provider agreement to reflect the facility's reduced certified capacity or, if the facility's certified capacity is reduced to zero, terminate the facility's medicaid provider agreement.

Sec. 5111.941. The medicaid revenue and collections fund is hereby created in the state treasury. Except as otherwise provided by statute or as authorized by the controlling board, the non-federal share of all medicaid-related revenues, collections, and recoveries shall be credited to the fund. The department of job and family services shall use money credited to the fund to pay for medicaid services and contracts.

Sec. ~~5111.081~~ 5111.942. (A) The prescription drug rebates fund is hereby created in the state treasury. ~~At~~ Both of the following shall be credited to the fund:

(1) The non-federal share of all rebates paid by drug manufacturers to the department of job and family services in accordance with a rebate agreement required by 42 U.S.C.A. 1396r-8 shall be credited to the fund. ~~The;~~

(2) The non-federal share of all supplemental rebates paid by drug manufacturers to the department of job and family services in accordance

with the supplemental drug rebate program established under section 5111.081 of the Revised Code.

(B) The department of job and family services shall use money credited to the prescription drug rebates fund to pay for medicaid services and contracts.

Sec. 5111.943. (A) The health care - federal fund is hereby created in the state treasury. All of the following shall be credited to the fund:

(1) Funds that division (B) of section 5112.18 of the Revised Code requires be credited to the fund:

(2) The federal share of all rebates paid by drug manufacturers to the department of job and family services in accordance with a rebate agreement required by 42 U.S.C. 1396r-8:

(3) The federal share of all supplemental rebates paid by drug manufacturers to the department of job and family services in accordance with the supplemental drug rebate program established under section 5111.081 of the Revised Code:

(4) Except as otherwise provided by statute or as authorized by the controlling board, the federal share of all other medicaid-related revenues, collections, and recoveries.

(B) All money credited to the health care - federal fund pursuant to division (B) of section 5112.18 of the Revised Code shall be used solely for distributing funds to hospitals under section 5112.08 of the Revised Code. The department of job and family services shall use all other money credited to the fund to pay for other medicaid services and contracts.

Sec. 5112.08. The director of job and family services shall adopt rules under section 5112.03 of the Revised Code establishing a methodology to pay hospitals that is sufficient to expend all money in the indigent care pool. Under the rules:

(A) The department of job and family services may classify similar hospitals into groups and allocate funds for distribution within each group.

(B) The department shall establish a method of allocating funds to hospitals, taking into consideration the relative amount of indigent care provided by each hospital or group of hospitals. The amount to be allocated shall be based on any combination of the following indicators of indigent care that the director considers appropriate:

(1) Total costs, volume, or proportion of services to recipients of the medical assistance program, including recipients enrolled in health insuring corporations;

(2) Total costs, volume, or proportion of services to low-income patients in addition to recipients of the medical assistance program, which may

include recipients of Title V of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended, and recipients of financial or medical assistance provided under Chapter 5115. of the Revised Code;

(3) The amount of uncompensated care provided by the hospital or group of hospitals;

(4) Other factors that the director considers to be appropriate indicators of indigent care.

(C) The department shall distribute funds to each hospital or group of hospitals in a manner that first may provide for an additional distribution to individual hospitals that provide a high proportion of indigent care in relation to the total care provided by the hospital or in relation to other hospitals. The department shall establish a formula to distribute the remainder of the funds. The formula shall be consistent with section 1923 of the "Social Security Act," 42 U.S.C.A. 1396r-4, as amended, shall be based on any combination of the indicators of indigent care listed in division (B) of this section that the director considers appropriate.

(D) The department shall distribute funds to each hospital in installments not later than ten working days after the deadline established in rules for each hospital to pay an installment on its assessment under section 5112.06 of the Revised Code. In the case of a governmental hospital that makes intergovernmental transfers, the department shall pay an installment under this section not later than ten working days after the earlier of that deadline or the deadline established in rules for the governmental hospital to pay an installment on its intergovernmental transfer. If the amount in the hospital care assurance program fund created under section 5112.18 of the Revised Code and the ~~hospital care assurance match~~ portion of the health care - federal fund created under section 5111.943 of the Revised Code that is credited to that fund pursuant to division (B) of section 5112.18 of the Revised Code ~~is~~ are insufficient to make the total distributions for which hospitals are eligible to receive in any period, the department shall reduce the amount of each distribution by the percentage by which the amount ~~is~~ and portion are insufficient. The department shall distribute to hospitals any amounts not distributed in the period in which they are due as soon as moneys are available in the funds.

Sec. 5112.18. (A) Except as provided in section 5112.19 of the Revised Code, all payments of assessments by hospitals under section 5112.06 of the Revised Code and all intergovernmental transfers under section 5112.07 of the Revised Code shall be deposited in the state treasury to the credit of the hospital care assurance program fund, hereby created. All investment earnings of the hospital care assurance program fund shall be credited to the

fund. The department of job and family services shall maintain records that show the amount of money in the hospital care assurance program fund at any time that has been paid by each hospital and the amount of any investment earnings on that amount. All moneys credited to the hospital care assurance program fund shall be used solely to make payments to hospitals under division (D) of this section and section 5112.08 of the Revised Code.

(B) All federal matching funds received as a result of the department distributing funds from the hospital care assurance program fund to hospitals under section 5112.08 of the Revised Code shall be credited to the ~~hospital care assurance match~~ health care - federal fund, ~~which is hereby created in the state treasury under section 5111.943 of the Revised Code. All money credited to the hospital care assurance match fund shall be used solely for distributing funds to hospitals under section 5112.08 of the Revised Code.~~

(C) All distributions of funds to hospitals under section 5112.08 of the Revised Code are conditional on:

(1) Expiration of the time for appeals under section 5112.09 of the Revised Code without the filing of an appeal, or on court determinations, in the event of appeals, that the hospital is entitled to the funds;

(2) ~~The availability of sufficient moneys in the hospital care assurance program fund and the hospital care assurance match fund~~ sum of the following being sufficient to distribute the funds after the final determination of any appeals;

(a) The available money in the hospital care assurance program fund;

(b) The available portion of the money in the health care - federal fund that is credited to that fund pursuant to division (B) of this section.

(3) The hospital's compliance with section 5112.17 of the Revised Code.

(D) If an audit conducted by the department of the amounts of payments made and funds received by hospitals under sections 5112.06, 5112.07, and 5112.08 of the Revised Code identifies amounts that, due to errors by the department, a hospital should not have been required to pay but did pay, should have been required to pay but did not pay, should not have received but did receive, or should have received but did not receive, the department shall:

(1) Make payments to any hospital that the audit reveals paid amounts it should not have been required to pay or did not receive amounts it should have received;

(2) Take action to recover from a hospital any amounts that the audit reveals it should have been required to pay but did not pay or that it should not have received but did receive.

Payments made under division (D)(1) of this section shall be made from the hospital care assurance program fund. Amounts recovered under division (D)(2) of this section shall be deposited to the credit of that fund. Any hospital may appeal the amount the hospital is to be paid under division (D)(1) or the amount that is to be recovered from the hospital under division (D)(2) of this section to the court of common pleas of Franklin county.

Sec. 5112.31. The department of job and family services shall do all of the following:

(A) For the purpose of providing home and community-based services for mentally retarded and developmentally disabled persons, annually assess each intermediate care facility for the mentally retarded a franchise permit fee equal to nine dollars and sixty-three cents multiplied, except as adjusted under section 5112.311 of the Revised Code, by the product of the following:

(1) The number of beds certified under Title XIX of the "Social Security Act" on the first day of May of the calendar year in which the assessment is determined pursuant to division (A) of section 5112.33 of the Revised Code;

(2) The number of days in the fiscal year beginning on the first day of July of the same calendar year.

(B) Beginning July 1, 2007, and the first day of each July thereafter, adjust fees determined under division (A) of this section in accordance with the composite inflation factor established in rules adopted under section 5112.39 of the Revised Code.

(C) If the United States secretary of health and human services determines that the franchise permit fee established by sections 5112.30 to 5112.39 of the Revised Code would be an impermissible health care-related tax under section 1903(w) of the "Social Security Act," 42 U.S.C.A. 1396b(w), as amended, take all necessary actions to cease implementation of those sections in accordance with rules adopted under section 5112.39 of the Revised Code.

Sec. 5112.311. If, under section 5111.8816 of the Revised Code, the certified capacity of an intermediate care facility for the mentally retarded is reduced, the department of job and family services shall adjust the franchise permit fee the facility was assessed under section 5112.31 of the Revised Code accordingly. If, under section 5111.8811 of the Revised Code, the certified capacity of an intermediate care facility for the mentally retarded is increased, the department may adjust the franchise permit fee the facility was assessed under section 5112.31 of the Revised Code accordingly.

Sec. 5115.04. (A) The department of job and family services shall supervise and administer the disability financial assistance program, except

that the department may require county departments of job and family services to perform any administrative function specified in rules adopted by the director of job and family services.

(B) If the department requires county departments to perform administrative functions under this section, the director shall adopt rules in accordance with section 111.15 of the Revised Code governing the performance of the functions to be performed by county departments. County departments shall perform the functions in accordance with the rules. The director shall conduct investigations to determine whether disability financial assistance is being administered in compliance with the Revised Code and rules adopted by the director.

(C) If disability financial assistance payments are made by the county department of job and family services, the department shall advance sufficient funds to provide the county treasurer with the amount estimated for the payments. Financial assistance payments shall be distributed in accordance with sections ~~117.45~~ 126.35, 319.16, and 329.03 of the Revised Code.

Sec. 5119.16. As used in this section, "free clinic" has the same meaning as in section 2305.2341 of the Revised Code.

(A) The department of mental health is hereby designated to provide certain goods and services for the department of mental health, the department of mental retardation and developmental disabilities, the department of rehabilitation and correction, the department of youth services, and other state, county, or municipal agencies requesting such goods and services when the department of mental health determines that it is in the public interest, and considers it advisable, to provide these goods and services. The department of mental health also may provide goods and services to agencies operated by the United States government and to public or private nonprofit agencies, other than free clinics, that are funded in whole or in part by the state if the public or private nonprofit agencies are designated for participation in this program by the director of mental health for community mental health agencies, the director of mental retardation and developmental disabilities for community mental retardation and developmental disabilities agencies, the director of rehabilitation and correction for community rehabilitation and correction agencies, or the director of youth services for community youth services agencies. ~~The director of aging may designate for participation community agencies holding a contract with an area agency on aging established under the "Older Americans Act," 79 Stat. 219, 42 U.S.C.A. 3001, as amended.~~
Designated

Designated community agencies shall receive goods and services through the department of mental health only in those cases where the designating state agency certifies that providing such goods and services to the agency will conserve public resources to the benefit of the public and where the provision of such goods and services is considered feasible by the department of mental health.

~~Purchases of goods or services under this section are not subject to section 307.86 of the Revised Code.~~

~~(A)~~(B) The department of mental health may permit free clinics to purchase certain goods and services to the extent the purchases fall within the exemption to the Robinson-Patman Act, 15 U.S.C. 13 et seq., applicable to non-profit institutions, in 15 U.S.C. 13c, as amended.

(C) The goods and services to be provided by the department of mental health under divisions (A) and (B) of this section may include:

(1) Procurement, storage, processing, and distribution of food and professional consultation on food operations;

(2) Procurement, storage, and distribution of medical and laboratory supplies, dental supplies, medical records, forms, optical supplies, and sundries, subject to section 5120.135 of the Revised Code;

(3) Procurement, storage, repackaging, distribution, and dispensing of drugs, the provision of professional pharmacy consultation, and drug information services;

(4) Other goods and services as may be agreed to.

~~(B)~~(D) The department of mental health shall provide the goods and services designated in division ~~(A)~~(C) of this section to its institutions and to state-operated community-based mental health services.

~~(C)~~(E) After consultation with and advice from the director of mental retardation and developmental disabilities, the director of rehabilitation and correction, and the director of youth services, the department of mental health shall provide the goods and services designated in division ~~(A)~~(C) of this section to the department of mental retardation and developmental disabilities, the department of rehabilitation and correction, and the department of youth services.

~~(D)~~(F) The cost of administration of this section shall be determined by the department of mental health and paid by the agencies or free clinics receiving the goods and services to the department for deposit in the state treasury to the credit of the mental health fund, which is hereby created. The fund shall be used to pay the cost of administration of this section to the department.

~~(E)~~(G) If the goods or services designated in division ~~(A)~~(C) of this

section are not provided in a satisfactory manner by the department of mental health to the agencies described in division (A) of this section, the director of mental retardation and developmental disabilities, the director of rehabilitation and correction, the director of youth services, or the managing officer of a department of mental health institution shall attempt to resolve unsatisfactory service with the director of mental health. If, after such attempt, the provision of goods or services continues to be unsatisfactory, the director or officer shall notify the director of mental health. If within thirty days of such notice the department of mental health does not provide the specified goods and services in a satisfactory manner, the director of mental retardation and developmental disabilities, the director of rehabilitation and correction, the director of youth services, or the managing officer of the department of mental health institution shall notify the director of mental health of the director's or managing officer's intent to cease purchasing goods and services from the department. Following a sixty-day cancellation period from the date of such notice, the department of mental retardation, department of rehabilitation and correction, department of youth services, or the department of mental health institution may obtain the goods and services from a source other than the department of mental health, if the department certifies to the department of administrative services that the requirements of this division have been met.

~~(F)~~(H) Whenever a state agency fails to make a payment for goods and services provided under this section within thirty-one days after the date the payment was due, the office of budget and management may transfer moneys from the state agency to the department of mental health. The amount transferred shall not exceed the amount of overdue payments. Prior to making a transfer under this division, the office of budget and management shall apply any credits the state agency has accumulated in payments for goods and services provided under this section.

(I) Purchases of goods and services under this section are not subject to section 307.86 of the Revised Code.

Sec. 5123.0413. (A) The department of mental retardation and developmental disabilities, in consultation with the department of job and family services, office of budget and management, and county boards of mental retardation and developmental disabilities, shall adopt rules in accordance with Chapter 119. of the Revised Code no later than January 1, 2002, establishing a method of paying for extraordinary costs, including extraordinary costs for services to individuals with mental retardation or other developmental disability, and ensure the availability of adequate funds in the event a county property tax levy for services for individuals with

mental retardation or other developmental disability fails. The rules may provide for using and managing ~~one either~~ or ~~more both~~ of the following:

(1) ~~County MR/DD medicaid reserve funds established in accordance with section 5705.091 of the Revised Code;~~

~~(2)~~ A state MR/DD risk fund, which is hereby created in the state treasury;

~~(3)~~(2) A state insurance against MR/DD risk fund, which is hereby created in the state treasury.

(B) Beginning January 1, 2002, the department of job and family services may not request approval from the United States secretary of health and human services to increase the number of slots for home and community-based services until the rules required by division (A) of this section are in effect.

Sec. 5123.196. (A) Except as provided in ~~divisions~~ division (F) of this section, the director of mental retardation and developmental disabilities shall not issue a license under section 5123.19 of the Revised Code on or after July 1, 2003, if issuance will result in there being more beds in all residential facilities licensed under that section than is permitted under division (B) of this section.

(B) ~~The~~ Except as provided in division (D) of this section, the maximum number of beds for the purpose of division (A) of this section shall not exceed ten thousand eight hundred thirty-eight minus, except as provided in division (C) of this section, both of the following:

(1) The number of such beds that cease to be residential facility beds on or after July 1, 2003, because a residential facility license is revoked, terminated, or not renewed for any reason or is surrendered in accordance with section 5123.19 of the Revised Code and after the issuance of an adjudication order pursuant to Chapter 119. of the Revised Code;

(2) The number of such beds for which a licensee voluntarily converts to use for supported living on or after July 1, 2003.

(C) The director is not required to reduce the maximum number of beds pursuant to division (B) of this section by a bed that ceases to be a residential facility bed if the director determines that the bed is needed to provide services to an individual with mental retardation or a developmental disability who resided in the residential facility in which the bed was located unless the reason the bed ceases to be a residential facility bed is because it is converted to providing home and community-based services under the ICF/MR conversion pilot program that is authorized by a waiver sought under division (B)(1) of section 5111.88 of the Revised Code.

(D) The director shall increase the number of beds determined under

division (B) of this section if necessary to enable the operator of a residential facility to do either of the following:

(1) Obtain a residential facility license as required by section 5111.8814 of the Revised Code;

(2) Reconvert beds to providing ICF/MR services under section 5111.8811 of the Revised Code.

(E) The director shall maintain an up-to-date written record of the maximum number of residential facility beds provided for by division (B) of this section.

(F) The director may issue an interim license under division (R) of section 5123.19 of the Revised Code and issue, pursuant to rules adopted under division (G)(11) of that section, a waiver allowing a residential facility to admit more residents than the facility is licensed to admit regardless of whether the interim license or waiver will result in there being more beds in all residential facilities licensed under that section than is permitted under division (B) of this section.

Sec. 5123.36. (A) To the extent funds are available and on application by a county ~~boards~~ board of mental retardation and developmental disabilities or private nonprofit ~~agencies~~ agency incorporated to provide mental retardation or developmental disability services, ~~state participation in the director of mental retardation and developmental disabilities may enter into an agreement with the county board or agency to assist the county board or agency with a mental retardation or developmental disability construction programs may be approved by the director of mental retardation and developmental disabilities as follows:~~

~~(1) The project. Except as provided by division (B) of this section, the director may approve the provision of~~ provide up to ninety per cent of the total project cost where circumstances warrant.

~~(2).~~ The director may, where circumstances warrant, use existing facilities or other in-kind match for the local share of the communities' share of the cost.

(B) Upon the recommendation of the director, for ~~programs~~ projects of the highest priority of the department of mental retardation and developmental disabilities, ~~state participation may be approved by the controlling board in amounts that vary from the amount authorized under division (A)(1) of this section~~ may authorize the director to provide more than ninety per cent of the total cost of a project under this section.

(C) A county board is eligible for funds under this section for a project bid on or after January 1, 1992, under either section 153.07 or 307.86 of the Revised Code, as long as all other applicable requirements were followed.

(D) The director may not assist a project under this section unless the controlling board or director of budget and management also approves the project pursuant to section 126.14 of the Revised Code.

Sec. 5123.37. A county board of mental retardation and developmental disabilities or private, nonprofit agency that receives state funds pursuant to an agreement with the director of mental retardation and developmental disabilities under section 5123.36 of the Revised Code to acquire a facility may apply to the director for approval to sell the facility before the terms of the agreement expire for the purpose of acquiring a replacement facility to be used to provide mental retardation or developmental disability services to individuals the county board or agency serves. The application shall be made on a form the director shall prescribe. The county board or agency shall include in the application the specific purpose for which the replacement facility is to be used. The director may refuse to approve the application if the director determines that any of the following apply:

(A) The application is incomplete or indicates that the county board or agency is unable to purchase a replacement facility.

(B) The replacement facility would not be used to continue to provide mental retardation or developmental disability services that the director determines are appropriate for the individuals the county board or agency serves.

(C) The county board or agency has failed to comply with a provision of Chapter 5123. or 5126. of the Revised Code or a rule adopted by the director.

(D) Approving the application would be inconsistent with the plans and priorities of the department of mental retardation and developmental disabilities.

Sec. 5123.371. If the director of mental retardation and developmental disabilities approves an application submitted under section 5123.37 of the Revised Code, the county board of mental retardation and developmental disabilities or private, nonprofit agency that submitted the application shall, after selling the facility for which the county board or agency received approval to sell, pay to the director the portion of the proceeds that equals the amount that the director determines the county board or agency owes the department of mental retardation and developmental disabilities, including the department's security interest in the facility, for the state funds used to acquire the facility.

Sec. 5123.372. If the director of mental retardation and developmental disabilities approves an application submitted under section 5123.37 of the Revised Code, the director shall establish a deadline by which the county

board of mental retardation and developmental disabilities or private, nonprofit agency that submitted the application must notify the director that the county board or agency is ready to acquire a replacement facility to be used for the purpose stated in the application. The director may extend the deadline as many times as the director determines necessary.

Sec. 5123.373. If, on or before the deadline or, if any, the last extended deadline established under section 5123.372 of the Revised Code for a county board of mental retardation and developmental disabilities or private, nonprofit agency, the county board or agency notifies the director of mental retardation and developmental disabilities that the county board or agency is ready to acquire the replacement facility, the director shall enter into an agreement with the county board or agency that provides for the director to pay to the county board or agency a percentage of the cost of acquiring the replacement facility. The agreement shall specify the amount that the director shall pay. The amount may be the amount of the security interest that the department of mental retardation and developmental disabilities had in the previous facility or a different amount. The agreement may provide for the department to hold a security interest in the replacement facility.

Sec. 5123.374. (A) The director of mental retardation and developmental disabilities may rescind approval of an application submitted under section 5123.37 of the Revised Code if either of the following occurs:

(1) The county board of mental retardation and developmental disabilities or private, nonprofit agency that submitted the application fails, on or before the deadline or, if any, the last extended deadline established under section 5123.372 of the Revised Code for the county board or agency, to notify the director that the county board or agency is ready to acquire the replacement facility.

(2) The county board or agency at any time notifies the director that the county board or agency no longer intends to acquire a replacement facility.

(B) If the director rescinds approval of an application, the director shall use any funds the county board or agency paid to the director under section 5123.371 of the Revised Code to assist mental retardation or developmental disabilities construction projects under section 5123.36 of the Revised Code.

Sec. 5123.375. The MR/DD community capital replacement facilities fund is hereby created in the state treasury. The director of mental retardation and developmental disabilities shall credit all amounts paid to the director under section 5123.371 of the Revised Code to the fund. The director shall use the money in the fund as follows:

(A) To make payments to county boards of mental retardation and developmental disabilities and private, nonprofit agencies pursuant to

agreements entered into under section 5123.373 of the Revised Code:

(B) To provide, pursuant to section 5123.374 of the Revised Code, assistance for mental retardation or developmental disabilities construction projects under section 5123.36 of the Revised Code.

Sec. 5139.50. (A) The release authority of the department of youth services is hereby created as a bureau in the department. The release authority shall consist of five members who are appointed by the director of youth services and who have the qualifications specified in division (B) of this section. The members of the release authority shall devote their full time to the duties of the release authority and shall neither seek nor hold other public office. The members shall be in the unclassified civil service.

(B) A person appointed as a member of the release authority shall have a bachelor's degree from an accredited college or university or equivalent relevant experience and shall have the skills, training, or experience necessary to analyze issues of law, administration, and public policy. The membership of the release authority shall represent, insofar as practicable, the diversity found in the children in the legal custody of the department of youth services.

In appointing the five members, the director shall ensure that the appointments include all of the following:

(1) At least four members who have five or more years of experience in criminal justice, juvenile justice, or an equivalent relevant profession;

(2) At least one member who has experience in victim services or advocacy or who has been a victim of a crime or is a family member of a victim;

(3) At least one member who has experience in direct care services to delinquent children;

~~(4) At least one member who holds a juris doctor degree from an accredited college or university.~~

(C) The initial appointments of members of the release authority shall be for a term of six years for the chairperson and one member, a term of four years for two members, and a term of two years for one member. Thereafter, members shall be appointed for six-year terms. At the conclusion of a term, a member shall hold office until the appointment and qualification of the member's successor. The director shall fill a vacancy occurring before the expiration of a term for the remainder of that term and, if a member is on extended leave or disability status for more than thirty work days, may appoint an interim member to fulfill the duties of that member. A member may be reappointed, but a member may serve no more than two consecutive terms regardless of the length of the member's initial term. A member may

be removed for good cause by the director.

(D) The director of youth services shall designate as chairperson of the release authority one of the members who has experience in criminal justice, juvenile justice, or an equivalent relevant profession. The chairperson shall be a managing officer of the department, shall supervise the members of the board and the other staff in the bureau, and shall perform all duties and functions necessary to ensure that the release authority discharges its responsibilities. The chairperson shall serve as the official spokesperson for the release authority.

(E) The release authority shall do all of the following:

(1) Serve as the final and sole authority for making decisions, in the interests of public safety and the children involved, regarding the release and discharge of all children committed to the legal custody of the department of youth services, except children placed by a juvenile court on judicial release to court supervision or on judicial release to department of youth services supervision, children who have not completed a prescribed minimum period of time or prescribed period of time in a secure facility, or children who are required to remain in a secure facility until they attain twenty-one years of age;

(2) Establish written policies and procedures for conducting reviews of the status for all youth in the custody of the department, setting or modifying dates of release and discharge, specifying the duration, terms, and conditions of release to be carried out in supervised release subject to the addition of additional consistent terms and conditions by a court in accordance with section 5139.51 of the Revised Code, and giving a child notice of all reviews;

(3) Maintain records of its official actions, decisions, orders, and hearing summaries and make the records accessible in accordance with division (D) of section 5139.05 of the Revised Code;

(4) Cooperate with public and private agencies, communities, private groups, and individuals for the development and improvement of its services;

(5) Collect, develop, and maintain statistical information regarding its services and decisions;

(6) Submit to the director an annual report that includes a description of the operations of the release authority, an evaluation of its effectiveness, recommendations for statutory, budgetary, or other changes necessary to improve its effectiveness, and any other information required by the director.

(F) The release authority may do any of the following:

(1) Conduct inquiries, investigations, and reviews and hold hearings and other proceedings necessary to properly discharge its responsibilities;

(2) Issue subpoenas, enforceable in a court of law, to compel a person to appear, give testimony, or produce documentary information or other tangible items relating to a matter under inquiry, investigation, review, or hearing;

(3) Administer oaths and receive testimony of persons under oath;

(4) Request assistance, services, and information from a public agency to enable the authority to discharge its responsibilities and receive the assistance, services, and information from the public agency in a reasonable period of time;

(5) Request from a public agency or any other entity that provides or has provided services to a child committed to the department's legal custody information to enable the release authority to properly discharge its responsibilities with respect to that child and receive the information from the public agency or other entity in a reasonable period of time.

(G) The release authority may delegate responsibilities to hearing officers or other designated staff under the release authority's auspices. However, the release authority shall not delegate its authority to make final decisions regarding policy or the release of a child.

The release authority shall adopt a written policy and procedures governing appeals of its release and discharge decisions.

(H) The legal staff of the department of youth services shall provide assistance to the release authority in the formulation of policy and in its handling of individual cases.

Sec. 5502.261. A board of county commissioners that has entered into an agreement to establish a countywide emergency management agency may appropriate money from its general fund to support the functions and operations of the agency, including the development, acquisition, operation, and maintenance of a countywide public safety communication system and any communication devices, radios, and other equipment necessary for the system's operation and use. Money appropriated under this section may be expended to purchase and maintain the assets or equipment of the agency, including equipment used by the personnel of other political subdivisions that have entered into the agreement with the board establishing the agency. Money also may be appropriated under this section directly to a political subdivision that has entered into the agreement with the board establishing the agency, to enable the political subdivision to purchase communication devices, radios, and other equipment necessary for the countywide public safety communication system's operation and use.

Sec. 5505.27. All amounts due the state highway patrol retirement system from the state treasury pursuant to this chapter shall be promptly paid upon warrant of the ~~auditor of state~~ director of budget and management pursuant to a voucher approved by the director ~~of budget and management~~.

Sec. 5531.10. (A) As used in this chapter:

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

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

(3) "Bond service fund" means the applicable fund and accounts therein created for and pledged to the payment of bond service charges, which may be, or may be part of, the state infrastructure bank revenue bond service fund created by division (R) of this section including all moneys and investments, and earnings from investments, credited and to be credited thereto.

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

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

(6) "Pledged receipts" means moneys accruing to the state from the lease, lease-purchase, sale, or other disposition, or use, of qualified projects, and from the repayment, including interest, of loans made from proceeds received from the sale of obligations; accrued interest received from the sale of obligations; income from the investment of the special funds; any gifts, grants, donations, and pledges, and receipts therefrom, available for the payment of bond service charges; and any amounts in the state infrastructure bank pledged to the payment of such charges. If the amounts in the state infrastructure bank are insufficient for the payment of such charges, "pledged receipts" also means moneys that are apportioned by the United States secretary of transportation under United States Code, Title XXIII, as amended, or any successor legislation, or under any other federal law relating to aid for highways, and that are to be received as a grant by the state, to the extent the state is not prohibited by state or federal law from using such moneys and the moneys are pledged to the payment of such bond service charges.

(7) "Special funds" or "funds" means, except where the context does not permit, the bond service fund, and any other funds, including reserve funds, created under the bond proceedings, and the state infrastructure bank revenue bond service fund created by division (R) of this section to the extent provided in the bond proceedings, including all moneys and investments, and earnings from investment, credited and to be credited thereto.

(8) "State infrastructure project" means any public transportation project undertaken by the state, including, but not limited to, all components of any such project, as described in division (D) of section 5531.09 of the Revised Code.

(9) "District obligations" means bonds, notes, or other evidence of obligation including interest coupons pertaining thereto, issued to finance a qualified project by a transportation improvement district created pursuant to section 5540.02 of the Revised Code, of which the principal, including mandatory sinking fund requirements for retirement of such obligations, and interest and redemption premium, if any, are payable by the department of transportation.

(B) The issuing authority, after giving written notice to the director of budget and management and upon the certification by the director of transportation to the issuing authority of the amount of moneys or additional moneys needed either for state infrastructure projects or to provide financial assistance for any of the purposes for which the state infrastructure bank may be used under section 5531.09 of the Revised Code, or needed for capitalized interest, funding reserves, and paying costs and expenses incurred in connection with the issuance, carrying, securing, paying, redeeming, or retirement of the obligations or any obligations refunded thereby, including payment of costs and expenses relating to letters of credit, lines of credit, insurance, put agreements, standby purchase agreements, indexing, marketing, remarketing and administrative arrangements, interest swap or hedging agreements, and any other credit enhancement, liquidity, remarketing, renewal, or refunding arrangements, all of which are authorized by this section, shall issue obligations of the state under this section in the required amount. The proceeds of such obligations, except for the portion to be deposited in special funds, including reserve funds, as may be provided in the bond proceedings, shall as provided in the bond proceedings be credited to the infrastructure bank obligations fund of the state infrastructure bank created by section 5531.09 of the Revised Code and disbursed as provided in the bond proceedings for such obligations. The issuing authority may appoint trustees, paying agents, transfer agents, and

authenticating agents, and may retain the services of financial advisors, accounting experts, and attorneys, and retain or contract for the services of marketing, remarketing, indexing, and administrative agents, other consultants, and independent contractors, including printing services, as are necessary in the issuing authority's judgment to carry out this section. The costs of such services are payable from funds of the state infrastructure bank.

(C) ~~Except as otherwise provided in this division, the~~ The holders or owners of such obligations shall have no right to have moneys raised by taxation by the state of Ohio obligated or pledged, and moneys so raised shall not be obligated or pledged, for the payment of bond service charges. ~~The municipal corporations and counties may pledge and obligate moneys received pursuant to sections 4501.04, 5709.42, 5709.79, 5735.23, 5735.27, and 5735.291 of the Revised Code to the payment of amounts payable by those municipal corporations and counties to the state infrastructure bank pursuant to section 5531.09 of the Revised Code, and the bond proceedings for obligations may provide that such payments shall constitute pledged receipts, provided such moneys are obligated, pledged, and paid only with respect to obligations issued exclusively for public transportation projects.~~ The right of such holders and owners to the payment of bond service charges is limited to all or that portion of the pledged receipts and those special funds pledged thereto pursuant to the bond proceedings for such obligations in accordance with this section, and each such obligation shall bear on its face a statement to that effect. Moneys received as repayment of loans made by the state infrastructure bank pursuant to section 5531.09 of the Revised Code shall not be considered moneys raised by taxation by the state of Ohio regardless of the source of the moneys.

(D) Obligations shall be authorized by order of the issuing authority and the bond proceedings shall provide for the purpose thereof and the principal amount or amounts, and shall provide for or authorize the manner or agency for determining the principal maturity or maturities, not exceeding twenty-five years from the date of issuance, the interest rate or rates or the maximum interest rate, the date of the obligations and the dates of payment of interest thereon, their denomination, and the establishment within or without the state of a place or places of payment of bond service charges. Sections 9.98 to 9.983 of the Revised Code are applicable to obligations issued under this section. The purpose of such obligations may be stated in the bond proceedings in terms describing the general purpose or purposes to be served. The bond proceedings also shall provide, subject to the provisions of any other applicable bond proceedings, for the pledge of all, or such part

as the issuing authority may determine, of the pledged receipts and the applicable special fund or funds to the payment of bond service charges, which pledges may be made either prior or subordinate to other expenses, claims, or payments, and may be made to secure the obligations on a parity with obligations theretofore or thereafter issued, if and to the extent provided in the bond proceedings. The pledged receipts and special funds so pledged and thereafter received by the state immediately are subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledges is valid and binding against all parties having claims of any kind against the state or any governmental agency of the state, irrespective of whether such parties have notice thereof, and shall create a perfected security interest for all purposes of Chapter 1309. of the Revised Code, without the necessity for separation or delivery of funds or for the filing or recording of the bond proceedings by which such pledge is created or any certificate, statement, or other document with respect thereto; and the pledge of such pledged receipts and special funds is effective and the money therefrom and thereof may be applied to the purposes for which pledged without necessity for any act of appropriation. Every pledge, and every covenant and agreement made with respect thereto, made in the bond proceedings may therein be extended to the benefit of the owners and holders of obligations authorized by this section, and to any trustee therefor, for the further security of the payment of the bond service charges.

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

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

(2) Other terms of the obligations;

(3) Limitations on the issuance of additional obligations;

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

(5) The deposit, investment, and application of special funds, and the safeguarding of moneys on hand or on deposit, without regard to Chapter 131. or 135. of the Revised Code, but subject to any special provisions of this section with respect to particular funds or moneys, provided that any bank or trust company which acts as depository of any moneys in the special funds may furnish such indemnifying bonds or may pledge such securities as required by the issuing authority;

(6) Any or every provision of the bond proceedings being binding upon such officer, board, commission, authority, agency, department, or other person or body as may from time to time have the authority under law to

take such actions as may be necessary to perform all or any part of the duty required by such provision;

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

(8) Any other or additional agreements with the holders of the obligations, or the trustee therefor, relating to the obligations or the security therefor, including the assignment of mortgages or other security relating to financial assistance for qualified projects under section 5531.09 of the Revised Code.

(F) The obligations may have the great seal of the state or a facsimile thereof affixed thereto or printed thereon. The obligations and any coupons pertaining to obligations shall be signed or bear the facsimile signature of the issuing authority. Any obligations or coupons may be executed by the person who, on the date of execution, is the proper issuing authority although on the date of such bonds or coupons such person was not the issuing authority. In case the issuing authority whose signature or a facsimile of whose signature appears on any such obligation or coupon ceases to be the issuing authority before delivery thereof, such signature or facsimile nevertheless is valid and sufficient for all purposes as if the former issuing authority had remained the issuing authority until such delivery; and in case the seal to be affixed to obligations has been changed after a facsimile of the seal has been imprinted on such obligations, such facsimile seal shall continue to be sufficient as to such obligations and obligations issued in substitution or exchange therefor.

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

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

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

(J) In the discretion of the issuing authority, obligations may be secured additionally by a trust agreement or indenture between the issuing authority

and a corporate trustee which may be any trust company or bank having its principal place of business within the state. Any such agreement or indenture may contain the order authorizing the issuance of the obligations, any provisions that may be contained in any bond proceedings, and other provisions which are customary or appropriate in an agreement or indenture of such type, including, but not limited to:

(1) Maintenance of each pledge, trust agreement, indenture, or other instrument comprising part of the bond proceedings until the state has fully paid the bond service charges on the obligations secured thereby, or provision therefor has been made;

(2) In the event of default in any payments required to be made by the bond proceedings, or any other agreement of the issuing authority made as a part of the contract under which the obligations were issued, enforcement of such payments or agreement by mandamus, the appointment of a receiver, suit in equity, action at law, or any combination of the foregoing;

(3) The rights and remedies of the holders of obligations and of the trustee, and provisions for protecting and enforcing them, including limitations on the rights of individual holders of obligations;

(4) The replacement of any obligations that become mutilated or are destroyed, lost, or stolen;

(5) Such other provisions as the trustee and the issuing authority agree upon, including limitations, conditions, or qualifications relating to any of the foregoing.

(K) Any holder of obligations or a trustee under the bond proceedings, except to the extent that the holder's or trustee's rights are restricted by the bond proceedings, may by any suitable form of legal proceedings, protect and enforce any rights under the laws of this state or granted by such bond proceedings. Such rights include the right to compel the performance of all duties of the issuing authority and the director of transportation required by the bond proceedings or sections 5531.09 and 5531.10 of the Revised Code; to enjoin unlawful activities; and in the event of default with respect to the payment of any bond service charges on any obligations or in the performance of any covenant or agreement on the part of the issuing authority or the director of transportation in the bond proceedings, to apply to a court having jurisdiction of the cause to appoint a receiver to receive and administer the pledged receipts and special funds, other than those in the custody of the treasurer of state, which are pledged to the payment of the bond service charges on such obligations or which are the subject of the covenant or agreement, with full power to pay, and to provide for payment of bond service charges on, such obligations, and with such powers, subject

to the direction of the court, as are accorded receivers in general equity cases, excluding any power to pledge additional revenues or receipts or other income or moneys of the state or local governmental entities, or agencies thereof, to the payment of such principal and interest and excluding the power to take possession of, mortgage, or cause the sale or otherwise dispose of any project facilities.

Each duty of the issuing authority and the issuing authority's officers and employees, and of each state or local governmental agency and its officers, members, or employees, undertaken pursuant to the bond proceedings or any loan, loan guarantee, lease, lease-purchase agreement, or other agreement made under authority of section 5531.09 of the Revised Code, and in every agreement by or with the issuing authority, is hereby established as a duty of the issuing authority, and of each such officer, member, or employee having authority to perform such duty, specifically enjoined by the law resulting from an office, trust, or station within the meaning of section 2731.01 of the Revised Code.

The person who is at the time the issuing authority, or the issuing authority's officers or employees, are not liable in their personal capacities on any obligations issued by the issuing authority or any agreements of or with the issuing authority.

(L) The issuing authority may authorize and issue obligations for the refunding, including funding and retirement, and advance refunding with or without payment or redemption prior to maturity, of any obligations previously issued by the issuing authority or district obligations. Such refunding obligations may be issued in amounts sufficient for payment of the principal amount of the prior obligations or district obligations, any redemption premiums thereon, principal maturities of any such obligations or district obligations maturing prior to the redemption of the remaining obligations or district obligations on a parity therewith, interest accrued or to accrue to the maturity dates or dates of redemption of such obligations or district obligations, and any expenses incurred or to be incurred in connection with such issuance and such refunding, funding, and retirement. Subject to the bond proceedings therefor, the portion of proceeds of the sale of refunding obligations issued under this division to be applied to bond service charges on the prior obligations or district obligations shall be credited to an appropriate account held by the trustee for such prior or new obligations or to the appropriate account in the bond service fund for such obligations or district obligations. Obligations authorized under this division shall be deemed to be issued for those purposes for which such prior obligations or district obligations were issued and are subject to the

provisions of this section pertaining to other obligations, except as otherwise provided in this section. The last maturity of obligations authorized under this division shall not be later than twenty-five years from the date of issuance of the original securities issued for the original purpose.

(M) The authority to issue obligations under this section includes authority to issue obligations in the form of bond anticipation notes and to renew the same from time to time by the issuance of new notes. The holders of such notes or interest coupons pertaining thereto shall have a right to be paid solely from the pledged receipts and special funds that may be pledged to the payment of the bonds anticipated, or from the proceeds of such bonds or renewal notes, or both, as the issuing authority provides in the order authorizing such notes. Such notes may be additionally secured by covenants of the issuing authority to the effect that the issuing authority and the state will do such or all things necessary for the issuance of such bonds or renewal notes in the appropriate amount, and apply the proceeds thereof to the extent necessary, to make full payment of the principal of and interest on such notes at the time or times contemplated, as provided in such order. For such purpose, the issuing authority may issue bonds or renewal notes in such principal amount and upon such terms as may be necessary to provide funds to pay when required the principal of and interest on such notes, notwithstanding any limitations prescribed by or for purposes of this section. Subject to this division, all provisions for and references to obligations in this section are applicable to notes authorized under this division.

The issuing authority in the bond proceedings authorizing the issuance of bond anticipation notes shall set forth for such bonds an estimated interest rate and a schedule of principal payments for such bonds and the annual maturity dates thereof.

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

(O) Unless otherwise provided in any applicable bond proceedings, moneys to the credit of or in the special funds established by or pursuant to this section may be invested by or on behalf of the issuing authority only in notes, bonds, or other obligations of the United States, or of any agency or instrumentality of the United States, obligations guaranteed as to principal and interest by the United States, obligations of this state or any political subdivision of this state, and certificates of deposit of any national bank located in this state and any bank, as defined in section 1101.01 of the Revised Code, subject to inspection by the superintendent of financial institutions. If the law or the instrument creating a trust pursuant to division (J) of this section expressly permits investment in direct obligations of the United States or an agency of the United States, unless expressly prohibited by the instrument, such moneys also may be invested in no-front-end-load money market mutual funds consisting exclusively of obligations of the United States or an agency of the United States and in repurchase agreements, including those issued by the fiduciary itself, secured by obligations of the United States or an agency of the United States; and in collective investment funds as defined in division (A) of section 1111.01 of the Revised Code and consisting exclusively of any such securities. The income from such investments shall be credited to such funds as the issuing authority determines, and such investments may be sold at such times as the issuing authority determines or authorizes.

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

(Q)(1) The issuing authority may pledge all, or such portion as the issuing authority determines, of the pledged receipts to the payment of bond service charges on obligations issued under this section, and for the establishment and maintenance of any reserves, as provided in the bond proceedings, and make other provisions therein with respect to pledged receipts as authorized by this chapter, which provisions are controlling notwithstanding any other provisions of law pertaining thereto.

(2) An action taken under division (Q)(2) of this section does not limit

the generality of division (Q)(1) of this section, and is subject to division (C) of this section and, if and to the extent otherwise applicable, Section 13 of Article VIII, Ohio Constitution. The bond proceedings may contain a covenant that, in the event the pledged receipts primarily pledged and required to be used for the payment of bond service charges on obligations issued under this section, and for the establishment and maintenance of any reserves, as provided in the bond proceedings, are insufficient to make any such payment in full when due, or to maintain any such reserve, the director of transportation shall so notify the governor, and shall determine to what extent, if any, the payment may be made or moneys may be restored to the reserves from lawfully available moneys previously appropriated for that purpose to the department of transportation. The covenant also may provide that if the payments are not made or the moneys are not immediately and fully restored to the reserves from such moneys, the director shall promptly submit to the governor and to the director of budget and management a written request for either or both of the following:

(a) That the next biennial budget submitted by the governor to the general assembly include an amount to be appropriated from lawfully available moneys to the department for the purpose of and sufficient for the payment in full of bond service charges previously due and for the full replenishment of the reserves;

(b) That the general assembly be requested to increase appropriations from lawfully available moneys for the department in the current biennium sufficient for the purpose of and for the payment in full of bond service charges previously due and to come due in the biennium and for the full replenishment of the reserves.

The director of transportation shall include with such requests a recommendation that the payment of the bond service charges and the replenishment of the reserves be made in the interest of maximizing the benefits of the state infrastructure bank. Any such covenant shall not obligate or purport to obligate the state to pay the bond service charges on such bonds or notes or to deposit moneys in a reserve established for such payments other than from moneys that may be lawfully available and appropriated for that purpose during the then-current biennium.

(R) There is hereby created the state infrastructure bank revenue bond service fund, which shall be in the custody of the treasurer of state but shall not be a part of the state treasury. All moneys received by or on account of the issuing authority or state agencies and required by the applicable bond proceedings, consistent with this section, to be deposited, transferred, or credited to the bond service fund, and all other moneys transferred or

allocated to or received for the purposes of the fund, shall be deposited and credited to such fund and to any separate accounts therein, subject to applicable provisions of the bond proceedings, but without necessity for any act of appropriation. The state infrastructure bank revenue bond service fund is a trust fund and is hereby pledged to the payment of bond service charges to the extent provided in the applicable bond proceedings, and payment thereof from such fund shall be made or provided for by the treasurer of state in accordance with such bond proceedings without necessity for any act of appropriation.

(S) The obligations issued pursuant to this section, the transfer thereof, and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation within this state.

Sec. 5531.101. (A) Municipal corporations, counties, and townships may not use revenue raised under section 5735.29 of the Revised Code to repay loans made by the state infrastructure bank under section 5531.09 of the Revised Code if both of the following apply:

(1) The loans were made for highway, road, or street projects begun prior to March 31, 2003.

(2) The revenue:

(a) Results from the increase in the tax imposed under section 5735.29 of the Revised Code pursuant to the amendment of the section by Am. Sub. H.B. 87 of the 125th General Assembly; and

(b) Is distributed under section 5735.291 of the Revised Code.

(B) While the loans described in division (A)(1) of this section are outstanding, the tax commissioner shall notify municipal corporations, counties, and townships receiving the revenue described in division (A)(2) of this section of the amount that cannot be used for the loan repayments.

Sec. 5577.99. (A) Whoever violates the weight provisions of sections 5577.01 to 5577.07 or the weight provisions in regard to highways under section 5577.04 of the Revised Code shall be fined eighty dollars for the first two thousand pounds, or fraction thereof, of overload; for overloads in excess of two thousand pounds, but not in excess of five thousand pounds, such person shall be fined one hundred dollars, and in addition thereto one dollar per one hundred pounds of overload; for overloads in excess of five thousand pounds, but not in excess of ten thousand pounds, such person shall be fined one hundred thirty dollars and in addition thereto two dollars per one hundred pounds of overload, or imprisoned not more than thirty days, or both. For all overloads in excess of ten thousand pounds such person shall be fined one hundred sixty dollars, and in addition thereto three dollars per one hundred pounds of overload, or imprisoned not more than

thirty days, or both. Whoever violates the weight provisions of vehicle and load relating to gross load limits shall be fined not less than one hundred dollars. No penalty prescribed in this division shall be imposed on any vehicle combination if the overload on any axle does not exceed one thousand pounds, and if the immediately preceding or following axle, excepting the front axle of the vehicle combination, is underloaded by the same or a greater amount. For purposes of this division, two axles on one vehicle less than eight feet apart, shall be considered as one axle.

(B) Whoever violates the weight provisions of section ~~5571.071~~ 5577.071 or 5577.08 or the weight provisions in regard to bridges under section 5577.09, and whoever exceeds the carrying capacity specified under section 5591.42 of the Revised Code, shall be fined eighty dollars for the first two thousand pounds, or fraction thereof, of overload; for overloads in excess of two thousand pounds, but not in excess of five thousand pounds, the person shall be fined one hundred dollars, and in addition thereto one dollar per one hundred pounds of overload; for overloads in excess of five thousand pounds, but not in excess of ten thousand pounds, the person shall be fined one hundred thirty dollars, and in addition thereto two dollars per one hundred pounds of overload, or imprisoned not more than thirty days, or both. For all overloads in excess of ten thousand pounds, the person shall be fined one hundred sixty dollars, and in addition thereto three dollars per one hundred pounds of overload, or imprisoned not more than thirty days, or both.

Notwithstanding any other provision of the Revised Code that specifies a procedure for the distribution of fines, all fines collected pursuant to division (B) of this section shall be paid into the treasury of the county and credited to any fund for the maintenance and repair of roads, highways, bridges, or culverts.

(C) Whoever violates any other provision of sections 5577.01 to 5577.09 of the Revised Code is guilty of a minor misdemeanor on a first offense; on a second or subsequent offense, such person is guilty of a misdemeanor of the fourth degree.

(D) Whoever violates section 5577.10 of the Revised Code shall be fined not more than five thousand dollars or imprisoned for not less than thirty days nor more than six months, or both.

(E) Whoever violates section 5577.11 of the Revised Code shall be fined not more than twenty-five dollars.

Sec. 5701.11. (A) Except as provided under division (B) of this section, any reference in Title LVII of the Revised Code to the Internal Revenue Code, to the Internal Revenue Code "as amended," to other laws of the

United States, or to other laws of the United States, "as amended" means the Internal Revenue Code or other laws of the United States as they exist on the effective date of this section as enacted by H.B. 530 of the 126th general assembly. This section does not apply to any reference to the Internal Revenue Code or to other laws of the United States as of a date certain specifying the day, month, and year.

(B) For purposes of applying section 5733.04, 5745.01, or 5747.01 of the Revised Code to a taxpayer's taxable year ending in 2005, and also to the subsequent taxable year if it ends before the effective date of this section, a taxpayer may irrevocably elect to incorporate the provisions of the Internal Revenue Code or other laws of the United States that are in effect for federal income tax purposes for those taxable years if those provisions differ from the provisions that would otherwise be incorporated into section 5733.04, 5745.01, or 5747.01 of the Revised Code for those taxable years under division (A) of this section. The filing of a report or return by the taxpayer for the taxable year ending in 2005 that incorporates the provisions of the Internal Revenue Code or other laws of the United States applicable for federal income tax purposes to that taxable year, without adjustments to reverse the effects of any differences between those provisions and the provisions that would otherwise be incorporated under division (A) of this section, constitutes the making of an irrevocable election under this division for that taxable year and for the subsequent taxable year if it ends before the effective date of this section.

Sec. 5703.21. (A) Except as provided in divisions (B) and (C) of this section, no agent of the department of taxation, except in the agent's report to the department or when called on to testify in any court or proceeding, shall divulge any information acquired by the agent as to the transactions, property, or business of any person while acting or claiming to act under orders of the department. Whoever violates this provision shall thereafter be disqualified from acting as an officer or employee or in any other capacity under appointment or employment of the department.

(B)(1) For purposes of an audit pursuant to section 117.15 of the Revised Code, or an audit of the department pursuant to Chapter 117. of the Revised Code, or an audit, pursuant to that chapter, the objective of which is to express an opinion on a financial report or statement prepared or issued pursuant to division (A)(7) or (9) of section 126.21 of the Revised Code, the officers and employees of the auditor of state charged with conducting the audit shall have access to and the right to examine any state tax returns and state tax return information in the possession of the department to the extent that the access and examination are necessary for purposes of the audit. Any

information acquired as the result of that access and examination shall not be divulged for any purpose other than as required for the audit or unless the officers and employees are required to testify in a court or proceeding under compulsion of legal process. Whoever violates this provision shall thereafter be disqualified from acting as an officer or employee or in any other capacity under appointment or employment of the auditor of state.

(2) As provided by section 6103(d)(2) of the Internal Revenue Code, any federal tax returns or federal tax information that the department has acquired from the internal revenue service, through federal and state statutory authority, may be disclosed to the auditor of state solely for purposes of an audit of the department.

(C) Division (A) of this section does not prohibit any of the following:

(1) Divulging information contained in applications, complaints, and related documents filed with the department under section 5715.27 of the Revised Code or in applications filed with the department under section 5715.39 of the Revised Code;

(2) Providing information to the office of child support within the department of job and family services pursuant to section 3125.43 of the Revised Code;

(3) Disclosing to the board of motor vehicle collision repair registration any information in the possession of the department that is necessary for the board to verify the existence of an applicant's valid vendor's license and current state tax identification number under section 4775.07 of the Revised Code;

(4) Providing information to the administrator of workers' compensation pursuant to section 4123.591 of the Revised Code;

(5) Providing to the attorney general information the department obtains under division (J) of section 1346.01 of the Revised Code;

(6) Permitting properly authorized officers, employees, or agents of a municipal corporation from inspecting reports or information pursuant to rules adopted under section 5745.16 of the Revised Code;

(7) Providing information regarding the name, account number, or business address of a holder of a vendor's license issued pursuant to section 5739.17 of the Revised Code, a holder of a direct payment permit issued pursuant to section 5739.031 of the Revised Code, or a seller having a use tax account maintained pursuant to section 5741.17 of the Revised Code, or information regarding the active or inactive status of a vendor's license, direct payment permit, or seller's use tax account;

(8) Releasing invoices or invoice information furnished under section 4301.433 of the Revised Code pursuant to that section;

(9) Providing to a county auditor notices or documents concerning or affecting the taxable value of property in the county auditor's county. Unless authorized by law to disclose documents so provided, the county auditor shall not disclose such documents;

(10) Providing to a county auditor sales or use tax return or audit information under section 333.06 of the Revised Code.

Sec. 5703.57. (A) As used in this section, "Ohio business gateway" has the same meaning as in section 718.051 of the Revised Code.

(B) There is hereby created the Ohio business gateway steering committee to direct the continuing development of the Ohio business gateway and to oversee its operations. The committee shall provide general oversight regarding operation of the Ohio business gateway and shall recommend to the department of administrative services enhancements that will improve the Ohio business gateway. The committee shall consider all banking, technological, administrative, and other issues associated with the Ohio business gateway and shall make recommendations regarding the type of reporting forms or other tax documents to be filed through the Ohio business gateway.

(C) The committee shall consist of:

(1) The following members, appointed by the governor with the advice and consent of the senate:

(a) Not more than two representatives of the business community;

(b) Not more than three representatives of municipal tax administrators;

and

(c) Not more than two tax practitioners.

(2) The following ex officio members:

(a) The director or other highest officer of each state agency that has tax reporting forms or other tax documents filed with it through the Ohio business gateway or the director's designee;

(b) The secretary of state or the secretary of state's designee;

(c) The treasurer of state or the treasurer of state's designee;

(d) The director of budget and management or the director's designee;

(e) The director of ~~administrative services~~ the office of information technology or the director's designee; and

(f) The tax commissioner or the tax commissioner's designee.

An appointed member shall serve until the member resigns or is removed by the governor. Vacancies shall be filled in the same manner as original appointments.

(D) A vacancy on the committee does not impair the right of the other members to exercise all the functions of the committee. The presence of a

majority of the members of the committee constitutes a quorum for the conduct of business of the committee. The concurrence of at least a majority of the members of the committee is necessary for any action to be taken by the committee. On request, each member of the committee shall be reimbursed for the actual and necessary expenses incurred in the discharge of the member's duties.

(E) The committee is a part of the department of taxation for administrative purposes.

(F) Each year, the governor shall select a member of the committee to serve as chairperson. The chairperson shall appoint an official or employee of the department of taxation to act as the committee's secretary. The secretary shall keep minutes of the committee's meetings and a journal of all meetings, proceedings, findings, and determinations of the committee.

(G) The committee shall hire professional, technical, and clerical staff needed to support its activities.

(H) The committee shall meet as often as necessary to perform its duties.

Sec. 5705.03. (A) The taxing authority of each subdivision may levy taxes annually, subject to the limitations of sections 5705.01 to 5705.47 of the Revised Code, on the real and personal property within the subdivision for the purpose of paying the current operating expenses of the subdivision and acquiring or constructing permanent improvements. The taxing authority of each subdivision and taxing unit shall, subject to the limitations of such sections, levy such taxes annually as are necessary to pay the interest and sinking fund on and retire at maturity the bonds, notes, and certificates of indebtedness of such subdivision and taxing unit, including levies in anticipation of which the subdivision or taxing unit has incurred indebtedness.

(B)(1) When a taxing authority determines that it is necessary to levy a tax outside the ten-mill limitation for any purpose authorized by the Revised Code, the taxing authority shall certify to the county auditor a resolution or ordinance requesting that the county auditor certify to the taxing authority the total current tax valuation of the subdivision, and the number of mills required to generate a specified amount of revenue, or the dollar amount of revenue that would be generated by a specified number of mills. The resolution or ordinance shall state the purpose of the tax, whether the tax is an additional levy or a renewal or a replacement of an existing tax, and the section of the Revised Code authorizing submission of the question of the tax. If a subdivision is located in more than one county, the county auditor shall obtain from the county auditor of each other county in which the

subdivision is located the current tax valuation for the portion of the subdivision in that county. The county auditor shall issue the certification to the taxing authority within ten days after receiving the taxing authority's resolution or ordinance requesting it.

(2) When considering the tangible personal property component of the tax valuation of the subdivision, the county auditor shall take into account the assessment percentages prescribed in section 5711.22 of the Revised Code. The tax commissioner may issue rules, orders, or instructions directing how the assessment percentages must be utilized.

(3) If, upon receiving the certification from the county auditor, the taxing authority proceeds with the submission of the question of the tax to electors, the taxing authority shall certify its resolution or ordinance, accompanied by a copy of the county auditor's certification, to the proper county board of elections in the manner and within the time prescribed by the section of the Revised Code governing submission of the question, and shall include with its certification the rate of the tax levy, expressed in mills for each one dollar in tax valuation as estimated by the county auditor. The county board of elections shall not submit the question of the tax to electors unless a copy of the county auditor's certification accompanies the resolution or ordinance the taxing authority certifies to the board. Before requesting a taxing authority to submit a tax levy, any agency or authority authorized to make that request shall first request the certification from the county auditor provided under this section.

(4) This division is supplemental to, and not in derogation of, any similar requirement governing the certification by the county auditor of the tax valuation of a subdivision or necessary tax rates for the purposes of the submission of the question of a tax in excess of the ten-mill limitation, including sections 133.18 and 5705.195 of the Revised Code.

(C) All taxes levied on property shall be extended on the tax duplicate by the county auditor of the county in which the property is located, and shall be collected by the county treasurer of such county in the same manner and under the same laws and rules as are prescribed for the assessment and collection of county taxes. The proceeds of any tax levied by or for any subdivision when received by its fiscal officer shall be deposited in its treasury to the credit of the appropriate fund.

Sec. 5705.091. The board of county commissioners of each county shall establish a county mental retardation and developmental disabilities general fund. Notwithstanding ~~sections 5705.09 and~~ section 5705.10 of the Revised Code, proceeds from levies under section 5705.222 and division (L) of section 5705.19 of the Revised Code shall be deposited to the credit of the

county mental retardation and developmental disabilities general fund. Accounts shall be established within the county mental retardation and developmental disabilities general fund for each of the several particular purposes of the levies as specified in the resolutions under which the levies were approved, and proceeds from different levies that were approved for the same particular purpose shall be credited to accounts for that purpose. Other money received by the county for the purposes of Chapters 3323. and 5126. of the Revised Code and not required by state or federal law to be deposited to the credit of a different fund shall also be deposited to the credit of the county mental retardation and developmental disabilities general fund, in an account appropriate to the particular purpose for which the money was received. Unless otherwise provided by law, an unexpended balance at the end of a fiscal year in any account in the county mental retardation and developmental disabilities general fund shall be appropriated the next fiscal year to the same fund.

A county board of mental retardation and developmental disabilities may request, by resolution, that the board of county commissioners establish a county mental retardation and developmental disabilities capital fund for money to be used for acquisition, construction, or improvement of capital facilities or acquisition of capital equipment used in providing services to mentally retarded and developmentally disabled persons. The county board of mental retardation and developmental disabilities shall transmit a certified copy of the resolution to the board of county commissioners. Upon receiving the resolution, the board of county commissioners shall establish a county mental retardation and developmental disabilities capital fund.

~~A county board shall request, by resolution, that the board of county commissioners establish a county MR/DD medicaid reserve fund. On receipt of the resolution, the board of county commissioners shall establish a county MR/DD medicaid reserve fund. The portion of federal revenue funds that the county board earns for providing medicaid case management services and home and community based services that is needed for the county board to pay for extraordinary costs, including extraordinary costs for services to individuals with mental retardation or other developmental disability, and ensure the availability of adequate funds in the event a county property tax levy for services for individuals with mental retardation or other developmental disability fails shall be deposited into the fund. The county board shall use money in the fund for those purposes in accordance with rules adopted under section 5123.0413 of the Revised Code.~~

Sec. 5705.19. This section does not apply to school districts or county school financing districts.

The taxing authority of any subdivision at any time and in any year, by vote of two-thirds of all the members of the taxing authority, may declare by resolution and certify the resolution to the board of elections not less than seventy-five days before the election upon which it will be voted that the amount of taxes that may be raised within the ten-mill limitation will be insufficient to provide for the necessary requirements of the subdivision and that it is necessary to levy a tax in excess of that limitation for any of the following purposes:

(A) For current expenses of the subdivision, except that the total levy for current expenses of a detention facility district or district organized under section 2151.65 of the Revised Code shall not exceed two mills and that the total levy for current expenses of a combined district organized under sections 2151.65 and 2152.41 of the Revised Code shall not exceed four mills;

(B) For the payment of debt charges on certain described bonds, notes, or certificates of indebtedness of the subdivision issued subsequent to January 1, 1925;

(C) For the debt charges on all bonds, notes, and certificates of indebtedness issued and authorized to be issued prior to January 1, 1925;

(D) For a public library of, or supported by, the subdivision under whatever law organized or authorized to be supported;

(E) For a municipal university, not to exceed two mills over the limitation of one mill prescribed in section 3349.13 of the Revised Code;

(F) For the construction or acquisition of any specific permanent improvement or class of improvements that the taxing authority of the subdivision may include in a single bond issue;

(G) For the general construction, reconstruction, resurfacing, and repair of streets, roads, and bridges in municipal corporations, counties, or townships;

(H) For parks and recreational purposes;

(I) For the purpose of providing and maintaining fire apparatus, appliances, buildings, or sites therefor, or sources of water supply and materials therefor, or the establishment and maintenance of lines of fire alarm telegraph, or the payment of permanent, part-time, or volunteer firefighters or firefighting companies to operate the same, including the payment of the firefighter employers' contribution required under section 742.34 of the Revised Code, or the purchase of ambulance equipment, or the provision of ambulance, paramedic, or other emergency medical services operated by a fire department or firefighting company;

(J) For the purpose of providing and maintaining motor vehicles,

communications, other equipment, buildings, and sites for such buildings used directly in the operation of a police department, or the payment of salaries of permanent police personnel, including the payment of the police officer employers' contribution required under section 742.33 of the Revised Code, or the payment of the costs incurred by townships as a result of contracts made with other political subdivisions in order to obtain police protection, or the provision of ambulance or emergency medical services operated by a police department;

(K) For the maintenance and operation of a county home or detention facility;

(L) For community mental retardation and developmental disabilities programs and services pursuant to Chapter 5126. of the Revised Code, except that the procedure for such levies shall be as provided in section 5705.222 of the Revised Code;

(M) For regional planning;

(N) For a county's share of the cost of maintaining and operating schools, district detention facilities, forestry camps, or other facilities, or any combination thereof, established under section 2151.65 or 2152.41 of the Revised Code or both of those sections;

(O) For providing for flood defense, providing and maintaining a flood wall or pumps, and other purposes to prevent floods;

(P) For maintaining and operating sewage disposal plants and facilities;

(Q) For the purpose of purchasing, acquiring, constructing, enlarging, improving, equipping, repairing, maintaining, or operating, or any combination of the foregoing, a county transit system pursuant to sections 306.01 to 306.13 of the Revised Code, or of making any payment to a board of county commissioners operating a transit system or a county transit board pursuant to section 306.06 of the Revised Code;

(R) For the subdivision's share of the cost of acquiring or constructing any schools, forestry camps, detention facilities, or other facilities, or any combination thereof, under section 2151.65 or 2152.41 of the Revised Code or both of those sections;

(S) For the prevention, control, and abatement of air pollution;

(T) For maintaining and operating cemeteries;

(U) For providing ambulance service, emergency medical service, or both;

(V) For providing for the collection and disposal of garbage or refuse, including yard waste;

(W) For the payment of the police officer employers' contribution or the firefighter employers' contribution required under sections 742.33 and

742.34 of the Revised Code;

(X) For the construction and maintenance of a drainage improvement pursuant to section 6131.52 of the Revised Code;

(Y) For providing or maintaining senior citizens services or facilities as authorized by section 307.694, 307.85, 505.70, or 505.706 or division (EE) of section 717.01 of the Revised Code;

(Z) For the provision and maintenance of zoological park services and facilities as authorized under section 307.76 of the Revised Code;

(AA) For the maintenance and operation of a free public museum of art, science, or history;

(BB) For the establishment and operation of a 9-1-1 system, as defined in section 4931.40 of the Revised Code;

(CC) For the purpose of acquiring, rehabilitating, or developing rail property or rail service. As used in this division, "rail property" and "rail service" have the same meanings as in section 4981.01 of the Revised Code. This division applies only to a county, township, or municipal corporation.

(DD) For the purpose of acquiring property for, constructing, operating, and maintaining community centers as provided for in section 755.16 of the Revised Code;

(EE) For the creation and operation of an office or joint office of economic development, for any economic development purpose of the office, and to otherwise provide for the establishment and operation of a program of economic development pursuant to sections 307.07 and 307.64 of the Revised Code;

(FF) For the purpose of acquiring, establishing, constructing, improving, equipping, maintaining, or operating, or any combination of the foregoing, a township airport, landing field, or other air navigation facility pursuant to section 505.15 of the Revised Code;

(GG) For the payment of costs incurred by a township as a result of a contract made with a county pursuant to section 505.263 of the Revised Code in order to pay all or any part of the cost of constructing, maintaining, repairing, or operating a water supply improvement;

(HH) For a board of township trustees to acquire, other than by appropriation, an ownership interest in land, water, or wetlands, or to restore or maintain land, water, or wetlands in which the board has an ownership interest, not for purposes of recreation, but for the purposes of protecting and preserving the natural, scenic, open, or wooded condition of the land, water, or wetlands against modification or encroachment resulting from occupation, development, or other use, which may be styled as protecting or preserving "greenspace" in the resolution, notice of election, or ballot form;

(II) For the support by a county of a crime victim assistance program that is provided and maintained by a county agency or a private, nonprofit corporation or association under section 307.62 of the Revised Code;

(JJ) For any or all of the purposes set forth in divisions (I) and (J) of this section. This division applies only to a township.

(KK) For a countywide public safety communications system under section 307.63 of the Revised Code. This division applies only to counties.

(LL) For the support by a county of criminal justice services under section 307.45 of the Revised Code;

(MM) For the purpose of maintaining and operating a jail or other detention facility as defined in section 2921.01 of the Revised Code;

(NN) For purchasing, maintaining, or improving, or any combination of the foregoing, real estate on which to hold agricultural fairs. This division applies only to a county.

(OO) For constructing, rehabilitating, repairing, or maintaining sidewalks, walkways, trails, bicycle pathways, or similar improvements, or acquiring ownership interests in land necessary for the foregoing improvements;

(PP) For both of the purposes set forth in divisions (G) and (OO) of this section.

(QQ) For both of the purposes set forth in divisions (H) and (HH) of this section. This division applies only to a township.

(RR) For the legislative authority of a municipal corporation, board of county commissioners of a county, or board of township trustees of a township to acquire agricultural easements, as defined in section 5301.67 of the Revised Code, and to supervise and enforce the easements.

(SS) For both of the purposes set forth in divisions (BB) and (KK) of this section. This division applies only to a county.

(TT) For the maintenance and operation of a facility that is organized in whole or in part to promote the sciences and natural history under section 307.761 of the Revised Code.

The resolution shall be confined to the purpose or purposes described in one division of this section, to which the revenue derived therefrom shall be applied. The existence in any other division of this section of authority to levy a tax for any part or all of the same purpose or purposes does not preclude the use of such revenues for any part of the purpose or purposes of the division under which the resolution is adopted.

The resolution shall specify the amount of the increase in rate that it is necessary to levy, the purpose of that increase in rate, and the number of years during which the increase in rate shall be in effect, which may or may

not include a levy upon the duplicate of the current year. The number of years may be any number not exceeding five, except as follows:

(1) When the additional rate is for the payment of debt charges, the increased rate shall be for the life of the indebtedness.

(2) When the additional rate is for any of the following, the increased rate shall be for a continuing period of time:

(a) For the current expenses for a detention facility district, a district organized under section 2151.65 of the Revised Code, or a combined district organized under sections 2151.65 and 2152.41 of the Revised Code;

(b) For providing a county's share of the cost of maintaining and operating schools, district detention facilities, forestry camps, or other facilities, or any combination thereof, established under section 2151.65 or 2152.41 of the Revised Code or under both of those sections.

(3) When the additional rate is for either of the following, the increased rate may be for a continuing period of time:

(a) For the purposes set forth in division (I), (J), (U), or (KK) of this section;

(b) For the maintenance and operation of a joint recreation district.

(4) When the increase is for the purpose or purposes set forth in division (D), (G), (H), (CC), or (PP) of this section, the tax levy may be for any specified number of years or for a continuing period of time, as set forth in the resolution.

(5) When the additional rate is for the purpose described in division (Z) of this section, the increased rate shall be for any number of years not exceeding ten.

A levy for one of the purposes set forth in division (G), (I), (J), or (U) of this section may be reduced pursuant to section 5705.261 or 5705.31 of the Revised Code. A levy for one of the purposes set forth in division (G), (I), (J), or (U) of this section may also be terminated or permanently reduced by the taxing authority if it adopts a resolution stating that the continuance of the levy is unnecessary and the levy shall be terminated or that the millage is excessive and the levy shall be decreased by a designated amount.

A resolution of a detention facility district, a district organized under section 2151.65 of the Revised Code, or a combined district organized under both sections 2151.65 and 2152.41 of the Revised Code may include both current expenses and other purposes, provided that the resolution shall apportion the annual rate of levy between the current expenses and the other purpose or purposes. The apportionment need not be the same for each year of the levy, but the respective portions of the rate actually levied each year for the current expenses and the other purpose or purposes shall be limited

by the apportionment.

Whenever a board of county commissioners, acting either as the taxing authority of its county or as the taxing authority of a sewer district or subdistrict created under Chapter 6117. of the Revised Code, by resolution declares it necessary to levy a tax in excess of the ten-mill limitation for the purpose of constructing, improving, or extending sewage disposal plants or sewage systems, the tax may be in effect for any number of years not exceeding twenty, and the proceeds of the tax, notwithstanding the general provisions of this section, may be used to pay debt charges on any obligations issued and outstanding on behalf of the subdivision for the purposes enumerated in this paragraph, provided that any such obligations have been specifically described in the resolution.

The resolution shall go into immediate effect upon its passage, and no publication of the resolution is necessary other than that provided for in the notice of election.

When the electors of a subdivision have approved a tax levy under this section, the taxing authority of the subdivision may anticipate a fraction of the proceeds of the levy and issue anticipation notes in accordance with section 5705.191 or 5705.193 of the Revised Code.

Sec. 5705.195. Within five days after the resolution is certified to the county auditor as provided by section 5705.194 of the Revised Code, the auditor shall calculate and certify to the taxing authority the annual levy, expressed in dollars and cents for each one hundred dollars of valuation as well as in mills for each one dollar of valuation, throughout the life of the levy which will be required to produce the annual amount set forth in the resolution assuming that the amount of the tax list of such subdivision remains throughout the life of the levy the same as the amount of the tax list for the current year, and if this is not determined, the estimated amount submitted by the auditor to the county budget commission. ~~Thereupon~~ When considering the tangible personal property component of the tax valuation of the subdivision, the county auditor shall take into account the assessment percentages prescribed in section 5711.22 of the Revised Code. The tax commissioner may issue rules, orders, or instructions directing how the assessment percentages must be utilized.

Upon receiving the certification from the county auditor, if the taxing authority desires to proceed with the submission of the question it shall, not less than seventy-five days before the day of such election, certify its resolution, together with the amount of the average tax levy, expressed in dollars and cents for each one hundred dollars of valuation as well as in mills for each one dollar of valuation, estimated by the auditor, and the

number of years the levy is to run to the board of elections of the county which shall prepare the ballots and make other necessary arrangements for the submission of the question to the voters of the subdivision.

Sec. 5705.211. (A) As used in this section:

(1) "Adjusted charge-off increase" for a tax year means two and three-tenths per cent of the cumulative carryover property value increase.

(2) "Cumulative carryover property value increase" means the sum of the increases in carryover value certified under division (B)(2) of section 3317.015 of the Revised Code and included in a school district's total taxable value in the computation of recognized valuation under division (B) of that section for all fiscal years from the fiscal year that ends in the first tax year a levy under this section is extended on the tax list of real and public utility property until and including the fiscal year that ends in the current tax year.

(3) "Taxes charged and payable" means the taxes charged and payable from a tax levy extended on the real and public utility property tax list and the general list of personal property before any reduction under section 319.302, 323.152, or 323.158 of the Revised Code.

(B) The board of education of a city, local, or exempted village school district may adopt a resolution proposing the levy of a tax in excess of the ten-mill limitation for the purpose of paying the current operating expenses of the district. If the resolution is approved as provided in division (D) of this section, the tax may be levied at such a rate each tax year that the total taxes charged and payable from the levy equals the adjusted charge-off increase for the tax year or equals a lesser amount as prescribed under division (C) of this section. The tax may be levied for a continuing period of time or for a specific number of years, but not fewer than five years, as provided in the resolution. The tax may not be placed on the tax list for a tax year beginning before the first day of January following adoption of the resolution. A board of education may not adopt a resolution under this section proposing to levy a tax under this section concurrently with any other tax levied by the board under this section.

(C) After the first year a tax is levied under this section, the rate of the tax in any year shall not exceed the rate, estimated by the county auditor, that would cause the sums levied from the tax against carryover property to exceed one hundred four per cent of the sums levied from the tax against carryover property in the preceding year. A board of education imposing a tax under this section may specify in the resolution imposing the tax that the percentage shall be less than one hundred four per cent, but the percentage shall not be less than one hundred per cent. At any time after a resolution

adopted under this section is approved by a majority of electors as provided in division (D) of this section, the board of education, by resolution, may decrease the percentage specified in the resolution levying the tax.

(D) A resolution adopted under this section shall state that the purpose of the tax is to pay current operating expenses of the district, and shall specify the first year in which the tax is to be levied, the number of years the tax will be levied or that it will be levied for a continuing period of time, and the election at which the question of the tax is to appear on the ballot, which shall be a general or special election consistent with the requirements of section 3501.01 of the Revised Code. If the board of education specifies a percentage less than one hundred four per cent pursuant to division (C) of this section, the percentage shall be specified in the resolution.

Upon adoption of the resolution, the board of education may certify a copy of the resolution to the proper county board of elections. The copy of the resolution shall be certified to the board of elections not later than seventy-five days before the day of the election at which the question of the tax is to appear on the ballot. Upon receiving a timely certified copy of such a resolution, the board of elections shall make the necessary arrangements for the submission of the question to the electors of the school district, and the election shall be conducted, canvassed, and certified in the same manner as regular elections in the school district for the election of members of the board of education. Notice of the election shall be published in one or more newspapers of general circulation in the school district once per week for four consecutive weeks. The notice shall state that the purpose of the tax is for the current operating expenses of the school district, the first year the tax is to be levied, the number of years the tax is to be levied or that it is to be levied for a continuing period of time, that the tax is to be levied each year in an amount estimated to offset decreases in state base cost funding caused by appreciation in real estate values, and that the estimated additional tax in any year shall not exceed the previous year's by more than four per cent, or a lesser percentage specified in the resolution levying the tax, except for increases caused by the addition of new taxable property.

The question shall be submitted as a separate proposition but may be printed on the same ballot with any other proposition submitted at the same election other than the election of officers.

The form of the ballot shall be substantially as follows:

"An additional tax for the benefit of (name of school district) for the purpose of paying the current operating expenses of the district, for (number of years or for continuing period of time), at a rate sufficient to offset any reduction in basic state funding caused by appreciation in real

estate values? This levy will permit variable annual growth in revenue up to(amount specified by school district) per cent for the duration of the levy.

	<u>For the tax levy</u>	"
	<u>Against the tax levy</u>	

If a majority of the electors of the school district voting on the question vote in favor of the question, the board of elections shall certify the results of the election to the board of education and to the tax commissioner immediately after the canvass.

(E) When preparing any estimate of the contemplated receipts from a tax levied pursuant to this section for the purposes of sections 5705.28 to 5705.40 of the Revised Code, and in preparing to certify the tax under section 5705.34 of the Revised Code, a board of education authorized to levy such a tax shall use information supplied by the department of education to determine the adjusted charge-off increase for the tax year for which that certification is made. If the board levied a tax under this section in the preceding tax year, the sum to be certified for collection from the tax shall not exceed the sum that would exceed the limitation imposed under division (C) of this section. At the request of the board of education or the treasurer of the school district, the county auditor shall assist the board of education in determining the rate or sum that may be levied under this section.

The board of education shall certify the sum authorized to be levied to the county auditor, and, for the purpose of the county auditor determining the rate at which the tax is to be levied in the tax year, the sum so certified shall be the sum to be raised by the tax unless the sum exceeds the limitation imposed by division (C) of this section. A tax levied pursuant to this section shall not be levied at a rate in excess of the rate estimated by the county auditor to produce the sum certified by the board of education before the reductions under sections 319.302, 323.152, and 323.158 of the Revised Code. Notwithstanding section 5705.34 of the Revised Code, a board of education authorized to levy a tax under this section shall certify the tax to the county auditor before the first day of October of the tax year in which the tax is to be levied, or at a later date as approved by the tax commissioner.

Sec. 5705.34. When the budget commission has completed its work with respect to a tax budget or other information required to be provided under section 5705.281 of the Revised Code, it shall certify its action to the

taxing authority, together with an estimate by the county auditor of the rate of each tax necessary to be levied by the taxing authority within its subdivision or taxing unit, and what part thereof is in excess of, and what part within, the ten-mill tax limitation. The certification shall also indicate the date on which each tax levied by the taxing authority will expire.

If a taxing authority levies a tax for a fixed sum of money or to pay debt charges for the tax year for which the tax budget is prepared, and a payment on account of that tax is payable to the taxing authority for the tax year under section ~~5727.85 or 5727.86, 5751.21, or 5751.22~~ of the Revised Code, the county auditor, when estimating the rate at which the tax shall be levied in the current year, shall estimate the rate necessary to raise the required sum less the estimated amount of any payments made for the tax year to a taxing unit for fixed-sum levies under those sections ~~5727.85 and 5727.86 of the Revised Code~~. The estimated rate shall be the rate of the levy that the budget commission certifies with its action under this section.

Each taxing authority, by ordinance or resolution, shall authorize the necessary tax levies and certify them to the county auditor before the first day of October in each year, or at such later date as is approved by the tax commissioner, except that the certification by a board of education shall be made by the first day of April or at such later date as is approved by the commissioner, and except that a township board of park commissioners that is appointed by the board of township trustees and oversees a township park district that contains only unincorporated territory shall authorize only those taxes approved by, and only at the rate approved by, the board of township trustees as required by division (C) of section 511.27 of the Revised Code. If the levying of a tax to be placed on the duplicate of the current year is approved by the electors of the subdivision under sections 5705.01 to 5705.47 of the Revised Code; if the rate of a school district tax is increased due to the repeal of a school district income tax and property tax rate reduction at an election held pursuant to section 5748.04 of the Revised Code; or if refunding bonds to refund all or a part of the principal of bonds payable from a tax levy for the ensuing fiscal year are issued or sold and in the process of delivery, the budget commission shall reconsider and revise its action on the budget of the subdivision or school library district for whose benefit the tax is to be levied after the returns of such election are fully canvassed, or after the issuance or sale of such refunding bonds is certified to it.

Sec. 5709.08. (A)(1) Real or personal property belonging to the state or United States used exclusively for a public purpose, and public property used exclusively for a public purpose, shall be exempt from taxation. ~~Real~~

(2) For purposes of division (A)(1) of this section, real and personal property owned by the state, even when the property is leased or otherwise operated by a private party, and used as public service facilities described in section 1501.07 of the Revised Code, as concessions or other special projects described in division (F) of section 1531.06 of the Revised Code, as refuge harbors or marine recreational facilities described in section 1547.72 of the Revised Code, or areas described in section 1503.03 of the Revised Code, is hereby declared to be public property "used exclusively for a public purpose."

(B) Real and personal property, when devoted to public use and not held for pecuniary profit, owned by an adjoining state or any political subdivision or agency of such adjoining state, which would be exempt from taxation if owned by the state of Ohio or a political subdivision or agency thereof, shall be exempt from taxation providing that such adjoining state exempts from taxation real and personal property devoted to public use and not held for pecuniary profit, owned by the state of Ohio or any political subdivision or agency thereof, which would be exempt from taxation if owned by the adjoining state or political subdivision or agency thereof.

Sec. 5709.081. (A) Real and tangible personal property owned by a political subdivision that is a public recreational facility for athletic events shall be exempt from taxation if all of the following apply:

(1) The property is controlled and managed by a political subdivision or a county-related corporation or by a similar corporation under the direct control of a political subdivision and whose members and trustees are chosen or appointed by the subdivision;

(2) All revenues and receipts derived by the subdivision or corporation that controls and manages the property, after deducting amounts needed to pay necessary expenses for the operation and management of the property, accrue to the political subdivision owning the property;

(3) The property is not occupied and used for more than seven days in any calendar month by any private entity for profit or for more than a total of fifteen days in any calendar month by all such private entities for profit;

(4) The property is under the direction and control of the political subdivision or managing corporation whenever it is being used by a private entity for profit;

(5) The primary user or users of the property, if such a primary user exists, are controlled and managed by the political subdivision or corporation that controls and manages the property.

(B) Tangible personal property, and all buildings, structures, fixtures, and improvements, ~~and fixtures~~ of any kind ~~on~~ to the land, that are

constructed or, in the case of personal property, acquired after March 2, 1992, and are part of or used in a public recreational facility used by a major league professional athletic team or a class A to class AAA minor league affiliate of a major league baseball team for a significant portion of its home schedule, and land acquired by a political subdivision in 1999 for such purposes or originally leased from a political subdivision, such political subdivision qualifying as such pursuant to division (G) of this section, in 1998 for such purposes, are declared to be public property used for a public purpose and are exempt from taxation, if all of the following apply:

(1) Such property, or the land upon which such property is located if such land was originally leased in 1998 from a political subdivision that qualifies as such pursuant to division (G) of this section, is owned by one or more political subdivisions or by a corporation controlled by such subdivisions;

(2) Such property was or is any of the following:

(a) Constructed or, in the case of personal property, acquired pursuant to an agreement with a municipal corporation to implement a development, redevelopment, or renewal plan for an area declared by the municipal corporation to be a slum or blighted area, as those terms are defined in section 725.01 of the Revised Code;

(b) Financed in whole or in part with public obligations as defined in section 5709.76 of the Revised Code or otherwise paid for in whole or in part by one or more political subdivisions;

(c) An improvement or addition to property defined in division (B)(2)(a) or (b) of this section.

(3) Such property is controlled and managed by either of the following:

(a) One or more of the political subdivisions or the corporation that owns it;

(b) A designee, tenant, or agent of such political subdivision or subdivisions or corporation pursuant to a management, lease, or similar written agreement.

(4) The primary user or users of such property, if a primary user or primary users exist, either:

(a) Are controlled and managed by one or more of the political subdivisions or the corporation that owns the property; or

(b) Operate under leases, licenses, management agreements, or similar arrangements with, and providing for the payment of rents, revenues, or other remuneration to, one or more of the political subdivisions or the corporation that owns the property.

(5) Any residual cash accrues to the political subdivision or subdivisions

that own the property or that control the corporation that owns the property, and is used for the public purposes of the subdivision or subdivisions. As used in division (B)(5) of this section, "residual cash" means any revenue and receipts derived from the property by the political subdivision or subdivisions or corporation that owns the property and that are available for unencumbered use by the political subdivision or subdivisions or corporation, after deducting amounts needed to make necessary expenditures, pay debt service, and provide for working capital related to the ownership, management, operation, and use of the property, including payments of taxes on the taxable part of the public recreational facility, contractually obligated payments or deposits into reserves or otherwise, and service payments under section 307.699 of the Revised Code.

(C) The exemption provided in division (B) of this section also applies to both of the following:

(1) The property during its construction or, in the case of tangible personal property, acquisition during the construction period, if the owner meets the condition of division (B)(1) of this section and has agreements that provide for the satisfaction of all other conditions of division (B) of this section upon the completion of the construction;

(2) Any improvement or addition made after March 2, 1992, to a public recreational facility that was constructed before March 2, 1992, as long as all other conditions in division (B) of this section are met.

(D) A corporation that owns property exempt from taxation under division (B) of this section is a public body for the purposes of section 121.22 of the Revised Code. The corporation's records are public records for the purposes of section 149.43 of the Revised Code, except records related to matters set forth in division (G) of section 121.22 of the Revised Code and records related to negotiations that are not yet completed for financing, leases, or other agreements.

(E) The exemption under division (B) of this section applies to property that is owned by the political subdivision or subdivisions or the corporation that owns the public recreational facility. Tangible personal property owned by users, managers, or lessees of the facility is taxable when used in the public recreational facility.

(F) Nothing in this section or in any other section of the Revised Code prohibits or otherwise precludes an agreement between a political subdivision, or a corporation controlled by a political subdivision, that owns or operates a public recreational facility that is exempted from taxation under division (A) or (B) of this section and the board of education of a school district or the legislative authority of a municipal corporation, or

both, in which all or a part of that facility is located, providing for payments to the school district or municipal corporation, or both, in lieu of taxes that otherwise would be charged against real and tangible personal property exempted from taxation under this section, for a period of time and under such terms and conditions as the legislative authority of the political subdivision and the board of education or municipal legislative authority, or both, may agree, which agreements are hereby specifically authorized.

(G) As used in this section, "political subdivision" includes the state or an agency of the state if the city, local, or exempted village school district in which the property is situated expressly consents to exempting the property from taxation.

Sec. 5709.40. (A) As used in this section:

(1) "Blighted area" and "impacted city" have the same meanings as in section 1728.01 of the Revised Code.

(2) "Business day" means a day of the week excluding Saturday, Sunday, and a legal holiday as defined under section 1.14 of the Revised Code.

(3) "Housing renovation" means a project carried out for residential purposes.

(4) "Improvement" means the increase in the assessed value of any real property that would first appear on the tax list and duplicate of real and public utility property after the effective date of an ordinance adopted under this section were it not for the exemption granted by that ordinance.

(5) "Incentive district" means an area not more than three hundred acres in size enclosed by a continuous boundary in which a project is being, or will be, undertaken and having one or more of the following distress characteristics:

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

(b) The average rate of unemployment in the district during the most recent twelve-month period for which data are available is equal to at least one hundred fifty per cent of the average rate of unemployment for this state for the same period.

(c) At least twenty per cent of the people residing in the district live at or below the poverty level as defined in the federal Housing and Community Development Act of 1974, 42 U.S.C. 5301, as amended, and regulations

adopted pursuant to that act.

(d) The district is a blighted area.

(e) The district is in a situational distress area as designated by the director of development under division (F) of section 122.23 of the Revised Code.

(f) As certified by the engineer for the political subdivision, the public infrastructure serving the district is inadequate to meet the development needs of the district as evidenced by a written economic development plan or urban renewal plan for the district that has been adopted by the legislative authority of the subdivision.

(g) The district is comprised entirely of unimproved land that is located in a distressed area as defined in section 122.23 of the Revised Code.

(6) "Project" means development activities undertaken on one or more parcels, including, but not limited to, construction, expansion, and alteration of buildings or structures, demolition, remediation, and site development, and any building or structure that results from those activities.

(7) "Public infrastructure improvement" includes, but is not limited to, public roads and highways; water and sewer lines; environmental remediation; land acquisition, including acquisition in aid of industry, commerce, distribution, or research; demolition, including demolition on private property when determined to be necessary for economic development purposes; stormwater and flood remediation projects, including such projects on private property when determined to be necessary for public health, safety, and welfare; the provision of gas, electric, and communications service facilities; and the enhancement of public waterways through improvements that allow for greater public access. ~~"Public infrastructure improvement" does not include police or fire equipment.~~

(B) The legislative authority of a municipal corporation, by ordinance, may declare improvements to certain parcels of real property located in the municipal corporation to be a public purpose. Improvements with respect to a parcel that is used or to be used for residential purposes may be declared a public purpose under this division only if the parcel is located in a blighted area of an impacted city. Except as otherwise provided in with the approval under division (D) of this section of the board of education of each city, local, or exempted village school district within which the improvements are located, not more than seventy-five per cent of an improvement thus declared to be a public purpose may be exempted from real property taxation for a period of not more than ten years. The ordinance shall specify the percentage of the improvement to be exempted from taxation and the life of the exemption.

An ordinance adopted or amended under this division shall designate the specific public infrastructure improvements made, to be made, or in the process of being made by the municipal corporation that directly benefit, or that once made will directly benefit, the parcels for which improvements are declared to be a public purpose. The service payments provided for in section 5709.42 of the Revised Code shall be used to finance the public infrastructure improvements designated in the ordinance ~~or~~, for the purpose described in division (D)(1) of this section or as provided in section 5709.43 of the Revised Code.

(C)(1) The legislative authority of a municipal corporation may adopt an ordinance creating an incentive district and declaring improvements to parcels within the district to be a public purpose and, except as provided in division (F) of this section, exempt from taxation as provided in this section, but no legislative authority of a municipal corporation that has a population that exceeds twenty-five thousand, as shown by the most recent federal decennial census, shall adopt an ordinance that creates an incentive district ~~if, as a result of adopting the ordinance, more than~~ the sum of the taxable value of real property in the proposed district for the preceding tax year and the taxable value of all real property in the municipal corporation that would have been taxable in the preceding year were it not for the fact that the property was in an existing incentive district and therefore exempt from taxation exceeds twenty-five per cent of the ~~municipal corporation's taxable value, as of the first day of January of the year in which the ordinance takes effect, is subject to an exemption because of an incentive district. The twenty-five per cent limitation does not apply to an incentive district that was created by an ordinance adopted prior to January 1, 2006, unless the legislative authority creates an additional incentive district after that date~~ taxable value of real property in the municipal corporation for the preceding tax year. The ordinance shall delineate the boundary of the district and specifically identify each parcel within the district. A district may not include any parcel that is or has been exempted from taxation under division (B) of this section or that is or has been within another district created under this division. An ordinance may create more than one such district, and more than one ordinance may be adopted under division (C)(1) of this section.

(2) Not later than thirty days prior to adopting an ordinance under division (C)(1) of this section, if the municipal corporation intends to apply for exemptions from taxation under section 5709.911 of the Revised Code on behalf of owners of real property located within the proposed incentive district, the legislative authority of a municipal corporation shall conduct a

public hearing on the proposed ordinance. Not later than thirty days prior to the public hearing, the legislative authority shall give notice of the public hearing and the proposed ordinance by first class mail to every real property owner whose property is located within the boundaries of the proposed incentive district that is the subject of the proposed ordinance.

(3)(a) An ordinance adopted under division (C)(1) of this section shall specify the life of the incentive district and the percentage of the improvements to be exempted, shall designate the public infrastructure improvements made, to be made, or in the process of being made, that benefit or serve, or, once made, will benefit or serve parcels in the district. The ordinance also shall identify one or more specific projects being, or to be, undertaken in the district that place additional demand on the public infrastructure improvements designated in the ordinance. The project identified may, but need not be, the project under division (C)(3)(b) of this section that places real property in use for commercial or industrial purposes. Except as otherwise permitted under that division, the service payments provided for in section 5709.42 of the Revised Code shall be used to finance the designated public infrastructure improvements ~~or~~, for the purpose described in division (D)(1) or (E) of this section, or as provided in section 5709.43 of the Revised Code.

An ordinance adopted under division (C)(1) of this section on or after the effective date of this amendment shall not designate police or fire equipment as public infrastructure improvements, and no service payment provided for in section 5709.42 of the Revised Code and received by the municipal corporation under the ordinance shall be used for police or fire equipment.

(b) An ordinance adopted under division (C)(1) of this section may authorize the use of service payments provided for in section 5709.42 of the Revised Code for the purpose of housing renovations within the incentive district, provided that the ordinance also designates public infrastructure improvements that benefit or serve the district, and that a project within the district places real property in use for commercial or industrial purposes. Service payments may be used to finance or support loans, deferred loans, and grants to persons for the purpose of housing renovations within the district. The ordinance shall designate the parcels within the district that are eligible for housing renovation. The ordinance shall state separately the amounts or the percentages of the expected aggregate service payments that are designated for each public infrastructure improvement and for the general purpose of housing renovations.

(4) Except with the approval of the board of education of each city,

local, or exempted village school district within the territory of which the incentive district is or will be located, and subject to division (E) of this section, the life of an incentive district shall not exceed ten years, and the percentage of improvements to be exempted shall not exceed seventy-five per cent. With approval of the board of education, the life of a district may be not more than thirty years, and the percentage of improvements to be exempted may be not more than one hundred per cent. The approval

~~(5) Approval of a board of education shall be obtained in the manner provided in division (D) of this section for exemptions under division (B) of this section, except that the notice to the board of education shall delineate the boundaries of the district, specifically identify each parcel within the district, identify each anticipated improvement in the district, provide an estimate of the true value in money of each such improvement, specify the life of the district and the percentage of improvements that would be exempted, and indicate the date on which the legislative authority intends to adopt the ordinance.~~

(D)(1) If the ordinance declaring improvements to a parcel to be a public purpose or creating an incentive district specifies that payments in lieu of taxes provided for in section 5709.42 of the Revised Code shall be paid to the city, local, or exempted village school district in which the parcel or incentive district is located in the amount of the taxes that would have been payable to the school district if the improvements had not been exempted from taxation, the percentage of the improvement that may be exempted from taxation may exceed seventy-five per cent, and the exemption may be granted for up to thirty years, without the approval of the board of education as otherwise required under division (D)(2) of this section.

(2) Improvements with respect to a parcel may be exempted from taxation under division (B) of this section, and improvements to parcels within an incentive district may be exempted from taxation under division (C) of this section, for up to ten years or, with the approval under this paragraph of the board of education of the city, local, or exempted village school district within which the parcel or district is located, for up to thirty years. The percentage of the improvement exempted from taxation may, with such approval, exceed seventy-five per cent, but shall not exceed one hundred per cent. Not later than forty-five business days prior to adopting an ordinance under this section declaring improvements to be a public purpose that is subject to approval by a board of education under this division, the legislative authority shall deliver to the board of education a notice stating its intent to adopt an ordinance making that declaration. The notice

regarding improvements with respect to a parcel under division (B) of this section shall identify the parcels for which improvements are to be exempted from taxation, provide an estimate of the true value in money of the improvements, specify the period for which the improvements would be exempted from taxation and the percentage of the improvement that would be exempted, and indicate the date on which the legislative authority intends to adopt the ordinance. The notice regarding improvements to parcels within an incentive district under division (C) of this section shall delineate the boundaries of the district, specifically identify each parcel within the district, identify each anticipated improvement in the district, provide an estimate of the true value in money of each such improvement, specify the life of the district and the percentage of improvements that would be exempted, and indicate the date on which the legislative authority intends to adopt the ordinance. The board of education, by resolution adopted by a majority of the board, may approve the exemption for the period or for the exemption percentage specified in the notice; may disapprove the exemption for the number of years in excess of ten, may disapprove the exemption for the percentage of the improvement to be exempted in excess of seventy-five per cent, or both; or may approve the exemption on the condition that the legislative authority and the board negotiate an agreement providing for compensation to the school district equal in value to a percentage of the amount of taxes exempted in the eleventh and subsequent years of the exemption period or, in the case of exemption percentages in excess of seventy-five per cent, compensation equal in value to a percentage of the taxes that would be payable on the portion of the improvement in excess of seventy-five per cent were that portion to be subject to taxation, or other mutually agreeable compensation. ~~The~~

(3) The board of education shall certify its resolution to the legislative authority not later than fourteen days prior to the date the legislative authority intends to adopt the ordinance as indicated in the notice. If the board of education and the legislative authority negotiate a mutually acceptable compensation agreement, the ordinance may declare the improvements a public purpose for the number of years specified in the ordinance or, in the case of exemption percentages in excess of seventy-five per cent, for the exemption percentage specified in the ordinance. In either case, if the board and the legislative authority fail to negotiate a mutually acceptable compensation agreement, the ordinance may declare the improvements a public purpose for not more than ten years, ~~but~~ and shall not exempt more than seventy-five per cent of the improvements from taxation. If the board fails to certify a resolution to the legislative authority

within the time prescribed by this division, the legislative authority thereupon may adopt the ordinance and may declare the improvements a public purpose for up to thirty years, or, in the case of exemption percentages proposed in excess of seventy-five per cent, for the exemption percentage specified in the ordinance. The legislative authority may adopt the ordinance at any time after the board of education certifies its resolution approving the exemption to the legislative authority, or, if the board approves the exemption on the condition that a mutually acceptable compensation agreement be negotiated, at any time after the compensation agreement is agreed to by the board and the legislative authority.

~~(3)~~(4) If a board of education has adopted a resolution waiving its right to approve exemptions from taxation under this section and the resolution remains in effect, approval of exemptions by the board is not required under ~~this~~ division (D) of this section. If a board of education has adopted a resolution allowing a legislative authority to deliver the notice required under division (D)~~(2)~~ of this section fewer than forty-five business days prior to the legislative authority's adoption of the ordinance, the legislative authority shall deliver the notice to the board not later than the number of days prior to such adoption as prescribed by the board in its resolution. If a board of education adopts a resolution waiving its right to approve agreements or shortening the notification period, the board shall certify a copy of the resolution to the legislative authority. If the board of education rescinds such a resolution, it shall certify notice of the rescission to the legislative authority.

~~(4)~~(5) If the legislative authority is not required by division (D)~~(1), (2), or (3)~~ of this section to notify the board of education of the legislative authority's intent to declare improvements to be a public purpose, the legislative authority shall comply with the notice requirements imposed under section 5709.83 of the Revised Code, unless the board has adopted a resolution under that section waiving its right to receive such a notice.

(E)(1) If a proposed ordinance under division (C)(1) of this section exempts improvements with respect to a parcel within an incentive district for more than ten years, or the percentage of the improvement exempted from taxation exceeds seventy-five per cent, not later than forty-five business days prior to adopting the ordinance the legislative authority of the municipal corporation shall deliver to the board of county commissioners of the county within which the incentive district ~~is or~~ will be located a notice that states its intent to adopt an ordinance creating an incentive district. The notice shall include a copy of the proposed ordinance, identify the parcels for which improvements are to be exempted from taxation, provide an

estimate of the true value in money of the improvements, specify the period of time for which the improvements would be exempted from taxation, specify the percentage of the improvements that would be exempted from taxation, and indicate the date on which the legislative authority intends to adopt the ordinance.

(2) The board of county commissioners, by resolution adopted by a majority of the board, may object to the exemption for the number of years in excess of ten, may object to the exemption for the percentage of the improvement to be exempted in excess of seventy-five per cent, or both, ~~or may accept either or both exemptions.~~ If the board of county commissioners objects, the board may negotiate ~~an~~ a mutually acceptable compensation agreement with the legislative authority that provides. In no case shall the compensation provided to the board exceed the property taxes foregone due to the exemption. If the board of county commissioners objects, and the board and legislative authority fail to negotiate a mutually acceptable compensation agreement, the ordinance adopted under division (C)(1) of this section shall provide to the board compensation in the eleventh and subsequent years of the exemption period ~~compensation~~ equal in value to not more than fifty per cent of the taxes that would be payable to the county or, if the board's objection includes an objection to an exemption percentage in excess of seventy-five per cent, compensation equal in value to not more than fifty per cent of the taxes that would be payable to the county, on the portion of the improvement in excess of seventy-five per cent, were that portion to be subject to taxation. The board of county commissioners shall certify its resolution to the legislative authority not later than thirty days after receipt of the notice.

(3) If the board of county commissioners does not object or fails to certify its resolution objecting to an exemption within thirty days after receipt of the notice, the legislative authority may adopt the ordinance, and no compensation shall be provided to the board of county commissioners. If the board timely certifies its resolution objecting to the ordinance, the legislative authority may adopt the ordinance at any time after ~~the~~ a mutually acceptable compensation agreement is agreed to by the board and the legislative authority, or, if no compensation agreement is negotiated, at any time after the legislative authority agrees in the proposed ordinance to provide compensation to the board of fifty per cent of the taxes that would be payable to the county in the eleventh and subsequent years of the exemption period or on the portion of the improvement in excess of seventy-five per cent, were that portion to be subject to taxation.

(F) ~~Any of the following property tax levies that are enacted~~ Service

payments in lieu of taxes that are attributable to any amount by which the effective tax rate of either a renewal levy with an increase or a replacement levy exceeds the effective tax rate of the levy renewed or replaced, or that are attributable to an additional levy, for a levy authorized by the voters for any of the following purposes on or after January 1, 2006, and after the date which are provided pursuant to an ordinance creating an incentive district under division (C)(1) of this section that is adopted on or after January 1, 2006, under division (C)(1) of this section shall be levied on property that was exempted from taxation distributed to the appropriate taxing authority as required under division (C) of section 5709.42 of the Revised Code in an amount equal to the amount of taxes from that additional levy or from the increase in the effective tax rate of such renewal or replacement levy that would have been payable to that taxing authority from the following levies were it not for the exemption authorized under division (C) of this section; and revenues collected from such levies shall not be used to provide service payments under this section:

(1) A tax levied under division (L) of section 5705.19 or section 5705.191 of the Revised Code for community mental retardation and developmental disabilities programs and services pursuant to Chapter 5126. of the Revised Code;

(2) A tax levied under division (Y) of section 5705.19 of the Revised Code for providing or maintaining senior citizens services or facilities;

(3) A tax levied under section 5705.22 of the Revised Code for county hospitals;

(4) A tax levied by a joint-county district or by a county under section 5705.19, 5705.191, or 5705.221 of the Revised Code for alcohol, drug addiction, and mental health services or facilities;

(5) A tax levied under section 5705.23 of the Revised Code for library purposes;

(6) A tax levied under section 5705.24 of the Revised Code for the support of children services and the placement and care of children;

(7) A tax levied under division (Z) of section 5705.19 of the Revised Code for the provision and maintenance of zoological park services and facilities under section 307.76 of the Revised Code;

(8) A tax levied under section 511.27 or division (H) of section 5705.19 of the Revised Code for the support of township park districts;

(9) A tax levied under division (A), (F), or (H) of section 5705.19 of the Revised Code for parks and recreational purposes of a joint recreation district organized pursuant to division (B) of section 755.14 of the Revised Code;

(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;

(11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public health and hospitalization; and support of general hospitals;

(12) A tax levied under section 3709.29 of the Revised Code for a general health district program.

(G) An exemption from taxation granted under this section commences with the tax year specified in the ordinance so long as the year specified in the ordinance commences after the effective date of the ordinance. If the ordinance specifies a year commencing before the effective date of the resolution or specifies no year whatsoever, the exemption commences with the tax year in which an exempted improvement first appears on the tax list and duplicate of real and public utility property and that commences after the effective date of the ordinance. Except as otherwise provided in this division, the exemption ends on the date specified in the ordinance as the date the improvement ceases to be a public purpose or the incentive district expires, or ends on the date on which the public infrastructure improvements and housing renovations are paid in full from the municipal public improvement tax increment equivalent fund established under division (A) of section 5709.43 of the Revised Code, whichever occurs first. The exemption of an improvement with respect to a parcel or within an incentive district may end on a later date, as specified in the ordinance, if the legislative authority and the board of education of the city, local, or exempted village school district within which the parcel or district is located have entered into a compensation agreement under section 5709.82 of the Revised Code with respect to the improvement ~~or district~~, and the board of education has approved the term of the exemption under division (D)(2) of this section, but in no case shall the improvement be exempted from taxation for more than thirty years. Exemptions shall be claimed and allowed in the same manner as in the case of other real property exemptions. If an exemption status changes during a year, the procedure for the apportionment of the taxes for that year is the same as in the case of other changes in tax exemption status during the year.

(H) Additional municipal financing of public infrastructure improvements and housing renovations may be provided by any methods that the municipal corporation may otherwise use for financing such improvements or renovations. If the municipal corporation issues bonds or notes to finance the public infrastructure improvements and housing

renovations and pledges money from the municipal public improvement tax increment equivalent fund to pay the interest on and principal of the bonds or notes, the bonds or notes are not subject to Chapter 133. of the Revised Code.

(I) The municipal corporation, not later than fifteen days after the adoption of an ordinance under this section, shall submit to the director of development a copy of the ordinance. On or before the thirty-first day of March of each year, the municipal corporation shall submit a status report to the director of development. The report shall indicate, in the manner prescribed by the director, the progress of the project during each year that an exemption remains in effect, including a summary of the receipts from service payments in lieu of taxes; expenditures of money from the funds created under section 5709.43 of the Revised Code; a description of the public infrastructure improvements and housing renovations financed with such expenditures; and a quantitative summary of changes in employment and private investment resulting from each project.

(J) Nothing in this section shall be construed to prohibit a legislative authority from declaring to be a public purpose improvements with respect to more than one parcel.

Sec. 5709.42. (A) A municipal corporation that has declared an improvement to be a public purpose under section 5709.40 or 5709.41 of the Revised Code may require the owner of any structure located on the parcel to make annual service payments in lieu of taxes to the county treasurer on or before the final dates for payment of real property taxes. Each such payment shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the improvement if it were not exempt from taxation. If any reduction in the levies otherwise applicable to such exempt property is made by the county budget commission under section 5705.31 of the Revised Code, the amount of the service payment in lieu of taxes shall be calculated as if such reduction in levies had not been made.

(B) Moneys collected as service payments in lieu of taxes shall be distributed at the same time and in the same manner as real property tax payments. However, subject to division (C) of this section or section 5709.913 of the Revised Code, the entire amount so collected shall be distributed to the municipal corporation in which the improvement is located. If an ordinance adopted under section 5709.40 or 5709.41 of the Revised Code specifies that service payments shall be paid to the city, local, or exempted village school district in which the improvements are located, the county treasurer shall distribute the portion of the service payments to

that school district in an amount equal to the property tax payments the school district would have received from the portion of the improvements exempted from taxation had the improvements not been exempted, as directed in the ordinance. The treasurer shall maintain a record of the service payments in lieu of taxes made from property in each municipal corporation.

(C) If annual service payments in lieu of taxes are required under this section, the county treasurer shall distribute to the appropriate taxing authorities the portion of the service payments that represents payments required under division (F) of section 5709.40 of the Revised Code.

(D) Nothing in this section or section 5709.40 or 5709.41 of the Revised Code affects the taxes levied against that portion of the value of any parcel of property that is not exempt from taxation.

Sec. 5709.43. (A) A municipal corporation that grants a tax exemption under section 5709.40 of the Revised Code shall establish a municipal public improvement tax increment equivalent fund into which shall be deposited service payments in lieu of taxes distributed to the municipal corporation under section 5709.42 of the Revised Code. If the legislative authority of the municipal corporation has adopted an ordinance under division (C) of section 5709.40 of the Revised Code, the municipal corporation shall establish at least one account in that fund with respect to ordinances adopted under division (B) of that section, and one account with respect to each incentive district created in an ordinance adopted under division (C) of that section. If an ordinance adopted under division (C) of section 5709.40 of the Revised Code also authorizes the use of service payments for housing renovations within the district, the municipal corporation shall establish separate accounts for the service payments designated for public infrastructure improvements and for the service payments authorized for the purpose of housing renovations. Money in an account of the municipal public improvement tax increment equivalent fund shall be used to finance the public infrastructure improvements designated in, or the housing renovations authorized by, the ordinance with respect to which the account is established; in the case of an account established with respect to an ordinance adopted under division (C) of that section, money in the account shall be used to finance the public infrastructure improvements designated, or the housing renovations authorized, for each incentive district created in the ordinance. Money in an account shall not be used to finance or support housing renovations that take place after the incentive district has expired. The municipal corporation also may deposit into any of those accounts municipal income tax revenue that has been designated by ordinance to finance the public infrastructure improvements and housing

renovations.

(B) A municipal corporation may establish an urban redevelopment tax increment equivalent fund, by resolution or ordinance of its legislative authority, into which shall be deposited service payments in lieu of taxes distributed to the municipal corporation by the county treasurer as provided in section 5709.42 of the Revised Code for improvements exempt from taxation pursuant to an ordinance adopted under section 5709.41 of the Revised Code. Moneys deposited in the urban redevelopment tax increment equivalent fund shall be used for such purposes as are authorized in the resolution or ordinance establishing the fund. The municipal corporation also may deposit into the urban redevelopment tax increment equivalent fund municipal income tax revenue that has been dedicated to fund any of the purposes for which the fund is established.

(C)(1)(a) A municipal corporation ~~also~~ may distribute money in the municipal public improvement tax increment equivalent fund or the urban redevelopment tax increment equivalent fund to any school district in which the exempt property is located, in an amount not to exceed the amount of real property taxes that such school district would have received from the improvement if it were not exempt from taxation, or use money in either or both funds to finance specific public improvements benefiting the school district. The resolution or ordinance establishing the fund shall set forth the percentage of such maximum amount that will be distributed to any affected school district or used to finance specific public improvements benefiting the school district.

(b) A municipal corporation also may distribute money in the municipal public improvement tax increment equivalent fund or the urban redevelopment tax increment equivalent fund as follows:

(i) To a board of county commissioners, in the amount that is owed to the board pursuant to division (E) of section 5709.40 of the Revised Code;

(ii) To a county in accordance with section 5709.913 of the Revised Code.

(2) Money from an account in a municipal public improvement tax increment equivalent fund or from an urban redevelopment tax increment equivalent fund may be distributed under division (C)(1)(b) of this section, regardless of the date a resolution or an ordinance was adopted under section 5709.40 or 5709.41 of the Revised Code that prompted the establishment of the account or the establishment of the urban redevelopment tax increment equivalent fund, even if the resolution or ordinance was adopted prior to the effective date of this amendment.

(D) Any incidental surplus remaining in the municipal public

improvement tax increment equivalent fund or an account of that fund, or in the urban redevelopment tax increment equivalent fund, upon dissolution of the account or fund shall be transferred to the general fund of the municipal corporation.

Sec. 5709.73. (A) As used in this section and section 5709.74 of the Revised Code:

(1) "Business day" means a day of the week excluding Saturday, Sunday, and a legal holiday as defined in section 1.14 of the Revised Code.

(2) "Further improvements" or "improvements" means the increase in the assessed value of real property that would first appear on the tax list and duplicate of real and public utility property after the effective date of a resolution adopted under this section were it not for the exemption granted by that resolution. For purposes of division (B) of this section, "improvements" do not include any property used or to be used for residential purposes.

(3) "Housing renovation" means a project carried out for residential purposes.

(4) "Incentive district" has the same meaning as in section 5709.40 of the Revised Code, except that a blighted area is in the unincorporated area of a township.

(5) "Project" and "public infrastructure improvement" have the same meanings as in section 5709.40 of the Revised Code.

(B) A board of township trustees may, by unanimous vote, adopt a resolution that declares to be a public purpose any public infrastructure improvements made that are necessary for the development of certain parcels of land located in the unincorporated area of the township. Except as otherwise provided in with the approval under division (D) of this section of the board of education of each city, local, or exempted village school district within which the improvements are located, the resolution may exempt from real property taxation not more than seventy-five per cent of further improvements to a parcel of land that directly benefits from the public infrastructure improvements, for a period of not more than ten years. The resolution shall specify the percentage of the further improvements to be exempted and the life of the exemption.

(C)(1) A board of township trustees may adopt, by unanimous vote, a resolution creating an incentive district and declaring improvements to parcels within the district to be a public purpose and, except as provided in division (F) of this section, exempt from taxation as provided in this section, but no board of township trustees of a township that has a population that exceeds twenty-five thousand, as shown by the most recent federal

decennial census, shall adopt a resolution that creates an incentive district if; ~~as a result of adopting the resolution, more than~~ the sum of the taxable value of real property in the proposed district for the preceding tax year and the taxable value of all real property in the township that would have been taxable in the preceding year were it not for the fact that the property was in an existing incentive district and therefore exempt from taxation exceeds twenty-five per cent of the ~~township's taxable value, as of the first day of January of the year in which the resolution takes effect, is subject to exemption because of an incentive district. The twenty-five per cent limitation does not apply to an incentive district that was created by a resolution adopted prior to January 1, 2006, unless the board creates an additional incentive district after that date~~ taxable value of real property in the township for the preceding tax year. The district shall be located within the unincorporated area of the township and shall not include any territory that is included within a district created under division (B) of section 5709.78 of the Revised Code. The resolution shall delineate the boundary of the district and specifically identify each parcel within the district. A district may not include any parcel that is or has been exempted from taxation under division (B) of this section or that is or has been within another district created under this division. A resolution may create more than one district, and more than one resolution may be adopted under division (C)(1) of this section.

(2) Not later than thirty days prior to adopting a resolution under division (C)(1) of this section, if the township intends to apply for exemptions from taxation under section 5709.911 of the Revised Code on behalf of owners of real property located within the proposed incentive district, the board shall conduct a public hearing on the proposed resolution. Not later than thirty days prior to the public hearing, the board shall give notice of the public hearing and the proposed resolution by first class mail to every real property owner whose property is located within the boundaries of the proposed incentive district that is the subject of the proposed resolution.

(3)(a) A resolution adopted under division (C)(1) of this section shall specify the life of the incentive district and the percentage of the improvements to be exempted, shall designate the public infrastructure improvements made, to be made, or in the process of being made, that benefit or serve, or, once made, will benefit or serve parcels in the district. The resolution also shall identify one or more specific projects being, or to be, undertaken in the district that place additional demand on the public infrastructure improvements designated in the resolution. The project

identified may, but need not be, the project under division (C)(3)(b) of this section that places real property in use for commercial or industrial purposes.

A resolution adopted under division (C)(1) of this section on or after the effective date of this amendment shall not designate police or fire equipment as public infrastructure improvements, and no service payment provided for in section 5709.74 of the Revised Code and received by the township under the resolution shall be used for police or fire equipment.

(b) A resolution adopted under division (C)(1) of this section may authorize the use of service payments provided for in section 5709.74 of the Revised Code for the purpose of housing renovations within the incentive district, provided that the resolution also designates public infrastructure improvements that benefit or serve the district, and that a project within the district places real property in use for commercial or industrial purposes. Service payments may be used to finance or support loans, deferred loans, and grants to persons for the purpose of housing renovations within the district. The resolution shall designate the parcels within the district that are eligible for housing renovations. The resolution shall state separately the amount or the percentages of the expected aggregate service payments that are designated for each public infrastructure improvement and for the purpose of housing renovations.

(4) Except with the approval of the board of education of each city, local, or exempted village school district within the territory of which the incentive district is or will be located, and subject to division (E) of this section, the life of an incentive district shall not exceed ten years, and the percentage of improvements to be exempted shall not exceed seventy-five per cent. With approval of the board of education, the life of a district may be not more than thirty years, and the percentage of improvements to be exempted may be not more than one hundred per cent. The approval

~~(5) Approval of a board of education shall be obtained in the manner provided in division (D) of this section for exemptions under division (B) of this section, except that the notice to the board of education shall delineate the boundaries of the district, specifically identify each parcel within the district, identify each anticipated improvement in the district, provide an estimate of the true value in money of each such improvement, specify the life of the district and the percentage of improvements that would be exempted, and indicate the date on which the board of township trustees intends to adopt the resolution.~~

(D) Improvements with respect to a parcel may be exempted from taxation under division (B) of this section, and improvements to parcels

within an incentive district may be exempted from taxation under division (C) of this section, for up to ten years or, with the approval of the board of education of the city, local, or exempted village school district within which the parcel or district is located, for up to thirty years. The percentage of the improvements exempted from taxation may, with such approval, exceed seventy-five per cent, but shall not exceed one hundred per cent. Not later than forty-five business days prior to adopting a resolution under this section declaring improvements to be a public purpose that is subject to approval by a board of education under this division, the board of township trustees shall deliver to the board of education a notice stating its intent to adopt a resolution making that declaration. The notice regarding improvements with respect to a parcel under division (B) of this section shall identify the parcels for which improvements are to be exempted from taxation, provide an estimate of the true value in money of the improvements, specify the period for which the improvements would be exempted from taxation and the percentage of the improvements that would be exempted, and indicate the date on which the board of township trustees intends to adopt the resolution. The notice regarding improvements made under division (C) of this section to parcels within an incentive district shall delineate the boundaries of the district, specifically identify each parcel within the district, identify each anticipated improvement in the district, provide an estimate of the true value in money of each such improvement, specify the life of the district and the percentage of improvements that would be exempted, and indicate the date on which the board of township trustees intends to adopt the resolution. The board of education, by resolution adopted by a majority of the board, may approve the exemption for the period or for the exemption percentage specified in the notice; may disapprove the exemption for the number of years in excess of ten, may disapprove the exemption for the percentage of the improvements to be exempted in excess of seventy-five per cent, or both; or may approve the exemption on the condition that the board of township trustees and the board of education negotiate an agreement providing for compensation to the school district equal in value to a percentage of the amount of taxes exempted in the eleventh and subsequent years of the exemption period or, in the case of exemption percentages in excess of seventy-five per cent, compensation equal in value to a percentage of the taxes that would be payable on the portion of the improvements in excess of seventy-five per cent were that portion to be subject to taxation, or other mutually agreeable compensation. ~~The~~

The board of education shall certify its resolution to the board of township trustees not later than fourteen days prior to the date the board of

township trustees intends to adopt the resolution as indicated in the notice. If the board of education and the board of township trustees negotiate a mutually acceptable compensation agreement, the resolution may declare the improvements a public purpose for the number of years specified in the resolution or, in the case of exemption percentages in excess of seventy-five per cent, for the exemption percentage specified in the resolution. In either case, if the board of education and the board of township trustees fail to negotiate a mutually acceptable compensation agreement, the resolution may declare the improvements a public purpose for not more than ten years, ~~but~~ and shall not exempt more than seventy-five per cent of the improvements from taxation. If the board of education fails to certify a resolution to the board of township trustees within the time prescribed by this section, the board of township trustees thereupon may adopt the resolution and may declare the improvements a public purpose for up to thirty years or, in the case of exemption percentages proposed in excess of seventy-five per cent, for the exemption percentage specified in the resolution. The board of township trustees may adopt the resolution at any time after the board of education certifies its resolution approving the exemption to the board of township trustees, or, if the board of education approves the exemption on the condition that a mutually acceptable compensation agreement be negotiated, at any time after the compensation agreement is agreed to by the board of education and the board of township trustees.

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

If the board of township trustees is not required by ~~this~~ division (D) of this section to notify the board of education of the board of township

trustees' intent to declare improvements to be a public purpose, the board of township trustees shall comply with the notice requirements imposed under section 5709.83 of the Revised Code before taking formal action to adopt the resolution making that declaration, unless the board of education has adopted a resolution under that section waiving its right to receive the notice.

(E)(1) If a proposed resolution under division (C)(1) of this section exempts improvements with respect to a parcel within an incentive district for more than ten years, or the percentage of the improvement exempted from taxation exceeds seventy-five per cent, not later than forty-five business days prior to adopting the ~~ordinance~~ resolution the board of township trustees shall deliver to the board of county commissioners of the county within which the incentive district is or will be located a notice that states its intent to adopt a resolution creating an incentive district. The notice shall include a copy of the proposed resolution, identify the parcels for which improvements are to be exempted from taxation, provide an estimate of the true value in money of the improvements, specify the period of time for which the improvements would be exempted from taxation, specify the percentage of the improvements that would be exempted from taxation, and indicate the date on which the board of township trustees intends to adopt the resolution.

(2) The board of county commissioners, by resolution adopted by a majority of the board, may object to the exemption for the number of years in excess of ten, may object to the exemption for the percentage of the improvement to be exempted in excess of seventy-five per cent, or both, ~~or may accept either or both exemptions.~~ If the board of county commissioners objects, the board may negotiate ~~an~~ a mutually acceptable compensation agreement with the board of township trustees that provides. In no case shall the compensation provided to the board of county commissioners exceed the property taxes foregone due to the exemption. If the board of county commissioners objects, and the board of county commissioners and board of township trustees fail to negotiate a mutually acceptable compensation agreement, the resolution adopted under division (C)(1) of this section shall provide to the board of county commissioners compensation in the eleventh and subsequent years of the exemption period ~~compensation~~ equal in value to not more than fifty per cent of the taxes that would be payable to the county or, if the board of county commissioner's objection includes an objection to an exemption percentage in excess of seventy-five per cent, compensation equal in value to not more than fifty per cent of the taxes that would be payable to the county, on the portion of the improvement in excess

of seventy-five per cent, were that portion to be subject to taxation. The board of county commissioners shall certify its resolution to the board of township trustees not later than thirty days after receipt of the notice.

(3) If the board of county commissioners does not object or fails to certify its resolution objecting to an exemption within thirty days after receipt of the notice, the board of township trustees may adopt its resolution, and no compensation shall be provided to the board of county commissioners. If the board of county commissioners timely certifies its resolution objecting to the trustees' resolution, the board of township trustees may adopt its resolution at any time after ~~the~~ a mutually acceptable compensation agreement is agreed to by the board of county commissioners and the board of township trustees, or, if no compensation agreement is negotiated, at any time after the board of township trustees agrees in the proposed resolution to provide compensation to the board of county commissioners of fifty per cent of the taxes that would be payable to the county in the eleventh and subsequent years of the exemption period or on the portion of the improvement in excess of seventy-five per cent, were that portion to be subject to taxation.

(F) ~~Any of the following property tax levies that are enacted~~ Service payments in lieu of taxes that are attributable to any amount by which the effective tax rate of either a renewal levy with an increase or a replacement levy exceeds the effective tax rate of the levy renewed or replaced, or that are attributable to an additional levy, for a levy authorized by the voters for any of the following purposes on or after January 1, 2006, and after the date an ordinance which are provided pursuant to a resolution creating an incentive district under division (C)(1) of this section that is adopted on or after January 1, 2006, under division (C)(1) of this section shall be levied on property that was exempted from taxation distributed to the appropriate taxing authority as required under division (C) of section 5709.74 of the Revised Code in an amount equal to the amount of taxes from that additional levy or from the increase in the effective tax rate of such renewal or replacement levy that would have been payable to that taxing authority from the following levies were it not for the exemption authorized under division (C) of this section and revenues collected from such levies shall not be used to provide service payments under this section:

(1) A tax levied under division (L) of section 5705.19 or section 5705.191 of the Revised Code for community mental retardation and developmental disabilities programs and services pursuant to Chapter 5126. of the Revised Code;

(2) A tax levied under division (Y) of section 5705.19 of the Revised

Code for providing or maintaining senior citizens services or facilities;

(3) A tax levied under section 5705.22 of the Revised Code for county hospitals;

(4) A tax levied by a joint-county district or by a county under section 5705.19, 5705.191, or 5705.221 of the Revised Code for alcohol, drug addiction, and mental health services or families;

(5) A tax levied under section 5705.23 of the Revised Code for library purposes;

(6) A tax levied under section 5705.24 of the Revised Code for the support of children services and the placement and care of children;

(7) A tax levied under division (Z) of section 5705.19 of the Revised Code for the provision and maintenance of zoological park services and facilities under section 307.76 of the Revised Code;

(8) A tax levied under section 511.27 or division (H) of section 5705.19 of the Revised Code for the support of township park districts;

(9) A tax levied under division (A), (F), or (H) of section 5705.19 of the Revised Code for parks and recreational purposes of a joint recreation district organized pursuant to division (B) of section 755.14 of the Revised Code;

(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;

(11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public health and hospitalization; and support of general hospitals;

(12) A tax levied under section 3709.29 of the Revised Code for a general health district program.

(G) An exemption from taxation granted under this section commences with the tax year specified in the resolution ~~that begins~~ so long as the year specified in the resolution commences after the effective date of the resolution. If the resolution specifies a year commencing before the effective date of the resolution or specifies no year whatsoever, the exemption commences with the tax year in which an exempted improvement first appears on the tax list and duplicate of real and public utility property and that commences after the effective date of the resolution. Except as otherwise provided in this division, the exemption ends on the date specified in the resolution as the date the improvement ceases to be a public purpose or the incentive district expires, or ends on the date on which the public infrastructure improvements and housing renovations are paid in full from the township public improvement tax increment equivalent fund established

under section 5709.75 of the Revised Code, whichever occurs first. The exemption of an improvement with respect to a parcel or within an incentive district may end on a later date, as specified in the resolution, if the board of township trustees and the board of education of the city, local, or exempted village school district within which the parcel or district is located have entered into a compensation agreement under section 5709.82 of the Revised Code with respect to the improvement ~~or district~~ and the board of education has approved the term of the exemption under division (D) of this section, but in no case shall the improvement be exempted from taxation for more than thirty years. The board of township trustees may, by majority vote, adopt a resolution permitting the township to enter into such agreements as the board finds necessary or appropriate to provide for the construction or undertaking of public infrastructure improvements and housing renovations. Any exemption shall be claimed and allowed in the same or a similar manner as in the case of other real property exemptions. If an exemption status changes during a tax year, the procedure for the apportionment of the taxes for that year is the same as in the case of other changes in tax exemption status during the year.

(H) The board of township trustees may issue the notes of the township to finance all costs pertaining to the construction or undertaking of public infrastructure improvements and housing renovations made pursuant to this section. The notes shall be signed by the board and attested by the signature of the township fiscal officer, shall bear interest not to exceed the rate provided in section 9.95 of the Revised Code, and are not subject to Chapter 133. of the Revised Code. The resolution authorizing the issuance of the notes shall pledge the funds of the township public improvement tax increment equivalent fund established pursuant to section 5709.75 of the Revised Code to pay the interest on and principal of the notes. The notes, which may contain a clause permitting prepayment at the option of the board, shall be offered for sale on the open market or given to the vendor or contractor if no sale is made.

(I) The township, not later than fifteen days after the adoption of a resolution under this section, shall submit to the director of development a copy of the resolution. On or before the thirty-first day of March of each year, the township shall submit a status report to the director of development. The report shall indicate, in the manner prescribed by the director, the progress of the project during each year that the exemption remains in effect, including a summary of the receipts from service payments in lieu of taxes; expenditures of money from ~~funds~~ the fund created under section 5709.75 of the Revised Code; a description of the

public infrastructure improvements and housing renovations financed with the expenditures; and a quantitative summary of changes in private investment resulting from each project.

(J) Nothing in this section shall be construed to prohibit a board of township trustees from declaring to be a public purpose improvements with respect to more than one parcel.

(K) A board of township trustees that adopted a resolution under this section prior to July 21, 1994, may amend that resolution to include any additional public infrastructure improvement. A board of township trustees that seeks by the amendment to utilize money from its township public improvement tax increment equivalent fund for land acquisition in aid of industry, commerce, distribution, or research, demolition on private property, or stormwater and flood remediation projects may do so provided that the board currently is a party to a hold-harmless agreement with the board of education of the city, local, or exempted village school district within the territory of which are located the parcels that are subject to an exemption. For the purposes of this division, a "hold-harmless agreement" means an agreement under which the board of township trustees agrees to compensate the school district for one hundred per cent of the tax revenue that the school district would have received from further improvements to parcels designated in the resolution were it not for the exemption granted by the resolution.

Sec. 5709.74. (A) A township that has declared an improvement to be a public purpose under section 5709.73 of the Revised Code may require the owner of the parcel to make annual service payments in lieu of taxes to the county treasurer on or before the final dates for payment of real property taxes. Each payment shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against any improvement made on the parcel if it were not exempt from taxation. If any reduction in the levies otherwise applicable to the exempt property is made by the county budget commission under section 5705.31 of the Revised Code, the amount of the service payment in lieu of taxes shall be calculated as if a reduction in levies had not been made. A township shall not require an owner to make annual service payments in lieu of taxes pursuant to this section after the date on which the township has been paid back in full for the public infrastructure improvements made pursuant to sections 5709.73 to 5709.75 of the Revised Code.

(B) Moneys collected as service payments in lieu of taxes shall be distributed at the same time and in the same manner as real property tax payments. However, subject to division (C) of this section or section

5709.913 of the Revised Code, the entire amount so collected shall be distributed to the township in which the improvement is located. If a parcel upon which moneys are collected as service payments in lieu of taxes is annexed to a municipal corporation, the service payments shall continue to be collected and distributed to the township in which the parcel was located before its annexation until the township is paid back in full for the cost of any public infrastructure improvements it made on the parcel. The treasurer shall maintain a record of the service payments in lieu of taxes made from property in each township.

(C) If annual service payments in lieu of taxes are required under this section, the county treasurer shall distribute to the appropriate taxing authorities the portion of the service payments that represent payments required under division (F) of section 5709.73 of the Revised Code.

(D) Nothing in this section or section 5709.73 of the Revised Code affects the taxes levied against that portion of the value of any parcel of property that is not exempt from taxation.

Sec. 5709.75. (A) Any township that receives service payments in lieu of taxes under section 5709.74 of the Revised Code shall establish a township public improvement tax increment equivalent fund into which those payments shall be deposited. If the board of township trustees has adopted a resolution under division (C) of section 5709.73 of the Revised Code, the township shall establish at least one account in that fund with respect to resolutions adopted under division (B) of that section, and one account with respect to each incentive district created by a resolution adopted under division (C) of that section. If a resolution adopted under division (C) of section 5709.73 of the Revised Code also authorizes the use of service payments for housing renovations within the incentive district, the township shall establish separate accounts for the service payments designated for public infrastructure improvements and for the service payments authorized for the purpose of housing renovations.

(B) Except as otherwise provided in division (C) or (D) of this section, money deposited in an account of the township public improvement tax increment equivalent fund shall be used by the township to pay the costs of public infrastructure improvements designated in or the housing renovations authorized by the resolution with respect to which the account is established, including any interest on and principal of the notes; in the case of an account established with respect to a resolution adopted under division (C) of that section, money in the account shall be used to finance the public infrastructure improvements designated, or the housing renovations authorized, for each incentive district created in the resolution. Money in an

account shall not be used to finance or support housing renovations that take place after the incentive district has expired.

(C)(1)(a) A township may ~~also~~ distribute money in such an account to any school district in which the exempt property is located in an amount not to exceed the amount of real property taxes that such school district would have received from the improvement if it were not exempt from taxation. The resolution establishing the fund shall set forth the percentage of such maximum amount that will be distributed to any affected school district.

(b) A township also may distribute money in such an account as follows:

(i) To a board of county commissioners, in the amount that is owed to the board pursuant to division (E) of section 5709.73 of the Revised Code;

(ii) To a county in accordance with section 5709.913 of the Revised Code.

(2) Money from an account in a township public improvement tax increment equivalent fund may be distributed under division (C)(1)(b) of this section, regardless of the date a resolution was adopted under section 5709.73 of the Revised Code that prompted the establishment of the account, even if the resolution was adopted prior to the effective date of this amendment.

(D) On or before January 1, 2007, a board of township trustees that adopted a resolution under division (B) of section 5709.73 of the Revised Code before January 1, 1995, and that, with respect to property exempted under such a resolution, is party to a hold-harmless agreement, may appropriate and expend unencumbered money in the fund to pay current public safety expenses of the township. A township appropriating and expending money under this division shall reimburse the fund for the sum so appropriated and expended not later than the day the exemption granted under the resolution expires. For the purposes of this division, a "hold-harmless agreement" is an agreement with the board of education of a city, local, or exempted village school district under which the board of township trustees agrees to compensate the school district for one hundred per cent of the tax revenue the school district would have received from improvements to parcels designated in the resolution were it not for the exemption granted by the resolution.

(E) Any incidental surplus remaining in the township public improvement tax increment equivalent fund or an account of that fund upon dissolution of the account or fund shall be transferred to the general fund of the township.

Sec. 5709.78. (A) A board of county commissioners may, by resolution,

declare improvements to certain parcels of real property located in the unincorporated territory of the county to be a public purpose. Except ~~as otherwise provided in~~ with the approval under division (C) of this section of the board of education of each city, local, or exempted village school district within which the improvements are located, not more than seventy-five per cent of an improvement thus declared to be a public purpose may be exempted from real property taxation, for a period of not more than ten years. The resolution shall specify the percentage of the improvement to be exempted and the life of the exemption.

A resolution adopted under this division shall designate the specific public infrastructure improvements made, to be made, or in the process of being made by the county that directly benefit, or that once made will directly benefit, the parcels for which improvements are declared to be a public purpose. The service payments provided for in section 5709.79 of the Revised Code shall be used to finance the public infrastructure improvements designated in the resolution, or as provided in section 5709.80 of the Revised Code.

(B)(1) A board of county commissioners may adopt a resolution creating an incentive district and declaring improvements to parcels within the district to be a public purpose and, except as provided in division (E) of this section, exempt from taxation as provided in this section, but no board of county commissioners of a county that has a population that exceeds twenty-five thousand, as shown by the most recent federal decennial census, shall adopt a resolution that creates an incentive district if, ~~as a result of adopting the resolution, more than~~ the sum of the taxable value of real property in the proposed district for the preceding tax year and the taxable value of all real property in the county that would have been taxable in the preceding year were it not for the fact that the property was in an existing incentive district and therefore exempt from taxation exceeds twenty-five per cent of the ~~county's taxable value, as of the first day of January of the year in which the resolution takes effect, is subject to exemption because of an incentive district. The twenty-five per cent limitation does not apply to an incentive district that was created by a resolution adopted prior to January 1, 2006, unless the board creates an additional incentive district after that date~~ taxable value of real property in the county for the preceding tax year. The district shall be located within the unincorporated territory of the county and shall not include any territory that is included within a district created under division (C) of section 5709.73 of the Revised Code. The resolution shall delineate the boundary of the district and specifically identify each parcel within the district. A district may not include any parcel that is or has been

exempted from taxation under division (A) of this section or that is or has been within another district created under this division. A resolution may create more than one such district, and more than one resolution may be adopted under division (B)(1) of this section.

(2) Not later than thirty days prior to adopting a resolution under division (B)(1) of this section, if the county intends to apply for exemptions from taxation under section 5709.911 of the Revised Code on behalf of owners of real property located within the proposed incentive district, the board of county commissioners shall conduct a public hearing on the proposed resolution. Not later than thirty days prior to the public hearing, the board shall give notice of the public hearing and the proposed resolution by first class mail to every real property owner whose property is located within the boundaries of the proposed incentive district that is the subject of the proposed resolution. The board also shall provide the notice by first class mail to the clerk of each township in which the proposed incentive district will be located.

(3)(a) A resolution adopted under division (B)(1) of this section shall specify the life of the incentive district and the percentage of the improvements to be exempted, shall designate the public infrastructure improvements made, to be made, or in the process of being made, that benefit or serve, or, once made, will benefit or serve parcels in the district. The resolution also shall identify one or more specific projects being, or to be, undertaken in the district that place additional demand on the public infrastructure improvements designated in the resolution. The project identified may, but need not be, the project under division (B)(3)(b) of this section that places real property in use for commercial or industrial purposes.

A resolution adopted under division (B)(1) of this section on or after the effective date of this amendment shall not designate police or fire equipment as public infrastructure improvements, and no service payment provided for in section 5709.79 of the Revised Code and received by the county under the resolution shall be used for police or fire equipment.

(b) A resolution adopted under division (B)(1) of this section may authorize the use of service payments provided for in section 5709.79 of the Revised Code for the purpose of housing renovations within the incentive district, provided that the resolution also designates public infrastructure improvements that benefit or serve the district, and that a project within the district places real property in use for commercial or industrial purposes. Service payments may be used to finance or support loans, deferred loans, and grants to persons for the purpose of housing renovations within the

district. The resolution shall designate the parcels within the district that are eligible for housing renovations. The resolution shall state separately the amount or the percentages of the expected aggregate service payments that are designated for each public infrastructure improvement and for the purpose of housing renovations.

(4) Except with the approval of the board of education of each city, local, or exempted village school district within the territory of which the incentive district is or will be located, and subject to division (D) of this section, the life of an incentive district shall not exceed ten years, and the percentage of improvements to be exempted shall not exceed seventy-five per cent. With approval of the board of education, the life of a district may be not more than thirty years, and the percentage of improvements to be exempted may be not more than one hundred per cent. The approval

~~(5) Approval of a board of education shall be obtained in the manner provided in division (C) of this section for exemptions under division (A) of this section, except that the notice to the board of education shall delineate the boundaries of the district, specifically identify each parcel within the district, identify each anticipated improvement in the district, provide an estimate of the true value in money of each such improvement, specify the life of the district and the percentage of improvements that would be exempted, and indicate the date on which the board of county commissioners intends to adopt the resolution.~~

(C)(1) Improvements with respect to a parcel may be exempted from taxation under division (A) of this section, and improvements to parcels within an incentive district may be exempted from taxation under division (B) of this section, for up to ten years or, with the approval of the board of education of the city, local, or exempted village school district within which the parcel or district is located, for up to thirty years. The percentage of the improvements exempted from taxation may, with such approval, exceed seventy-five per cent, but shall not exceed one hundred per cent. Not later than forty-five business days prior to adopting a resolution under this section declaring improvements to be a public purpose that is subject to the approval of a board of education under this division, the board of county commissioners shall deliver to the board of education a notice stating its intent to adopt a resolution making that declaration. The notice regarding improvements with respect to a parcel under division (A) of this section shall identify the parcels for which improvements are to be exempted from taxation, provide an estimate of the true value in money of the improvements, specify the period for which the improvements would be exempted from taxation and the percentage of the improvements that would

be exempted, and indicate the date on which the board of county commissioners intends to adopt the resolution. The notice regarding improvements to parcels within an incentive district under division (B) of this section shall delineate the boundaries of the district, specifically identify each parcel within the district, identify each anticipated improvement in the district, provide an estimate of the true value in money of each such improvement, specify the life of the district and the percentage of improvements that would be exempted, and indicate the date on which the board of county commissioners intends to adopt the resolution. The board of education, by resolution adopted by a majority of the board, may approve the exemption for the period or for the exemption percentage specified in the notice; may disapprove the exemption for the number of years in excess of ten, may disapprove the exemption for the percentage of the improvements to be exempted in excess of seventy-five per cent, or both; or may approve the exemption on the condition that the board of county commissioners and the board of education negotiate an agreement providing for compensation to the school district equal in value to a percentage of the amount of taxes exempted in the eleventh and subsequent years of the exemption period or, in the case of exemption percentages in excess of seventy-five per cent, compensation equal in value to a percentage of the taxes that would be payable on the portion of the improvements in excess of seventy-five per cent were that portion to be subject to taxation, or other mutually agreeable compensation. ~~The~~

(2) The board of education shall certify its resolution to the board of county commissioners not later than fourteen days prior to the date the board of county commissioners intends to adopt its resolution as indicated in the notice. If the board of education and the board of county commissioners negotiate a mutually acceptable compensation agreement, the resolution of the board of county commissioners may declare the improvements a public purpose for the number of years specified in that resolution or, in the case of exemption percentages in excess of seventy-five per cent, for the exemption percentage specified in the resolution. In either case, if the board of education and the board of county commissioners fail to negotiate a mutually acceptable compensation agreement, the resolution may declare the improvements a public purpose for not more than ten years, ~~but~~ and shall not exempt more than seventy-five per cent of the improvements from taxation. If the board of education fails to certify a resolution to the board of county commissioners within the time prescribed by this section, the board of county commissioners thereupon may adopt the resolution and may declare the improvements a public purpose for up to thirty years or, in the

case of exemption percentages proposed in excess of seventy-five per cent, for the exemption percentage specified in the resolution. The board of county commissioners may adopt the resolution at any time after the board of education certifies its resolution approving the exemption to the board of county commissioners, or, if the board of education approves the exemption on the condition that a mutually acceptable compensation agreement be negotiated, at any time after the compensation agreement is agreed to by the board of education and the board of county commissioners.

~~(2)~~(3) If a board of education has adopted a resolution waiving its right to approve exemptions from taxation under this section and the resolution remains in effect, approval of such exemptions by the board of education is not required under division (C)~~(4)~~ of this section. If a board of education has adopted a resolution allowing a board of county commissioners to deliver the notice required under division (C)~~(4)~~ of this section fewer than forty-five business days prior to approval of the resolution by the board of county commissioners, the board of county commissioners shall deliver the notice to the board of education not later than the number of days prior to such approval as prescribed by the board of education in its resolution. If a board of education adopts a resolution waiving its right to approve exemptions or shortening the notification period, the board of education shall certify a copy of the resolution to the board of county commissioners. If the board of education rescinds such a resolution, it shall certify notice of the rescission to the board of county commissioners.

(D)(1) If a proposed resolution under division (B)(1) of this section exempts improvements with respect to a parcel within an incentive district for more than ten years, or the percentage of the improvement exempted from taxation exceeds seventy-five per cent, not later than forty-five business days prior to adopting the ~~ordinance~~ resolution the board of county commissioners shall deliver to the board of township trustees of any township ~~or legislative authority of any municipal corporation~~ within which the incentive district is or will be located a notice that states its intent to adopt a resolution creating an incentive district. The notice shall include a copy of the proposed resolution, identify the parcels for which improvements are to be exempted from taxation, provide an estimate of the true value in money of the improvements, specify the period of time for which the improvements would be exempted from taxation, specify the percentage of the improvements that would be exempted from taxation, and indicate the date on which the board intends to adopt the resolution.

(2) The board of township trustees ~~or legislative authority of the municipal corporation, or both~~, by resolution adopted by a majority of the

~~board~~, may object to the exemption for the number of years in excess of ten, may object to the exemption for the percentage of the improvement to be exempted in excess of seventy-five per cent, or both, ~~or may accept either or both exemptions~~. If the board of township trustees ~~or legislative authority, or both~~, objects, the board of township trustees ~~or legislative authority~~ may negotiate ~~an~~ a mutually acceptable compensation agreement with the board of county commissioners ~~that provides~~. In no case shall the compensation provided to the board of township trustees exceed the property taxes foregone due to the exemption. If the board of township trustees objects, and the board of township trustees and the board of county commissioners fail to negotiate a mutually acceptable compensation agreement, the resolution adopted under division (B)(1) of this section shall provide to the board of township trustees or legislative authority, or both, compensation in the eleventh and subsequent years of the exemption period ~~compensation~~ equal in value to not more than fifty per cent of the taxes that would be payable to the township ~~or municipal corporation~~ or, if the board of township trustee's objection includes an objection to an exemption percentage in excess of seventy-five per cent, compensation equal in value to not more than fifty per cent of the taxes that would be payable to the township on the portion of the improvement in excess of seventy-five per cent, were that portion to be subject to taxation. The board of township trustees and legislative authority shall certify its resolution to the board of county commissioners not later than thirty days after receipt of the notice.

(3) If the board of township trustees ~~and the legislative authority of the municipal corporation~~ does not object or fails to certify a resolution objecting to an exemption within thirty days after receipt of the notice, the board of county commissioners may adopt its resolution, and no compensation shall be provided to the board of township trustees ~~or legislative authority~~. If ~~both~~ the board of township trustees ~~or legislative authority of the municipal corporation~~ ~~certify resolutions~~ certifies its resolution objecting to the commissioners' resolution, the board of county commissioners may adopt its resolution at any time after ~~both a mutually acceptable compensation agreements are~~ agreement is agreed to by the board of county commissioners and the ~~respective party to the agreement~~ board of township trustees. If ~~either~~ the board of township trustees ~~or legislative authority of the municipal corporation~~ ~~certify~~ certifies a resolution objecting to the commissioners' resolution, the board of county commissioners may adopt its resolution at any time after ~~the~~ a mutually acceptable compensation agreement is agreed to by the board of county commissioners and the board ~~or legislative authority of township trustees~~, of township trustees,

or, if no compensation agreement is negotiated, at any time after the board of county commissioners agrees in the proposed resolution to provide compensation to the board of township trustees ~~or legislative authority, or to both,~~ of fifty per cent of the taxes that would be payable to the township ~~or municipal corporation~~ in the eleventh and subsequent years of the exemption period or on the portion of the improvement in excess of seventy-five per cent, were that portion to be subject to taxation.

(E) ~~Any of the following property tax levies that are enacted~~ Service payments in lieu of taxes that are attributable to any amount by which the effective tax rate of either a renewal levy with an increase or a replacement levy exceeds the effective tax rate of the levy renewed or replaced, or that are attributable to an additional levy, for a levy authorized by the voters for any of the following purposes on or after January 1, 2006, and after the date an ordinance which are provided pursuant to a resolution creating an incentive district under division (B)(1) of this section that is adopted on or after January 1, 2006, under division (C)(1) of this section shall be levied on property that was exempted from taxation distributed to the appropriate taxing authority as required under division (D) of section 5709.79 of the Revised Code in an amount equal to the amount of taxes from that additional levy or from the increase in the effective tax rate of such renewal or replacement levy that would have been payable to that taxing authority from the following levies were it not for the exemption authorized under division (C)(B) of this section and revenues collected from such levies shall not be used to provide service payments under this section:

(1) A tax levied under division (L) of section 5705.19 or section 5705.191 of the Revised Code for community mental retardation and developmental disabilities programs and services pursuant to Chapter 5126. of the Revised Code;

(2) A tax levied under division (Y) of section 5705.19 of the Revised Code for providing or maintaining senior citizens services or facilities;

(3) A tax levied under section 5705.22 of the Revised Code for county hospitals;

(4) A tax levied by a joint-county district or by a county under section 5705.19, 5705.191, or 5705.221 of the Revised Code for alcohol, drug addiction, and mental health services or facilities;

(5) A tax levied under section 5705.23 of the Revised Code for library purposes;

(6) A tax levied under section 5705.24 of the Revised Code for the support of children services and the placement and care of children;

(7) A tax levied under division (Z) of section 5705.19 of the Revised

Code for the provision and maintenance of zoological park services and facilities under section 307.76 of the Revised Code;

(8) A tax levied under section 511.27 or division (H) of section 5705.19 of the Revised Code for the support of township park districts;

(9) A tax levied under division (A), (F), or (H) of section 5705.19 of the Revised Code for parks and recreational purposes of a joint recreation district organized pursuant to division (B) of section 755.14 of the Revised Code;

(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;

(11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public health and hospitalization; and support of general hospitals;

(12) A tax levied under section 3709.29 of the Revised Code for a general health district program.

(F) An exemption from taxation granted under this section commences with the tax year specified in the resolution ~~that begins~~ so long as the year specified in the resolution commences after the effective date of the resolution. If the resolution specifies a year commencing before the effective date of the resolution or specifies no year whatsoever, the exemption commences with the tax year in which an exempted improvement first appears on the tax list and duplicate of real and public utility property and that commences after the effective date of the resolution. Except as otherwise provided in this division, the exemption ends on the date specified in the resolution as the date the improvement ceases to be a public purpose or the incentive district expires, or ends on the date on which the county can no longer require annual service payments in lieu of taxes under section 5709.79 of the Revised Code, whichever occurs first. The exemption of an improvement with respect to a parcel or within an incentive district may end on a later date, as specified in the resolution, if the board of commissioners and the board of education of the city, local, or exempted village school district within which the parcel or district is located have entered into a compensation agreement under section 5709.82 of the Revised Code with respect to the improvement ~~or district~~, and the board of education has approved the term of the exemption under division (C)(1) of this section, but in no case shall the improvement be exempted from taxation for more than thirty years. Exemptions shall be claimed and allowed in the same or a similar manner as in the case of other real property exemptions. If an exemption status changes during a tax year, the procedure for the

apportionment of the taxes for that year is the same as in the case of other changes in tax exemption status during the year.

(G) If the board of county commissioners is not required by this section to notify the board of education of the board of county commissioners' intent to declare improvements to be a public purpose, the board of county commissioners shall comply with the notice requirements imposed under section 5709.83 of the Revised Code before taking formal action to adopt the resolution making that declaration, unless the board of education has adopted a resolution under that section waiving its right to receive such a notice.

(H) The county, not later than fifteen days after the adoption of a resolution under this section, shall submit to the director of development a copy of the resolution. On or before the thirty-first day of March of each year, the county shall submit a status report to the director of development. The report shall indicate, in the manner prescribed by the director, the progress of the project during each year that an exemption remains in effect, including a summary of the receipts from service payments in lieu of taxes; expenditures of money from ~~funds~~ the fund created under section ~~5709.75~~ 5709.80 of the Revised Code; a description of the public infrastructure improvements and housing renovations financed with such expenditures; and a quantitative summary of changes in employment and private investment resulting from each project.

(I) Nothing in this section shall be construed to prohibit a board of county commissioners from declaring to be a public purpose improvements with respect to more than one parcel.

Sec. 5709.79. (A) A board of county commissioners that adopts a resolution under section 5709.78 of the Revised Code shall in the resolution require that the owner of the improvement make annual service payments in lieu of taxes to the county treasurer on or before the final dates for payment of real property taxes. Each such payment shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the improvement if its value were not exempt from taxation. If any reduction in the levies otherwise applicable to the improvement is made by the county budget commission under section 5705.31 of the Revised Code, the amount of the service payment in lieu of taxes shall be calculated as if the reduction in levies had not been made.

(B) The county shall not require the owner to make annual service payments in lieu of taxes pursuant to this section after the date on which one of the following occurs:

~~(A)(1)~~ If bonds or notes were not issued under section 307.082 or 5709.81 of the Revised Code for any public infrastructure improvements benefiting the parcel on which the improvement is located, or for any housing renovations within an incentive district, and if service payments were not pledged pursuant to division (B) of section 5709.81 of the Revised Code, the date the county has collected sufficient money in the applicable account of the redevelopment tax equivalent fund to pay the cost of constructing or repairing the public infrastructure improvements designated in, or the housing renovations authorized by, the resolution adopted under section 5709.78 of the Revised Code;

~~(B)(2)~~ If service payments were pledged under division (B) of section 5709.81 of the Revised Code to secure payment of any obligation issued to finance the public infrastructure improvement and housing renovations, the date the purposes for which the payments were pledged are paid in full;

~~(C)(3)~~ If bonds or notes were issued under section 307.082 or 5709.81 of the Revised Code, the date the interest on and principal of such bonds and notes have been paid in full.

(C) Money collected as service payments in lieu of taxes shall be distributed at the same time and in the same manner as real property tax payments. However, subject to division (D) of this section or section 5709.914 of the Revised Code, the entire amount so collected shall be distributed to the county in which the parcel is located. The county treasurer shall maintain a record of the service payments in lieu of taxes made for each parcel. If a parcel upon which moneys are collected as service payments in lieu of taxes is annexed to a municipal corporation, the service payments shall continue to be collected and distributed to the county until the date described in division ~~(A), (B), or (C)(1), (2), or (3)~~ of this section.

(D) The county treasurer shall distribute to the appropriate taxing authorities the portion of the annual service payments in lieu of taxes that represents payments required under division (E) of section 5709.78 of the Revised Code.

(E) Nothing in this section or section 5709.78 of the Revised Code affects the taxes levied against that portion of the value of any parcel that is not exempt from taxation.

Sec. 5709.80. (A) The board of county commissioners of a county that receives service payments in lieu of taxes under section 5709.79 of the Revised Code shall establish a redevelopment tax equivalent fund into which those payments shall be deposited. Separate accounts shall be established in the fund for each resolution adopted by the board of county commissioners under section 5709.78 of the Revised Code. If the board of

county commissioners has adopted a resolution under division (B) of that section, the county shall establish an account for each incentive district created in that resolution. If a resolution adopted under division (B) of section 5709.78 of the Revised Code also authorizes the use of service payments for housing renovations within the incentive district, the county shall establish separate accounts for the service payments designated for public infrastructure improvements and for the service payments authorized for the purpose of housing renovations. ~~Moneys~~

(B) Moneys deposited into each account of the fund shall be used by the county to pay the cost of constructing or repairing the public infrastructure improvements designated in, or the housing renovations authorized by, the resolution, or for each incentive district for which the account is established, to pay the interest on and principal of bonds or notes issued under division (B) of section 307.082 or division (A) of section 5709.81 of the Revised Code, or for the purposes pledged under division (B) of section 5709.81 of the Revised Code. Money in an account shall not be used to finance or support housing renovations that take place after the incentive district has expired. ~~The~~

(C)(1)(a) ~~The~~ board of county commissioners may ~~also~~ distribute money in an account to any school district in which the exempt property is located in an amount not to exceed the amount of real property taxes that such school district would have received from the improvement if it were not exempt from taxation. The resolution under which an account is established shall set forth the percentage of such maximum amount that will be distributed to any affected school district. ~~An~~

(b) A board of county commissioners also may distribute money in such an account as follows:

(i) To a board of township trustees or legislative authority of a municipal corporation, as applicable, in the amount that is owed to the board of township trustees or legislative authority pursuant to division (D) of section 5709.78 of the Revised Code;

(ii) To a township in accordance with section 5709.914 of the Revised Code.

(2) Money from an account in the redevelopment tax equivalent fund may be distributed under division (C)(1)(b) of this section, regardless of the date a resolution was adopted under section 5709.78 of the Revised Code that prompted the establishment of the account, even if the resolution was adopted prior to the effective date of this amendment.

(D) An account dissolves upon fulfillment of the purposes for which money in the account may be used. An incidental surplus remaining in an

account upon its dissolution shall be transferred to the general fund of the county.

Sec. 5711.01. As used in this chapter:

(A) "Taxable property" includes all the kinds of property mentioned in division (B) of section 5709.01 and section 5709.02 of the Revised Code, and also the amount or value as of the date of conversion of all taxable property converted into bonds or other securities not taxed on or after the first day of November in the year preceding the date of listing, and of all other taxable property converted into deposits after the date as of which deposits are required to be listed in such year, except in the usual course of the taxpayer's business, to the extent the taxpayer may hold or control such bonds, securities, or deposits on such day, without deduction for indebtedness created in the purchase of such bonds or securities from the taxpayer's credits. "Taxable property" does not include such investments and deposits as are taxable at the source as provided in sections 5725.01 to 5725.26 of the Revised Code, surrender values under policies of insurance, or any tangible personal property acquired from a public utility or interexchange telecommunications company as defined in section 5727.01 of the Revised Code, and leased back to the public utility or interexchange telecommunications company pursuant to a sale and leaseback transaction as defined in division (I) of section 5727.01 of the Revised Code. For tax year 2007 and thereafter, "taxable property" of a telephone, telegraph, or interexchange telecommunications company, as defined in section 5727.01 of the Revised Code, includes property subject to such a sale and leaseback transaction.

For tax year 2007 and thereafter, taxable property leased to a telephone, telegraph, or interexchange telecommunications company, as defined in section 5727.01 of the Revised Code, shall be listed and assessed by the owner of the property at the percentage of true value in money required under division (H) of section 5711.22 of the Revised Code.

(B) "Taxpayer" means any owner of taxable property, including property exempt under division (C) of section 5709.01 of the Revised Code, and includes every person residing in, or incorporated or organized by or under the laws of this state, or doing business in this state, or owning or having a beneficial interest in taxable personal property in this state and every fiduciary required by sections 5711.01 to 5711.36 of the Revised Code, to make a return for or on behalf of another. For tax year 2007 and thereafter, "taxpayer" includes telephone companies, telegraph companies, and interexchange telecommunications company as defined in section 5727.01 of the Revised Code. The tax commissioner may by rule define and

designate the taxpayer, as to any taxable property which would not otherwise be required by this section to be returned; and any such rule shall be considered supplementary to the enumeration of kinds of taxpayers following:

- (1) Individuals of full age and sound mind residing in this state;
- (2) Partnerships, corporations, associations, and joint-stock companies, under whatever laws organized or existing, doing business or having taxable property in this state; and corporations incorporated by or organized under the laws of this state, wherever their actual business is conducted;
- (3) Fiduciaries appointed by any court in this state or having title, possession, or custody of taxable personal property in this state or engaged in business in this state;
- (4) Unincorporated mutual funds.

Taxpayer excludes all individuals, partnerships, corporations, associations, and joint-stock companies, their executors, administrators, and receivers who are defined in Title LVII of the Revised Code as financial institutions, dealers in intangibles, domestic insurance companies, or public utilities, except to the extent they may be required by sections 5711.01 to 5711.36 of the Revised Code, to make returns as fiduciaries, or by section 5725.26 of the Revised Code, to make returns of property leased, or held for the purpose of leasing, to others if the owner or lessor of the property acquired it for the sole purpose of leasing it to others or to the extent that property is taxable under section 5725.25 of the Revised Code.

(C) "Return" means the taxpayer's annual report of taxable property.

(D) "List" means the designation, in a return, of the description of taxable property, the valuation or amount thereof, the name of the owner, and the taxing district where assessable.

(E) "Taxing district" means, in the case of property assessable on the classified tax list and duplicate, a municipal corporation or the territory in a county outside the limits of all municipal corporations therein; in the case of property assessable on the general tax list and duplicate, a municipal corporation or township, or part thereof, in which the aggregate rate of taxation is uniform.

(F) "Assessor" includes the tax commissioner and the county auditor as deputy of the commissioner.

(G) "Fiduciary" includes executors, administrators, parents, guardians, receivers, assignees, official custodians, factors, bailees, lessees, agents, attorneys, and employees, but does not include trustees unless the sense so requires.

(H) "General tax list and duplicate" means the books or records

containing the assessments of property subject to local tax levies.

(I) "Classified tax list and duplicate" means the books or records containing the assessments of property not subject to local tax levies.

(J) "Investment company" means any corporation, the shares of which are regularly offered for sale to the public, engaged solely in the business of investing and reinvesting funds in real property or investments, or holding or selling real property or investments for the purpose of realizing income or profit which is distributed to its shareholders. Investment company does not include any dealer in intangibles, as defined in section 5725.01 of the Revised Code.

(K) "Unincorporated mutual fund" means any partnership, each partner of which is a corporation, engaged solely in the business of investing and reinvesting funds in investments, or holding or selling investments for the purpose of realizing income or profit which is distributed to its partners and which is subject to Chapter 1707. of the Revised Code. An unincorporated mutual fund does not include any dealer in intangibles as defined in section 5725.01 of the Revised Code.

Sec. 5725.221. For the purposes of this section, interest shall be computed at a rate per calendar month, rounded to the nearest one-hundredth of one per cent, equal to one-twelfth of the rate per annum prescribed by section 5703.47 of the Revised Code for the calendar year that includes the month for which the interest accrues.

(A) When taxes levied by ~~sections~~ section 3737.71, 5707.03 and, or 5725.18 of the Revised Code are assessed as the result of a tax return being filed late, the treasurer of state shall add interest to the taxes due. The interest shall accrue from the first day of the month following the last day on which such taxes were required to be paid, had the assessment been certified by the date prescribed, to the last day of the month preceding the date on which the assessment was certified, and shall be computed on the taxes due.

(B) If an assessment has been certified pursuant to section 5711.13, 5725.08, 5725.16, 5725.20, or ~~5727.15~~ 5725.222 of the Revised Code and an amended or final assessment is certified for the same taxpayer and the same tax year, the treasurer of state shall add interest to the deficiency or excess. The interest shall be computed on the excess or deficiency, and shall be accrued in the following manner:

(1) On a deficiency, interest shall accrue from the first day of the month following the last day on which the previous assessment was required to be paid, to the last day of the month preceding the date on which the amended or final assessment is certified;

(2) On an excess, interest shall be allowed from the first day of the

month following the date of payment of the previous assessment, to the last day of the month preceding the date on which the amended or final assessment is certified.

Sec. 5725.222. (A) An application to refund to a domestic insurance company any taxes imposed by section 3737.71 of the Revised Code or this chapter that are overpaid, paid illegally or erroneously, or paid on any illegal, erroneous, or excessive assessment, with interest thereon as provided by section 5725.221 of the Revised Code, shall be filed with the superintendent of insurance, on the form prescribed by the superintendent, within three years after the date of the illegal, erroneous, or excessive payment of the tax. No refund shall be allowed unless an application has been filed in accordance with this section. The time limit imposed under this division may be extended if both the domestic insurance company and the superintendent of insurance agree in writing to the extension.

(B) Except as otherwise provided in this division, the superintendent may make an assessment against a domestic insurance company for any deficiency for the period for which a report, tax return, or tax payment is due for any taxes imposed by section 3737.71 of the Revised Code or this chapter, based on any information in the superintendent's possession. No assessment shall be made against a domestic insurance company more than three years after the later of the final date the report, tax return, or tax payment subject to the assessment was required to be filed or paid, or the date the report or tax return was filed, provided that there shall be no bar if the domestic insurance company failed to file the required report or tax return or if the deficiency results from fraud or any felonious act. The time limit may be extended if both the domestic insurance company and the superintendent agree in writing to the extension. For the purposes of this division, an assessment is made on the date the notification of the assessment is sent by the department of insurance or the date of an invoice for the assessment from the treasurer of state, whichever is earlier.

Sec. 5725.98. (A) To provide a uniform procedure for calculating the amount of tax imposed by section 5725.18 of the Revised Code that is due under this chapter, a taxpayer shall claim any credits and offsets against tax liability to which it is entitled in the following order:

(1) The credit for an insurance company or insurance company group under section 5729.031 of the Revised Code.

(2) The credit for eligible employee training costs under section 5725.31 of the Revised Code.

(3) The credit under section 5725.19 of the Revised Code for losses on loans made under the Ohio venture capital authority 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.

(4) The offset of assessments by the Ohio life and health insurance guaranty association permitted by section 3956.20 of the Revised Code.

(5) The refundable credit for Ohio job creation under section 5725.32 of the Revised Code.

(6) The credit under section 5729.08 of the Revised Code 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 refundable credit under section 150.07 of the Revised Code.

(B) For any credit except the credits enumerated in divisions (A)(5) and (6) of this section, 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.

Sec. 5727.06. (A) Except as otherwise provided by law, the following constitutes the taxable property of a public utility, interexchange telecommunications company, or public utility property lessor that shall be assessed by the tax commissioner:

(1) For tax years before tax year 2006:

(a) In the case of a railroad company, all real property and tangible personal property owned or operated by the railroad company in this state on the thirty-first day of December of the preceding year;

(b) In the case of a water transportation company, all tangible personal property, except watercraft, owned or operated by the water transportation company in this state on the thirty-first day of December of the preceding year and all watercraft owned or operated by the water transportation company in this state during the preceding calendar year;

(c) In the case of all other public utilities and interexchange telecommunications companies, all tangible personal property that on the thirty-first day of December of the preceding year was both located in this state and:

(i) Owned by the public utility or interexchange telecommunications company; or

(ii) Leased by the public utility or interexchange telecommunications company under a sale and leaseback transaction.

(2) For tax years 2006, 2007, and 2008:

(a) In the case of a railroad company, all real property used in railroad

operations and tangible personal property owned or operated by the railroad company in this state on the thirty-first day of December of the preceding year;

(b) In the case of a water transportation company, all tangible personal property, except watercraft, owned or operated by the water transportation company in this state on the thirty-first day of December of the preceding year and all watercraft owned or operated by the water transportation company in this state during the preceding calendar year;

(c) In the case of all other public utilities except telephone and telegraph companies, all tangible personal property that on the thirty-first day of December of the preceding year was both located in this state and either owned by the public utility or leased by the public utility under a sale and leaseback transaction.

(3) For tax year 2009 and each tax year thereafter:

(a) In the case of a railroad company, all real property used in railroad operations and tangible personal property owned or operated by the railroad company in this state on the thirty-first day of December of the preceding year;

(b) In the case of a water transportation company, all tangible personal property, except watercraft, owned or operated by the water transportation company in this state on the thirty-first day of December of the preceding year and all watercraft owned or operated by the water transportation company in this state during the preceding calendar year;

(c) In the case of all other public utilities except telephone and telegraph companies, all tangible personal property that on the thirty-first day of December of the preceding year was both located in this state and either owned by the public utility or leased by the public utility under a sale and leaseback transaction;

(d) In the case of a public utility property lessor, all personal property that on the thirty-first day of December of the preceding year was both located in this state and leased, in other than a sale and leaseback transaction, to ~~an interexchange telecommunications company~~ or a public utility other than a railroad ~~company~~, telephone, telegraph, or water transportation company. The assessment rate used under section 5727.111 of the Revised Code shall be based on the assessment rate that would apply if the ~~interexchange telecommunications company~~ or public utility owned the property.

(4) For tax years 2005 and 2006, in the case of telephone, telegraph, or interexchange telecommunications companies, all tangible personal property that on the thirty-first day of December of the preceding year was both

located in this state and either owned by the telephone, telegraph, or interexchange telecommunications company or leased by the telephone, telegraph, or interexchange telecommunications company under a sale and leaseback transaction.

(5) For tax year 2007 and thereafter, in the case of telephone, telegraph, or interexchange telecommunications companies, all tangible personal property shall be listed and assessed for taxation under Chapter 5711. of the Revised Code.

(B) This division applies to tax years before tax year 2007.

In the case of an interexchange telecommunications company, all taxable property shall be subject to the provisions of this chapter and shall be valued by the commissioner in accordance with division (A) of section 5727.11 of the Revised Code. A person described by this division shall file the report required by section 5727.08 of the Revised Code. Persons described in this division shall not be considered taxpayers, as defined in division (B) of section 5711.01 of the Revised Code, and shall not be required to file a return and list their taxable property under any provision of Chapter 5711. of the Revised Code.

(C) The lien of the state for taxes levied each year on the real and personal property of public utilities and interexchange telecommunications companies and on the personal property of public utility property lessors shall attach thereto on the thirty-first day of December of the preceding year.

(D) Property that is required by division (A)(3)(b) of this section to be assessed by the tax commissioner under this chapter shall not be listed by the owner of the property under Chapter 5711. of the Revised Code.

(E) The tax commissioner may adopt rules governing the listing of the taxable property of public utilities and interexchange telecommunications companies and the determination of true value.

Sec. 5727.85. (A) By the thirty-first day of July of each year, beginning in 2002 and ending in 2016, the department of education shall determine the following for each school district and each joint vocational school district eligible for payment under division (C) or (D) of this section:

(1) The state education aid offset, which is the difference obtained by subtracting the amount described in division (A)(1)(b) of this section from the amount described in division (A)(1)(a) of this section:

(a) The state education aid computed for the school district or joint vocational school district for the current fiscal year as of the thirty-first day of July;

(b) The state education aid that would be computed for the school district or joint vocational school district for the current fiscal year as of the

thirty-first day of July if the recognized valuation included the tax value loss for the school district or joint vocational school district.

(2) The greater of zero or the difference obtained by subtracting the state education aid offset determined under division (A)(1) of this section from the fixed-rate levy loss certified under division (J) of section 5727.84 of the Revised Code for all taxing districts in each school district and joint vocational school district.

By the fifth day of August of each such year, the department of education shall certify the amount so determined under division (A)(1) of this section to the director of budget and management.

(B) Not later than the thirty-first day of October of the years 2006 through 2016, the department of education shall determine all of the following for each school district:

(1) The amount obtained by subtracting the district's state education aid computed for fiscal year 2002 from the district's state education aid computed for the current fiscal year;

(2) The inflation-adjusted property tax loss. The inflation-adjusted property tax loss equals the fixed-rate levy loss, excluding the tax loss from levies within the ten-mill limitation to pay debt charges, determined under division (G) of section 5727.84 of the Revised Code for all taxing districts in each school district, plus the product obtained by multiplying that loss by the cumulative percentage increase in the consumer price index from January 1, 2002, to the thirtieth day of June of the current year.

(3) The difference obtained by subtracting the amount computed under division (B)(1) from the amount of the inflation-adjusted property tax loss. If this difference is zero or a negative number, no further payments shall be made under division (C) of this section to the school district from the school district property tax replacement fund.

(C) The department of education shall pay from the school district property tax replacement fund to each school district all of the following:

(1) In February 2002, one-half of the fixed-rate levy loss certified under division (J) of section 5727.84 of the Revised Code between the twenty-first and twenty-eighth days of February.

(2) From August 2002 through August ~~2006~~ 2017, one-half of the amount calculated for that fiscal year under division (A)(2) of this section between the twenty-first and twenty-eighth days of August and of February, provided the difference computed under division (B)(3) of this section is not less than or equal to zero.

~~(3) From February 2007 through August 2016, one-half of the amount calculated for that calendar year under division (B)(3) of this section~~

~~between the twenty-first and twenty-eighth days of August and of February.~~

(4) For taxes levied within the ten-mill limitation for debt purposes in tax year 1998 in the case of electric company tax value losses, and in tax year 1999 in the case of natural gas company tax value losses, payments shall be made equal to one hundred per cent of the loss computed as if the tax were a fixed-rate levy, but those payments shall extend from fiscal year 2006 through fiscal year 2016.

The department of education shall report to each school district the apportionment of the payments among the school district's funds based on the certifications under division (J) of section 5727.84 of the Revised Code.

(D) Not later than January 1, 2002, for all taxing districts in each joint vocational school district, the tax commissioner shall certify to the department of education the fixed-rate levy loss determined under division (G) of section 5727.84 of the Revised Code. From February 2002 to August 2016, the department shall pay from the school district property tax replacement fund to the joint vocational school district one-half of the amount calculated for that fiscal year under division (A)(2) of this section between the twenty-first and twenty-eighth days of August and of February.

(E)(1) Not later than January 1, 2002, for each fixed-sum levy levied by each school district or joint vocational school district and for each year for which a determination is made under division (H) of section 5727.84 of the Revised Code that a fixed-sum levy loss is to be reimbursed, the tax commissioner shall certify to the department of education the fixed-sum levy loss determined under that division. The certification shall cover a time period sufficient to include all fixed-sum levies for which the tax commissioner made such a determination. The department shall pay from the school district property tax replacement fund to the school district or joint vocational school district one-half of the fixed-sum levy loss so certified for each year between the twenty-first and twenty-eighth days of August and of February.

(2) Beginning in 2003, by the thirty-first day of January of each year, the tax commissioner shall review the certification originally made under division (E)(1) of this section. If the commissioner determines that a debt levy that had been scheduled to be reimbursed in the current year has expired, a revised certification for that and all subsequent years shall be made to the department of education.

(F) If the balance of the half-mill equalization fund created under section 3318.18 of the Revised Code is insufficient to make the full amount of payments required under division (D) of that section, the department of education, at the end of the third quarter of the fiscal year, shall certify to the

director of budget and management the amount of the deficiency, and the director shall transfer an amount equal to the deficiency from the school district property tax replacement fund to the half-mill equalization fund.

(G) Beginning in August 2002, and ending in May 2017, the director of budget and management shall transfer from the school district property tax replacement fund to the general revenue fund each of the following:

(1) Between the twenty-eighth day of August and the fifth day of September, the lesser of one-half of the amount certified for that fiscal year under division (A)(2) of this section or the balance in the school district property tax replacement fund;

(2) Between the first and fifth days of May, the lesser of one-half of the amount certified for that fiscal year under division (A)(2) of this section or the balance in the school district property tax replacement fund.

(H) On the first day of June each year, the director of budget and management shall transfer any balance remaining in the school district property tax replacement fund after the payments have been made under divisions (C), (D), (E), (F), and (G) of this section to the half-mill equalization fund created under section 3318.18 of the Revised Code.

(I) From fiscal year 2002 through fiscal year 2016, if the total amount in the school district property tax replacement fund is insufficient to make all payments under divisions (C), (D), (E), and (F) of this section at the time the payments are to be made, the director of budget and management shall transfer from the general revenue fund to the school district property tax replacement fund the difference between the total amount to be paid and the total amount in the school district property tax replacement fund, except that no transfer shall be made by reason of a deficiency to the extent that it results from the amendment of section 5727.84 of the Revised Code by Amended Substitute House Bill No. 95 of the 125th general assembly.

(J) If all of the territory of a school district or joint vocational school district is merged with an existing district, or if a part of the territory of a school district or joint vocational school district is transferred to an existing or new district, the department of education, in consultation with the tax commissioner, shall adjust the payments made under this section as follows:

(1) For the merger of all of the territory of two or more districts, the fixed-rate levy loss and the fixed-sum levy loss of the successor district shall be equal to the sum of the fixed-rate levy losses and the fixed-sum levy losses for each of the districts involved in the merger.

(2) For the transfer of a part of one district's territory to an existing district, the amount of the fixed-rate levy loss that is transferred to the recipient district shall be an amount equal to the transferring district's total

fixed-rate levy loss times a fraction, the numerator of which is the value of electric company tangible personal property located in the part of the territory that was transferred, and the denominator of which is the total value of electric company tangible personal property located in the entire district from which the territory was transferred. The value of electric company tangible personal property under this division shall be determined for the most recent year for which data is available. Fixed-sum levy losses for both districts shall be determined under division (J)(4) of this section.

(3) For the transfer of a part of the territory of one or more districts to create a new district:

(a) If the new district is created on or after January 1, 2000, but before January 1, 2005, the new district shall be paid its current fixed-rate levy loss through August ~~2006~~ 2008. From February ~~2007~~ 2009 to August 2016, the new district shall be paid the lesser of: (i) the amount calculated under division ~~(B)(C)(2)~~ of this section or (ii) an amount determined under equal to the new district's fixed-rate levy loss multiplied by the percentage prescribed by the following schedule in division (A)(1) of section 5727.86 of the Revised Code, as if for this purpose the new district was a local taxing unit under that section. ~~Fixed-sum;~~

<u>YEAR</u>	<u>PERCENTAGE</u>
<u>2009</u>	<u>75%</u>
<u>2010</u>	<u>70%</u>
<u>2011</u>	<u>70%</u>
<u>2012</u>	<u>60%</u>
<u>2013</u>	<u>50%</u>
<u>2014</u>	<u>40%</u>
<u>2015</u>	<u>24%</u>
<u>2016</u>	<u>11.5%</u>
<u>2017 and thereafter</u>	<u>0%</u>

Fixed-sum levy losses for the districts shall be determined under division (J)(4) of this section.

(b) If the new district is created on or after January 1, 2005, the new district shall be deemed not to have any fixed-rate levy loss or, except as provided in division (J)(4) of this section, fixed-sum levy loss. The district or districts from which the territory was transferred shall have no reduction in their fixed-rate levy loss, or, except as provided in division (J)(4) of this section, their fixed-sum levy loss.

(4) If a recipient district under division (J)(2) of this section or a new district under division (J)(3)(a) or (b) of this section takes on debt from one or more of the districts from which territory was transferred, and any of the

districts transferring the territory had fixed-sum levy losses, the department of education, in consultation with the tax commissioner, shall make an equitable division of the fixed-sum levy losses.

(K) There is hereby created the public utility property tax study committee, effective January 1, 2011. The committee shall consist of the following seven members: the tax commissioner, three members of the senate appointed by the president of the senate, and three members of the house of representatives appointed by the speaker of the house of representatives. The appointments shall be made not later than January 31, 2011. The tax commissioner shall be the chairperson of the committee.

The committee shall study the extent to which each school district or joint vocational school district has been compensated, under sections 5727.84 and 5727.85 of the Revised Code as enacted by Substitute Senate Bill No. 3 of the 123rd general assembly and any subsequent acts, for the property tax loss caused by the reduction in the assessment rates for natural gas, electric, and rural electric company tangible personal property. Not later than June 30, 2011, the committee shall issue a report of its findings, including any recommendations for providing additional compensation for the property tax loss or regarding remedial legislation, to the president of the senate and the speaker of the house of representatives, at which time the committee shall cease to exist.

The department of taxation and department of education shall provide such information and assistance as is required for the committee to carry out its duties.

Sec. 5729.05. On ~~or before October 15, 1965 and on~~ or before the fifteenth day of October each ~~succeeding~~ year, each foreign insurance company shall pay to the treasurer of state an amount equal to one-half of the previous calendar year's tax, before credits, which was assessed and paid under section ~~5729.03~~ 3737.71 of the Revised Code and this chapter. This payment shall be considered as a partial payment of the tax upon the business done in this state during the calendar year in which the payment date provided by this paragraph is contained.

At the time of filing its annual statement, each foreign insurance company shall pay to the treasurer of state the tax assessable under section ~~5729.03~~ 3737.71 of the Revised Code and this chapter, calculated by such company from such annual statement. The company may deduct the part of such tax already paid as a partial payment.

The superintendent shall determine the correctness of the reports and statements of insurance companies, compute the annual tax ~~provided for in such sections~~, and, on or before the fifteenth day of May, prepare and

furnish to the treasurer of state lists of all taxable companies, showing as to each company the whole amount of the annual tax computed by ~~him~~ the superintendent. The treasurer of state, after deducting the tax already paid, shall promptly notify each such company of any amount due, which amount shall be paid by each such company to the treasurer of state by the fifteenth day of June next succeeding. If a company has for any reason overpaid or was illegally or erroneously assessed or charged for collection a larger amount of tax than its annual tax as computed by the superintendent of insurance and an application for refund was timely filed under section 5729.102 of the Revised Code, a refund of the excess amount shall be paid from the tax refund fund created by section 5703.052 of the Revised Code.

Sec. 5729.101. For the purposes of this section, interest shall be computed at a rate per calendar month, rounded to the nearest one-hundredth of one per cent, equal to one-twelfth of the rate per annum prescribed by section 5703.47 of the Revised Code for the calendar year that includes the month for which the interest accrues.

(A) When taxes levied by this chapter or by section 3737.71 of the Revised Code are assessed as the result of a tax return being filed late, the treasurer of state shall add interest to the taxes due. The interest shall accrue from the first day of the month following the last day on which the taxes were required to be paid had the assessment been certified by the date prescribed, to the last day of the month preceding the date on which the assessment was certified, and shall be computed on the basis of the taxes due.

(B) If an assessment has been certified pursuant to this chapter and an amended or final assessment is certified for the same taxpayer and the same tax year, the treasurer of state shall add interest to the deficiency or excess. The interest shall be computed on the excess or deficiency and shall accrue as follows:

(1) On a deficiency, interest shall accrue from the first day of the month following the last day on which the previous assessment was required to be paid to the last day of the month preceding the date on which the amended or final assessment is certified.

(2) On an excess, interest shall be allowed from the first day of the month following the date of payment of the previous assessment to the last day of the month preceding the date on which the amended or final assessment is certified.

Sec. 5729.102. (A) An application to refund to a foreign insurance company any taxes imposed by section 3737.71 of the Revised Code or this chapter that are overpaid, paid illegally or erroneously, or paid on any

illegal, erroneous, or excessive assessment, with interest thereon as provided by section 5729.101 of the Revised Code, shall be filed with the superintendent of insurance, on the form prescribed by the superintendent, within three years after the date of the illegal, erroneous, or excessive payment of the tax. No refund shall be allowed unless an application has been filed in accordance with this section. The time limit imposed under this division may be extended if both the foreign insurance company and the superintendent of insurance agree in writing to the extension.

(B) Except as otherwise provided in this division, the superintendent may make an assessment against a foreign insurance company for any deficiency for the period for which a report, tax return, or tax payment is due for any taxes imposed by section 3737.71 of the Revised Code or this chapter, based on any information in the superintendent's possession. No assessment shall be made against a foreign insurance company more than three years after the later of the final date the report, tax return, or tax payment subject to the assessment was required to be filed or paid, or the date the report or tax return was filed, provided that there shall be no bar if the foreign insurance company failed to file the required report or tax return or if the deficiency results from fraud or any felonious act. The time limit may be extended if both the foreign insurance company and the superintendent agree in writing to the extension. For the purposes of this division, an assessment is made on the date the notification of the assessment is sent by the department of insurance or the date of an invoice for the assessment from the treasurer of state, whichever is earlier.

Sec. 5729.98. (A) To provide a uniform procedure for calculating the amount of tax due under this chapter, a taxpayer shall claim any credits and offsets against tax liability to which it is entitled in the following order:

(1) The credit for an insurance company or insurance company group under section 5729.031 of the Revised Code.

(2) The credit for eligible employee training costs under section 5729.07 of the Revised Code.

(3) The credit under section 5729.08 of the Revised Code 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.

(4) The offset of assessments by the Ohio life and health insurance guaranty association against tax liability permitted by section 3956.20 of the Revised Code.

(5) The refundable credit for Ohio job creation under section 5729.032 of the Revised Code.

(6) The credit under section 5729.08 of the Revised Code 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 refundable credit under section 150.07 of the Revised Code.

(B) For any credit except the credits enumerated in divisions (A)(5) and (6) of this section, 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.

Sec. 5733.01. (A) The tax provided by this chapter for domestic corporations shall be the amount charged against each corporation organized for profit under the laws of this state and each nonprofit corporation organized pursuant to Chapter 1729. of the Revised Code, except as provided in sections 5733.09 and 5733.10 of the Revised Code, for the privilege of exercising its franchise during the calendar year in which that amount is payable, and the tax provided by this chapter for foreign corporations shall be the amount charged against each corporation organized for profit and each nonprofit corporation organized or operating in the same or similar manner as nonprofit corporations organized under Chapter 1729. of the Revised Code, under the laws of any state or country other than this state, except as provided in sections 5733.09 and 5733.10 of the Revised Code, for the privilege of doing business in this state, owning or using a part or all of its capital or property in this state, holding a certificate of compliance with the laws of this state authorizing it to do business in this state, or otherwise having nexus in or with this state under the Constitution of the United States, during the calendar year in which that amount is payable.

(B) A corporation is subject to the tax imposed by section 5733.06 of the Revised Code for each calendar year that it is so organized, doing business, owning or using a part or all of its capital or property, holding a certificate of compliance, or otherwise having nexus in or with this state under the Constitution of the United States, on the first day of January of that calendar year.

(C) Any corporation subject to this chapter that is not subject to the federal income tax shall file its returns and compute its tax liability as required by this chapter in the same manner as if that corporation were subject to the federal income tax.

(D) For purposes of this chapter, a federally chartered financial

institution shall be deemed to be organized under the laws of the state within which its principal office is located.

(E) For purposes of this chapter, any person, as defined in section 5701.01 of the Revised Code, shall be treated as a corporation if the person is classified for federal income tax purposes as an association taxable as a corporation, and an equity interest in the person shall be treated as capital stock of the person.

(F) For the purposes of this chapter, "disregarded entity" has the same meaning as in division (D) of section 5745.01 of the Revised Code.

(1) A person's interest in a disregarded entity, whether held directly or indirectly, shall be treated as the person's ownership of the assets and liabilities of the disregarded entity, and the income, including gain or loss, shall be included in the person's net income under this chapter.

(2) Any sale, exchange, or other disposition of the person's interest in the disregarded entity, whether held directly or indirectly, shall be treated as a sale, exchange, or other disposition of the person's share of the disregarded entity's underlying assets or liabilities, and the gain or loss from such sale, exchange, or disposition shall be included in the person's net income under this chapter.

(3) The disregarded entity's payroll, property, and sales factors shall be included in the person's factors.

(G) The tax a corporation is required to pay under this chapter shall be as follows:

(1)(a) For financial institutions, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or the difference between all taxes charged the financial institution under this chapter, without regard to division (G)(2) of this section, less any credits allowable against such tax.

(b) A corporation satisfying the description in division (E)(5), (6), (7), (8), or (10) of section 5751.01 of the Revised Code that is not a financial institution, insurance company, or dealer in intangibles is subject to the taxes imposed under this chapter as a corporation and not subject to tax as a financial institution, and shall pay the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or the difference between all the taxes charged under this chapter, without regard to division (G)(2) of this section, less any credits allowable against such tax.

(2) For all corporations other than those persons described in division (G)(1)(a) or (b) of this section, the amount under division (G)(2)(a) of this section applicable to the tax year specified less the amount under division (G)(2)(b) of this section:

(a)(i) For tax year 2005, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or the difference between all taxes charged the corporation under this chapter and any credits allowable against such tax;

(ii) For tax year 2006, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or four-fifths of the difference between all taxes charged the corporation under this chapter and any credits allowable against such tax except the qualifying pass-through entity tax credit described in division (A)(30) and the refundable credits described in divisions (A)(31), (32), ~~and (33)~~, and (34) of section 5733.98 of the Revised Code;

(iii) For tax year 2007, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or three-fifths of the difference between all taxes charged the corporation under this chapter and any credits allowable against such tax except the qualifying pass-through entity tax credit described in division (A)(30) and the refundable credits described in divisions (A)(31), (32), ~~and (33)~~, and (34) of section 5733.98 of the Revised Code;

(iv) For tax year 2008, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or two-fifths of the difference between all taxes charged the corporation under this chapter and any credits allowable against such tax except the qualifying pass-through entity tax credit described in division (A)(30) and the refundable credits described in divisions (A)(31), (32), ~~and (33)~~, and (34) of section 5733.98 of the Revised Code;

(v) For tax year 2009, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or one-fifth of the difference between all taxes charged the corporation under this chapter and any credits allowable against such tax except the qualifying pass-through entity tax credit described in division (A)(30) and the refundable credits described in divisions (A)(31), (32), and (33) of section 5733.98 of the Revised Code;

(vi) For tax year 2010 and each tax year thereafter, no tax.

(b) A corporation shall subtract from the amount calculated under division (G)(2)(a)(ii), (iii), (iv), or (v) of this section any qualifying pass-through entity tax credit described in division (A)(30) and any refundable credits described in divisions (A)(31), (32), ~~and (33)~~, and (34) of section 5733.98 of the Revised Code to which the corporation is entitled. Any unused qualifying pass-through entity tax credit is not refundable.

(c) For the purposes of computing the amount of a credit that may be

carried forward to a subsequent tax year under division (G)(2) of this section, a credit is utilized against the tax for a tax year to the extent the credit applies against the tax for that tax year, even if the difference is then multiplied by the applicable fraction under division (G)(2)(a) of this section.

(3) Nothing in division (G) of this section eliminates or reduces the tax imposed by section 5733.41 of the Revised Code on a qualifying pass-through entity.

Sec. 5733.352. (A) As used in this section:

(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 taxes imposed by sections 5733.06, 5733.065, and 5733.066 of the Revised Code.

(2) "Related member" has the same meaning as in section 5733.042 of the Revised Code.

(3) "Qualified research and development loan payments" has the same meaning as in division (D) of section 166.21 of the Revised Code.

(B) Beginning with tax year 2004, and in the case of a corporation subject to division (G)(2) of section 5733.01 of the Revised Code ending with tax year 2008, a nonrefundable credit is allowed against the taxes imposed by sections 5733.06, 5733.065, and 5733.066 of the Revised Code equal to a borrower's qualified research and development loan payments made during the calendar year immediately preceding the tax year for which the credit is claimed. The amount of the credit for a tax 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 and submits a copy of the certificate with its report for the taxable year. Failure to submit a copy of the certificate with the report does not invalidate a claim for a credit if the taxpayer submits a copy of the certificate within sixty days after the tax commissioner requests it. The credit shall be claimed in the order required under section 5733.98 of the Revised Code. The credit, to the extent it exceeds the taxpayer's tax liability for the tax 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 tax year or years until fully used. A corporation subject to division (G)(2) of section 5733.01 of the Revised Code may carry forward any credit not fully utilized by tax year 2008 and apply it against the tax levied by Chapter 5751. of the Revised Code to the extent allowed under section 5751.52 of the Revised Code.

(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 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 partnership or limited liability company.

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

Sec. 5733.56. ~~Beginning in (A)(1) For tax year 2005, a telephone company taxpayer that provides any telephone service program to aid the communicatively impaired in accessing the telephone network under section 4905.79 of the Revised Code is allowed a nonrefundable credit against the tax imposed by section 5733.06 of the Revised Code. The amount of the credit is the cost incurred by the company taxpayer for providing the telephone service program during its taxable year, excluding any costs incurred prior to July 1, 2004. If the tax commissioner determines that the credit claimed under this section by a telephone company was not correct, the commissioner shall determine the proper credit.~~

(2) A telephone company taxpayer shall claim the credit under division (A)(1) of this section in the order required by section 5733.98 of the Revised Code. If the credit exceeds the total taxes due under section 5733.06 of the Revised Code for the tax year, after allowance for any other credits preceding this credit in the order set forth in section 5733.98 of the Revised Code, the commissioner shall credit the excess against taxes due under that section 5733.06 of the Revised Code for succeeding tax years until the full amount of the credit is granted. Nothing

(B) For each of tax years 2006, 2007, and 2008, a taxpayer that provides any telephone service program to aid the communicatively impaired in accessing the telephone network under section 4905.79 of the Revised Code is allowed a refundable credit against the tax imposed by section 5733.06 of the Revised Code. For each tax year, the amount of the credit is the cost incurred by the taxpayer during that tax year's taxable year for providing the telephone service program. No cost incurred with respect to the credit that is allowable for a tax year shall be considered for purposes of computing the credit allowable for any other tax year.

(C) If the tax commissioner ascertains that any credit claimed pursuant to this section by a taxpayer was not correct, the commissioner shall ascertain the proper credit. No cost incurred after December 31, 2007, shall be considered for purposes of computing any credit allowed by this section.

(D) Nothing in this section authorizes a ~~telephone company~~ taxpayer to claim a credit under this section for any costs incurred ~~for~~ in providing a telephone service program for which it is either claiming a credit under former section 5727.44 of the Revised Code or receiving reimbursement for its costs under any other provision of the Revised Code.

Sec. 5733.98. (A) To provide a uniform procedure for calculating the amount of tax imposed by section 5733.06 of the Revised Code that is due under this chapter, a taxpayer shall claim any credits to which it is entitled in the following order, except as otherwise provided in section 5733.058 of the Revised Code:

- (1) For tax year 2005, the credit for taxes paid by a qualifying pass-through entity allowed under section 5733.0611 of the Revised Code;
- (2) The credit allowed for financial institutions under section 5733.45 of the Revised Code;
- (3) The credit for qualifying affiliated groups under section 5733.068 of the Revised Code;
- (4) The subsidiary corporation credit under section 5733.067 of the Revised Code;
- (5) The savings and loan assessment credit under section 5733.063 of the Revised Code;
- (6) The credit for recycling and litter prevention donations under section 5733.064 of the Revised Code;
- (7) The credit for employers that enter into agreements with child day-care centers under section 5733.36 of the Revised Code;
- (8) The credit for employers that reimburse employee child care expenses under section 5733.38 of the Revised Code;
- (9) The credit for maintaining railroad active grade crossing warning

devices under section 5733.43 of the Revised Code;

(10) The credit for purchases of lights and reflectors under section 5733.44 of the Revised Code;

(11) The job retention credit under division (B) of section 5733.0610 of the Revised Code;

(12) 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;

(13) The credit for purchases of new manufacturing machinery and equipment under section 5733.31 or section 5733.311 of the Revised Code;

(14) The second credit for purchases of new manufacturing machinery and equipment under section 5733.33 of the Revised Code;

(15) The job training credit under section 5733.42 of the Revised Code;

(16) The credit for qualified research expenses under section 5733.351 of the Revised Code;

(17) The enterprise zone credit under section 5709.66 of the Revised Code;

(18) The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;

(19) The credit for employers that establish on-site child day-care centers under section 5733.37 of the Revised Code;

(20) The ethanol plant investment credit under section 5733.46 of the Revised Code;

(21) The credit for purchases of qualifying grape production property under section 5733.32 of the Revised Code;

(22) The export sales credit under section 5733.069 of the Revised Code;

(23) The credit for research and development and technology transfer investors under section 5733.35 of the Revised Code;

(24) The enterprise zone credits under section 5709.65 of the Revised Code;

(25) The credit for using Ohio coal under section 5733.39 of the Revised Code;

(26) The credit for small telephone companies under section 5733.57 of the Revised Code;

(27) The credit for eligible nonrecurring 9-1-1 charges under section 5733.55 of the Revised Code;

(28) ~~The For tax year 2005, the~~ credit for providing programs to aid the communicatively impaired under division (A) of section 5733.56 of the

Revised Code;

(29) The research and development credit under section 5733.352 of the Revised Code;

(30) For tax years 2006 and subsequent tax years, the credit for taxes paid by a qualifying pass-through entity allowed under section 5733.0611 of the Revised Code;

(31) The refundable jobs creation credit under division (A) of section 5733.0610 of the Revised Code;

(32) The refundable credit for tax withheld under division (B)(2) of section 5747.062 of the Revised Code;

(33) 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;

(34) For tax years 2006, 2007, and 2008, the refundable credit allowable under division (B) of section 5733.56 of the Revised Code.

(B) For any credit except the credits enumerated in divisions (A) (31), (32), ~~and (33)~~, and (34) 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.

Sec. 5735.27. (A) There is hereby created in the state treasury the gasoline excise tax fund, which shall be distributed in the following manner:

(1) The amount credited pursuant to divisions (B)(2)(a) and (C)(2)(a) of section 5735.23 of the Revised Code shall be distributed among municipal corporations. The amount paid to each municipal corporation shall be that proportion of the amount to be so distributed that the number of motor vehicles registered within the municipal corporation bears to the total number of motor vehicles registered within all the municipal corporations of this state during the preceding motor vehicle registration year. When a new village is incorporated, the registrar of motor vehicles shall determine from the applications on file in the bureau of motor vehicles the number of motor vehicles located within the territory comprising the village during the entire registration year in which the municipal corporation was incorporated. The registrar shall forthwith certify the number of motor vehicles so determined to the tax commissioner for use in distributing motor vehicle fuel tax funds to the village until the village is qualified to participate in the distribution of the funds pursuant to this division. The number of motor vehicle registrations shall be determined by the official records of the bureau of

motor vehicles. The amount received by each municipal corporation shall be used to plan, construct, reconstruct, repave, widen, maintain, repair, clear, and clean public highways, roads, and streets; to maintain and repair bridges and viaducts; to purchase, erect, and maintain street and traffic signs and markers; to pay the costs apportioned to the municipal corporation under section 4907.47 of the Revised Code; to purchase, erect, and maintain traffic lights and signals; to pay the principal, interest, and charges on bonds and other obligations issued pursuant to Chapter 133. of the Revised Code or incurred pursuant to section 5531.09 of the Revised Code for the purpose of acquiring or constructing roads, highways, bridges, or viaducts or acquiring or making other highway improvements for which the municipal corporation may issue bonds; and to supplement revenue already available for these purposes.

(2) The amount credited pursuant to division (B) of section 5735.26 of the Revised Code shall be distributed among the municipal corporations within the state, in the proportion which the number of motor vehicles registered within each municipal corporation bears to the total number of motor vehicles registered within all the municipal corporations of the state during the preceding calendar year, as shown by the official records of the bureau of motor vehicles, and shall be expended by each municipal corporation to plan, construct, reconstruct, repave, widen, maintain, repair, clear, and clean public highways, roads and streets; to maintain and repair bridges and viaducts; to purchase, erect, and maintain street and traffic signs and markers; to purchase, erect, and maintain traffic lights and signals; to pay costs apportioned to the municipal corporation under section 4907.47 of the Revised Code; to pay the principal, interest, and charges on bonds and other obligations issued pursuant to Chapter 133. of the Revised Code or incurred pursuant to section 5531.09 of the Revised Code for the purpose of acquiring or constructing roads, highways, bridges, or viaducts or acquiring or making other highway improvements for which the municipal corporation may issue bonds; and to supplement revenue already available for these purposes.

(3) The amount credited pursuant to divisions (B)(2)(b) and (C)(2)(c) of section 5735.23 of the Revised Code shall be paid in equal proportions to the county treasurer of each county within the state and shall be used only for the purposes of planning, maintaining, and repairing the county system of public roads and highways within the county; the planning, construction, and repair of walks or paths along county roads in congested areas; the planning, construction, purchase, lease, and maintenance of suitable buildings for the housing and repair of county road machinery, housing of

supplies, and housing of personnel associated with the machinery and supplies; the payment of costs apportioned to the county under section 4907.47 of the Revised Code; the payment of principal, interest, and charges on bonds and other obligations issued pursuant to Chapter 133. of the Revised Code or incurred pursuant to section 5531.09 of the Revised Code for the purpose of acquiring or constructing roads, highways, bridges, or viaducts or acquiring or making other highway improvements for which the board of county commissioners may issue bonds under that chapter; and the purchase, installation, and maintenance of traffic signal lights.

(4) The amount credited pursuant to division (C) of section 5735.26 of the Revised Code shall be paid in equal proportions to the county treasurer of each county for the purposes of planning, maintaining, constructing, widening, and reconstructing the county system of public roads and highways; paying principal, interest, and charges on bonds and other obligations issued pursuant to Chapter 133. of the Revised Code or incurred pursuant to section 5531.09 of the Revised Code for the purpose of acquiring or constructing roads, highways, bridges, or viaducts or acquiring or making other highway improvements for which the board of county commissioners may issue bonds under that chapter; and paying costs apportioned to the county under section 4907.47 of the Revised Code.

(5)(a) The amount credited pursuant to division (D) of section 5735.26 and division (C)(2)(b) of section 5735.23 of the Revised Code shall be divided in equal proportions among the townships within the state.

(b) As used in division (A)(5)(b) of this section, the "formula amount" for any township is the amount that would be allocated to that township if fifty per cent of the amount credited to townships pursuant to section 5735.291 of the Revised Code were allocated among townships in the state proportionate to the number of lane miles within the boundaries of the respective townships, as determined annually by the department of transportation, and the other fifty per cent of the amount credited pursuant to section 5735.291 of the Revised Code were allocated among townships in the state proportionate to the number of motor vehicles registered within the respective townships, as determined annually by the records of the bureau of motor vehicles.

Beginning on August 15, 2003, the tax levied by section 5735.29 of the Revised Code shall be partially allocated to provide funding for townships. Each township shall receive the greater of the following two calculations:

(i) The total statewide amount credited to townships under division (A) of section 5735.291 of the Revised Code divided by the number of townships in the state at the time of the calculation;

(ii) Seventy per cent of the formula amount for that township.

(c) The total difference between the amount of money credited to townships under division (A) of section 5735.291 of the Revised Code and the total amount of money required to make all the payments specified in division (A)(5)(b) of this section shall be deducted, in accordance with division (B) of section 5735.291 of the Revised Code, from the revenues resulting from the tax levied pursuant to section 5735.29 of the Revised Code prior to crediting portions of such revenues to counties, municipal corporations, and the highway operating fund.

(d) All amounts credited pursuant to divisions ~~(A)(5)~~(a) and (b) of this section shall be paid to the county treasurer of each county for the total amount payable to the townships within each of the counties. The county treasurer shall pay to each township within the county its proportional share of the funds, which shall be expended by each township ~~for the sole purpose only for the purposes~~ of planning, constructing, maintaining, widening, and reconstructing the public roads and highways within the township, paying principal, interest, and charges on obligations incurred pursuant to section 5531.09 of the Revised Code, and paying costs apportioned to the township under section 4907.47 of the Revised Code.

No part of the funds designated for road and highway purposes shall be used for any purpose except to pay in whole or part the contract price of any such work done by contract, or to pay the cost of labor in planning, constructing, widening, and reconstructing such roads and highways, and the cost of materials forming a part of the improvement; provided that the funds may be used for the purchase of road machinery and equipment and for the planning, construction, and maintenance of suitable buildings for housing road machinery and equipment, and that all such improvement of roads shall be under supervision and direction of the county engineer as provided in section 5575.07 of the Revised Code. No obligation against the funds shall be incurred unless plans and specifications for the improvement, approved by the county engineer, are on file in the office of the township fiscal officer, and all contracts for material and for work done by contract shall be approved by the county engineer before being signed by the board of township trustees. The board of township trustees of any township may pass a resolution permitting the board of county commissioners to expend the township's share of the funds, or any portion of it, for the improvement of the roads within the township as may be designated in the resolution.

All investment earnings of the fund shall be credited to the fund.

(B) Amounts credited to the highway operating fund pursuant to divisions (B)(2)(c) and (C)(2)(d) of section 5735.23 and division (A) of

section 5735.26 of the Revised Code shall be expended in the following manner:

(1) The amount credited pursuant to divisions (B)(2)(c) and (C)(2)(d) of section 5735.23 of the Revised Code shall be apportioned to and expended by the department of transportation for the purposes of planning, maintaining, repairing, and keeping in passable condition for travel the roads and highways of the state required by law to be maintained by the department; paying the costs apportioned to the state under section 4907.47 of the Revised Code; paying that portion of the construction cost of a highway project which a county, township, or municipal corporation normally would be required to pay, but which the director of transportation, pursuant to division (B) of section 5531.08 of the Revised Code, determines instead will be paid from moneys in the highway operating fund; and paying the costs of the department of public safety in administering and enforcing the state law relating to the registration and operation of motor vehicles.

(2) The amount credited pursuant to division (A) of section 5735.26 of the Revised Code shall be used for paying the state's share of the cost of planning, constructing, widening, maintaining, and reconstructing the state highways; paying that portion of the construction cost of a highway project which a county, township, or municipal corporation normally would be required to pay, but which the director of transportation, pursuant to division (B) of section 5531.08 of the Revised Code, determines instead will be paid from moneys in the highway operating fund; and also for supplying the state's share of the cost of eliminating railway grade crossings upon such highways and costs apportioned to the state under section 4907.47 of the Revised Code. The director of transportation may expend portions of such amount upon extensions of state highways within municipal corporations or upon portions of state highways within municipal corporations, as is provided by law.

Sec. 5739.011. (A) As used in this section:

(1) "Manufacturer" means a person who is engaged in manufacturing, processing, assembling, or refining a product for sale and, solely for the purposes of division (B)(12) of this section, a person who meets all the qualifications of that division.

(2) "Manufacturing facility" means a single location where a manufacturing operation is conducted, including locations consisting of one or more buildings or structures in a contiguous area owned or controlled by the manufacturer.

(3) "Materials handling" means the movement of the product being or to be manufactured, during which movement the product is not undergoing any

substantial change or alteration in its state or form.

(4) "Testing" means a process or procedure to identify the properties or assure the quality of a material or product.

(5) "Completed product" means a manufactured item that is in the form and condition as it will be sold by the manufacturer. An item is completed when all processes that change or alter its state or form or enhance its value are finished, even though the item subsequently will be tested to ensure its quality or be packaged for storage or shipment.

(6) "Continuous manufacturing operation" means the process in which raw materials or components are moved through the steps whereby manufacturing occurs. Materials handling of raw materials or parts from the point of receipt or preproduction storage or of a completed product, to or from storage, to or from packaging, or to the place from which the completed product will be shipped, is not a part of a continuous manufacturing operation.

(B) For purposes of division (B)~~(43)~~(42)(g) of section 5739.02 of the Revised Code, the "thing transferred" includes, but is not limited to, any of the following:

(1) Production machinery and equipment that act upon the product or machinery and equipment that treat the materials or parts in preparation for the manufacturing operation;

(2) Materials handling equipment that moves the product through a continuous manufacturing operation; equipment that temporarily stores the product during the manufacturing operation; or, excluding motor vehicles licensed to operate on public highways, equipment used in intraplant or interplant transfers of work in process where the plant or plants between which such transfers occur are manufacturing facilities operated by the same person;

(3) Catalysts, solvents, water, acids, oil, and similar consumables that interact with the product and that are an integral part of the manufacturing operation;

(4) Machinery, equipment, and other tangible personal property used during the manufacturing operation that control, physically support, produce power for, lubricate, or are otherwise necessary for the functioning of production machinery and equipment and the continuation of the manufacturing operation;

(5) Machinery, equipment, fuel, power, material, parts, and other tangible personal property used to manufacture machinery, equipment, or other tangible personal property used in manufacturing a product for sale;

(6) Machinery, equipment, and other tangible personal property used by

a manufacturer to test raw materials, the product being manufactured, or the completed product;

(7) Machinery and equipment used to handle or temporarily store scrap that is intended to be reused in the manufacturing operation at the same manufacturing facility;

(8) Coke, gas, water, steam, and similar substances used in the manufacturing operation; machinery and equipment used for, and fuel consumed in, producing or extracting those substances; machinery, equipment, and other tangible personal property used to treat, filter, pump, or otherwise make the substance suitable for use in the manufacturing operation; and machinery and equipment used for, and fuel consumed in, producing electricity for use in the manufacturing operation;

(9) Machinery, equipment, and other tangible personal property used to transport or transmit electricity, coke, gas, water, steam, or similar substances used in the manufacturing operation from the point of generation, if produced by the manufacturer, or from the point where the substance enters the manufacturing facility, if purchased by the manufacturer, to the manufacturing operation;

(10) Machinery, equipment, and other tangible personal property that treats, filters, cools, refines, or otherwise renders water, steam, acid, oil, solvents, or similar substances used in the manufacturing operation reusable, provided that the substances are intended for reuse and not for disposal, sale, or transportation from the manufacturing facility;

(11) Parts, components, and repair and installation services for items described in division (B) of this section;

(12) Machinery and equipment, detergents, supplies, solvents, and any other tangible personal property located at a manufacturing facility that are used in the process of removing soil, dirt, or other contaminants from, or otherwise preparing in a suitable condition for use, towels, linens, articles of clothing, floor mats, mop heads, or other similar items, to be supplied to a consumer as part of laundry and dry cleaning services as defined in division (BB) of section 5739.01 of the Revised Code, only when the towels, linens, articles of clothing, floor mats, mop heads, or other similar items belong to the provider of the services.

(C) For purposes of division (B)~~(43)~~(42)(g) of section 5739.02 of the Revised Code, the "thing transferred" does not include any of the following:

(1) Tangible personal property used in administrative, personnel, security, inventory control, record-keeping, ordering, billing, or similar functions;

(2) Tangible personal property used in storing raw materials or parts

prior to the commencement of the manufacturing operation or used to handle or store a completed product, including storage that actively maintains a completed product in a marketable state or form;

(3) Tangible personal property used to handle or store scrap or waste intended for disposal, sale, or other disposition, other than reuse in the manufacturing operation at the same manufacturing facility;

(4) Tangible personal property that is or is to be incorporated into realty;

(5) Machinery, equipment, and other tangible personal property used for ventilation, dust or gas collection, humidity or temperature regulation, or similar environmental control, except machinery, equipment, and other tangible personal property that totally regulates the environment in a special and limited area of the manufacturing facility where the regulation is essential for production to occur;

(6) Tangible personal property used for the protection and safety of workers, unless the property is attached to or incorporated into machinery and equipment used in a continuous manufacturing operation;

(7) Tangible personal property used to store fuel, water, solvents, acid, oil, or similar items consumed in the manufacturing operation;

(8) Machinery, equipment, and other tangible personal property used to clean, repair, or maintain real or personal property in the manufacturing facility;

(9) Motor vehicles registered for operation on public highways.

(D) For purposes of division (B)~~(43)~~(42)(g) of section 5739.02 of the Revised Code, if the "thing transferred" is a machine used by a manufacturer in both a taxable and an exempt manner, it shall be totally taxable or totally exempt from taxation based upon its quantified primary use. If the "things transferred" are fungibles, they shall be taxed based upon the proportion of the fungibles used in a taxable manner.

Sec. 5739.026. (A) A board of county commissioners may levy a tax of one-fourth or one-half of one per cent on every retail sale in the county, except sales of watercraft and outboard motors required to be titled pursuant to Chapter 1548. of the Revised Code and sales of motor vehicles, and may increase an existing rate of one-fourth of one per cent to one-half of one per cent, to pay the expenses of administering the tax and, except as provided in division (A)(6) of this section, for any one or more of the following purposes provided that the aggregate levy for all such purposes does not exceed one-half of one per cent:

(1) To provide additional revenues for the payment of bonds or notes issued in anticipation of bonds issued by a convention facilities authority established by the board of county commissioners under Chapter 351. of the

Revised Code and to provide additional operating revenues for the convention facilities authority;

(2) To provide additional revenues for a transit authority operating in the county;

(3) To provide additional revenue for the county's general fund;

(4) To provide additional revenue for permanent improvements within the county to be distributed by the community improvements board in accordance with section 307.283 and to pay principal, interest, and premium on bonds issued under section 307.284 of the Revised Code;

(5) To provide additional revenue for the acquisition, construction, equipping, or repair of any specific permanent improvement or any class or group of permanent improvements, which improvement or class or group of improvements shall be enumerated in the resolution required by division (D) of this section, and to pay principal, interest, premium, and other costs associated with the issuance of bonds or notes in anticipation of bonds issued pursuant to Chapter 133. of the Revised Code for the acquisition, construction, equipping, or repair of the specific permanent improvement or class or group of permanent improvements;

(6) To provide revenue for the implementation and operation of a 9-1-1 system in the county. If the tax is levied or the rate increased exclusively for such purpose, the tax shall not be levied or the rate increased for more than five years. At the end of the last year the tax is levied or the rate increased, any balance remaining in the special fund established for such purpose shall remain in that fund and be used exclusively for such purpose until the fund is completely expended, and, notwithstanding section 5705.16 of the Revised Code, the board of county commissioners shall not petition for the transfer of money from such special fund, and the tax commissioner shall not approve such a petition.

If the tax is levied or the rate increased for such purpose for more than five years, the board of county commissioners also shall levy the tax or increase the rate of the tax for one or more of the purposes described in divisions (A)(1) to (5) of this section and shall prescribe the method for allocating the revenues from the tax each year in the manner required by division (C) of this section.

(7) To provide additional revenue for the operation or maintenance of a detention facility, as that term is defined under division (F) of section 2921.01 of the Revised Code;

(8) To provide revenue to finance the construction or renovation of a sports facility, but only if the tax is levied for that purpose in the manner prescribed by section 5739.028 of the Revised Code.

As used in division (A)(8) of this section:

(a) "Sports facility" means a facility intended to house major league professional athletic teams.

(b) "Constructing" or "construction" includes providing fixtures, furnishings, and equipment.

(9) To provide additional revenue for the acquisition of agricultural easements, as defined in section 5301.67 of the Revised Code; to pay principal, interest, and premium on bonds issued under section 133.60 of the Revised Code; and for the supervision and enforcement of agricultural easements held by the county;

(10) To provide revenue for the provision of ambulance, paramedic, or other emergency medical services.

Pursuant to section 755.171 of the Revised Code, a board of county commissioners may pledge and contribute revenue from a tax levied for the purpose of division (A)(5) of this section to the payment of debt charges on bonds issued under section 755.17 of the Revised Code.

The rate of tax shall be a multiple of one-fourth of one per cent, unless a portion of the rate of an existing tax levied under section 5739.023 of the Revised Code has been reduced, and the rate of tax levied under this section has been increased, pursuant to section 5739.028 of the Revised Code, in which case the aggregate of the rates of tax levied under this section and section 5739.023 of the Revised Code shall be a multiple of one-fourth of one per cent. The tax shall be levied and the rate increased pursuant to a resolution adopted by a majority of the members of the board. The board shall deliver a certified copy of the resolution to the tax commissioner, not later than the sixty-fifth day prior to the date on which the tax is to become effective, which shall be the first day of a calendar quarter.

Prior to the adoption of any resolution to levy the tax or to increase the rate of tax exclusively for the purpose set forth in division (A)(3) of this section, the board of county commissioners shall conduct two public hearings on the resolution, the second hearing to be no fewer than three nor more than ten days after the first. Notice of the date, time, and place of the hearings shall be given by publication in a newspaper of general circulation in the county once a week on the same day of the week for two consecutive weeks, the second publication being no fewer than ten nor more than thirty days prior to the first hearing. Except as provided in division (E) of this section, the resolution shall be subject to a referendum as provided in sections 305.31 to 305.41 of the Revised Code. ~~Unless the resolution is adopted as an emergency measure, or is to be submitted to the electors of the county under division (D)(2)(a) of this section, the resolution shall be~~

~~adopted at least one hundred twenty days prior to the date on which the tax or the increased rate of tax is to go into effect.~~ If the resolution is adopted as an emergency measure necessary for the immediate preservation of the public peace, health, or safety, it must receive an affirmative vote of all of the members of the board of county commissioners and shall state the reasons for the necessity.

If the tax is for more than one of the purposes set forth in divisions (A)(1) to (7), (9), and (10) of this section, or is exclusively for one of the purposes set forth in division (A)(1), (2), (4), (5), (6), (7), (9), or (10) of this section, the resolution shall not go into effect unless it is approved by a majority of the electors voting on the question of the tax.

(B) The board of county commissioners shall adopt a resolution under section 351.02 of the Revised Code creating the convention facilities authority, or under section 307.283 of the Revised Code creating the community improvements board, before adopting a resolution levying a tax for the purpose of a convention facilities authority under division (A)(1) of this section or for the purpose of a community improvements board under division (A)(4) of this section.

(C)(1) If the tax is to be used for more than one of the purposes set forth in divisions (A)(1) to (7), (9), and (10) of this section, the board of county commissioners shall establish the method that will be used to determine the amount or proportion of the tax revenue received by the county during each year that will be distributed for each of those purposes, including, if applicable, provisions governing the reallocation of a convention facilities authority's allocation if the authority is dissolved while the tax is in effect. The allocation method may provide that different proportions or amounts of the tax shall be distributed among the purposes in different years, but it shall clearly describe the method that will be used for each year. Except as otherwise provided in division (C)(2) of this section, the allocation method established by the board is not subject to amendment during the life of the tax.

(2) Subsequent to holding a public hearing on the proposed amendment, the board of county commissioners may amend the allocation method established under division (C)(1) of this section for any year, if the amendment is approved by the governing board of each entity whose allocation for the year would be reduced by the proposed amendment. In the case of a tax that is levied for a continuing period of time, the board may not so amend the allocation method for any year before the sixth year that the tax is in effect.

(a) If the additional revenues provided to the convention facilities

authority are pledged by the authority for the payment of convention facilities authority revenue bonds for as long as such bonds are outstanding, no reduction of the authority's allocation of the tax shall be made for any year except to the extent that the reduced authority allocation, when combined with the authority's other revenues pledged for that purpose, is sufficient to meet the debt service requirements for that year on such bonds.

(b) If the additional revenues provided to the county are pledged by the county for the payment of bonds or notes described in division (A)(4) or (5) of this section, for as long as such bonds or notes are outstanding, no reduction of the county's or the community improvements board's allocation of the tax shall be made for any year, except to the extent that the reduced county or community improvements board allocation is sufficient to meet the debt service requirements for that year on such bonds or notes.

(c) If the additional revenues provided to the transit authority are pledged by the authority for the payment of revenue bonds issued under section 306.37 of the Revised Code, for as long as such bonds are outstanding, no reduction of the authority's allocation of tax shall be made for any year, except to the extent that the authority's reduced allocation, when combined with the authority's other revenues pledged for that purpose, is sufficient to meet the debt service requirements for that year on such bonds.

(d) If the additional revenues provided to the county are pledged by the county for the payment of bonds or notes issued under section 133.60 of the Revised Code, for so long as the bonds or notes are outstanding, no reduction of the county's allocation of the tax shall be made for any year, except to the extent that the reduced county allocation is sufficient to meet the debt service requirements for that year on the bonds or notes.

(D)(1) The resolution levying the tax or increasing the rate of tax shall state the rate of the tax or the rate of the increase; the purpose or purposes for which it is to be levied; the number of years for which it is to be levied or that it is for a continuing period of time; the allocation method required by division (C) of this section; and if required to be submitted to the electors of the county under division (A) of this section, the date of the election at which the proposal shall be submitted to the electors of the county, which shall be not less than seventy-five days after the certification of a copy of the resolution to the board of elections and, if the tax is to be levied exclusively for the purpose set forth in division (A)(3) of this section, shall not occur in February or August of any year. Upon certification of the resolution to the board of elections, the board of county commissioners shall notify the tax commissioner in writing of the levy question to be submitted

to the electors. If approved by a majority of the electors, the tax shall become effective on the first day of a calendar quarter next following the sixty-fifth day following the date the board of county commissioners and tax commissioner receive from the board of elections the certification of the results of the election, except as provided in division (E) of this section.

(2)(a) A resolution specifying that the tax is to be used exclusively for the purpose set forth in division (A)(3) of this section that is not adopted as an emergency measure may direct the board of elections to submit the question of levying the tax or increasing the rate of the tax to the electors of the county at a special election held on the date specified by the board of county commissioners in the resolution, provided that the election occurs not less than seventy-five days after the resolution is certified to the board of elections and the election is not held in February or August of any year. Upon certification of the resolution to the board of elections, the board of county commissioners shall notify the tax commissioner in writing of the levy question to be submitted to the electors. No resolution adopted under division (D)(2)(a) of this section shall go into effect unless approved by a majority of those voting upon it and, except as provided in division (E) of this section, not until the first day of a calendar quarter following the expiration of sixty-five days from the date the tax commissioner receives notice from the board of elections of the affirmative vote.

(b) A resolution specifying that the tax is to be used exclusively for the purpose set forth in division (A)(3) of this section that is adopted as an emergency measure shall become effective as provided in division (A) of this section, but may direct the board of elections to submit the question of repealing the tax or increase in the rate of the tax to the electors of the county at the next general election in the county occurring not less than seventy-five days after the resolution is certified to the board of elections. Upon certification of the resolution to the board of elections, the board of county commissioners shall notify the tax commissioner in writing of the levy question to be submitted to the electors. The ballot question shall be the same as that prescribed in section 5739.022 of the Revised Code. The board of elections shall notify the board of county commissioners and the tax commissioner of the result of the election immediately after the result has been declared. If a majority of the qualified electors voting on the question of repealing the tax or increase in the rate of the tax vote for repeal of the tax or repeal of the increase, the board of county commissioners, on the first day of a calendar quarter following the expiration of sixty-five days after the date the board and tax commissioner received notice of the result of the election, shall, in the case of a repeal of the tax, cease to levy the tax, or, in

the case of a repeal of an increase in the rate of the tax, cease to levy the increased rate and levy the tax at the rate at which it was imposed immediately prior to the increase in rate.

(c) A board of county commissioners, by resolution, may reduce the rate of a tax levied exclusively for the purpose set forth in division (A)(3) of this section to a lower rate authorized by this section. Any such reduction shall be made effective on the first day of the calendar quarter next following the sixty-fifth day after the tax commissioner receives a certified copy of the resolution from the board.

(E) If a vendor that is registered with the central electronic registration system provided for in section 5740.05 of the Revised Code makes a sale in this state by printed catalog and the consumer computed the tax on the sale based on local rates published in the catalog, any tax levied or repealed or rate changed under this section shall not apply to such a sale until the first day of a calendar quarter following the expiration of one hundred twenty days from the date of notice by the tax commissioner pursuant to division (G) of this section.

(F) The tax levied pursuant to this section shall be in addition to the tax levied by section 5739.02 of the Revised Code and any tax levied pursuant to section 5739.021 or 5739.023 of the Revised Code.

A county that levies a tax pursuant to this section shall levy a tax at the same rate pursuant to section 5741.023 of the Revised Code.

The additional tax levied by the county shall be collected pursuant to section 5739.025 of the Revised Code.

Any tax levied pursuant to this section is subject to the exemptions provided in section 5739.02 of the Revised Code and in addition shall not be applicable to sales not within the taxing power of a county under the Constitution of the United States or the Ohio Constitution.

(G) Upon receipt from a board of county commissioners of a certified copy of a resolution required by division (A) of this section, or from the board of elections a notice of the results of an election required by division (D)(1), (2)(a), (b), or (c) of this section, the tax commissioner shall provide notice of a tax rate change in a manner that is reasonably accessible to all affected vendors. The commissioner shall provide this notice at least sixty days prior to the effective date of the rate change. The commissioner, by rule, may establish the method by which notice will be provided.

Sec. 5739.211. (A) The moneys received by a county levying an additional sales tax pursuant to section 5739.021 of the Revised Code shall be deposited in the county general fund to be expended for any purpose for which general fund moneys of the county may be used, including the

acquisition or construction of permanent improvements or to make payments in accordance with section 333.06 or 333.07 of the Revised Code, or in the bond retirement fund for the payment of debt service charges on notes or bonds of the county issued for the acquisition or construction ~~or~~ of permanent improvements. The amounts to be deposited in each of such funds shall be determined by the board of county commissioners.

(B) The moneys received by a county levying an additional sales tax pursuant to section 5739.026 of the Revised Code shall be deposited in a separate fund, which shall be allocated and distributed in accordance with the resolution adopted under such section. Moneys allocated for the purpose of division (A)(4) of section 5739.026 of the Revised Code shall be transferred to and disbursed from the community improvements fund in the county treasury. Notwithstanding section 135.351 of the Revised Code, if an allocation of moneys to a convention facilities authority or a transit authority is required pursuant to division (C) of section 5739.026 of the Revised Code, the county shall pay and distribute each authority's share of any such moneys to its fiscal officer within five business days of the date of their receipt by the county. If the moneys allocated under such division are not so paid, the county shall pay to such authority any interest that the county has received or will receive on such moneys that accrues from the date the county received the moneys, together with the principal amount of such moneys.

(C) The moneys received by a transit authority levying an additional sales tax pursuant to section 5739.023 of the Revised Code shall be deposited in such fund or funds of the transit authority as determined by the legislative authority of the transit authority to be expended for any purpose for which a county transit board or the board of county commissioners operating a county transit system, in the case of a county, or the board of trustees of a regional transit authority, in the case of a regional transit authority, may expend moneys under their control, including the purchase, acquisition, construction, replacement, improvement, extension, or enlargement of permanent improvements and for the payment of debt service charges on notes or bonds of the transit authority.

Sec. 5741.031. (A) The funds received by a county levying an additional use tax pursuant to section 5741.021 of the Revised Code shall be deposited in the county general fund to be expended for any purpose for which general fund moneys of the county may be used, including the acquisition or construction of permanent improvements or to make payments in accordance with section 333.06 or 333.07 of the Revised Code, or in the bond retirement fund for the payment of debt service charges on

notes or bonds of the county issued for the acquisition or construction of permanent improvements, ~~or in the bond retirement fund for the payment of debt service charges on notes or bonds of the county issued for the acquisition or construction of permanent improvements.~~ The amounts to be deposited in each of such funds shall be determined by the board of county commissioners.

(B) The moneys received by a county levying an additional use tax pursuant to section 5741.023 of the Revised Code shall be deposited in a separate fund, which shall be allocated, distributed, and used in accordance with the resolution adopted under section 5739.026 of the Revised Code. Moneys allocated for the purpose of division (A)(4) of section 5739.026 of the Revised Code shall be transferred to and disbursed from the community improvements fund in the county treasury. Notwithstanding section 135.351 of the Revised Code, if an allocation of moneys to a convention facilities authority or a transit authority is required pursuant to division (C) of section 5739.026 of the Revised Code, the county shall pay and distribute each authority's share of any such moneys to its fiscal officer within five business days of the date of their receipt by the county. If the moneys allocated under such division are not so paid, the county shall pay to such authority any interest that the county has received or will receive on such moneys that accrues from the date the county received the moneys, together with the principal amount of such moneys.

(C) The funds received by a transit authority levying an additional use tax pursuant to section 5741.022 of the Revised Code shall be deposited in such fund or funds of the transit authority as determined by the legislative authority of the transit authority to be expended for any purpose for which a county transit board or the board of county commissioners operating a county transit system, in the case of a county, or the board of trustees of a regional transit authority, in the case of a regional transit authority, may expend moneys under their control, including the purchase, acquisition, construction, replacement, improvement, extension, or enlargement of permanent improvements or in the bond retirement fund for the payment of debt service charges on notes or bonds of the transit authority.

Sec. 5743.021. (A) As used in this section, "qualifying regional arts and cultural district" means a regional arts and cultural district created under section 3381.04 of the Revised Code in a county having a population of one million two hundred thousand or more according to the 2000 federal decennial census.

(B) For one or more of the purposes for which a tax may be levied under section 3381.16 of the Revised Code and for the purposes of paying the

expenses of administering the tax and the expenses charged by a board of elections to hold an election on a question submitted under this section, the board of county commissioners of a county that has within its territorial boundaries a qualifying regional arts and cultural district may levy a tax on the sale of cigarettes sold for resale at retail in the county composing the district. The rate of the tax, when added to the rate of any other tax concurrently levied by the board under this section, shall not exceed fifteen mills per cigarette, and shall be computed on each cigarette sold. Only one sale of the same article shall be used in computing the amount of tax due. The tax may be levied for any number of years not exceeding ten years.

The tax shall be levied pursuant to a resolution of the board of county commissioners approved by a majority of the electors in the county voting on the question of levying the tax. The resolution shall specify the rate of the tax, the number of years the tax will be levied, and the purposes for which the tax is levied. The election may be held on the date of a general, primary, or special election held not sooner than seventy-five days after the date the board certifies its resolution to the board of elections. If approved by the electors, the tax shall take effect on the first day of the month specified in the resolution but not sooner than the first day of the month that is at least sixty days after the certification of the election results by the board of elections. A copy of the resolution levying the tax shall be certified to the tax commissioner at least sixty days prior to the date on which the tax is to become effective.

(C) The form of the ballot in an election held under this section shall be as follows, or in any other form acceptable to the secretary of state:

"For the purpose of (insert the purpose or purposes of the tax), shall an excise tax be levied throughout County for the benefit of the (name of the qualifying regional arts and cultural district) on the sale of cigarettes at wholesale at the rate of ... mills per cigarette for years?

	<u>For the tax</u>
	<u>Against the tax</u>

(D) The treasurer of state shall credit all moneys arising from taxes levied on behalf of each district under this section and section 5743.321 of the Revised Code as follows:

(1) To the tax refund fund created by section 5703.052 of the Revised Code, amounts equal to the refunds from each tax levied under this section certified by the tax commissioner pursuant to section 5743.05 of the Revised Code;

(2) Following the crediting of amounts pursuant to division (D)(1) of

this section:

(a) To the permissive tax distribution fund created under section 4301.423 of the Revised Code, an amount equal to ninety-eight per cent of the remainder collected;

(b) To the local excise tax administrative fund, which is hereby created in the state treasury, an amount equal to two per cent of such remainder, for use by the tax commissioner in defraying costs incurred in administering the tax.

On or before the second working day of each month, the treasurer of state shall certify to the tax commissioner the amount of taxes levied on behalf of each district under sections 5743.021 and 5743.321 of the Revised Code and paid to the treasurer of state during the preceding month.

On or before the tenth day of each month, the tax commissioner shall distribute the amount credited to the permissive tax distribution fund during the preceding month by providing for payment of the appropriate amount to the county treasurer of the county in which the tax is levied.

Sec. 5743.025. In addition to the return required by section 5743.03 of the Revised Code, each retail dealer in a county ~~levying in which a tax is levied~~ under section ~~5743.021, 5743.024, or 5743.026~~ of the Revised Code shall, within thirty days after the date on which ~~a tax levied under such section~~ the tax takes effect, make and file a return, on forms prescribed by the tax commissioner, showing the total number of cigarettes which such retail dealer had on hand as of the beginning of business on the date on which the tax takes effect, and such other information as the commissioner deems necessary for the administration of section ~~5743.021, 5743.024, or 5743.026~~ of the Revised Code. Each retail dealer shall deliver the return together with a remittance of the additional amount of tax due on the cigarettes shown on such return to the treasurer of state. The treasurer of state shall stamp or otherwise mark on the return the date it was received and shall also show thereon by stamp or otherwise the tax payment remitted with the return. Thereafter, the treasurer of state shall immediately transmit all returns filed under this section to the tax commissioner. Any retail dealer who fails to file a return under this section shall, for each day the retail dealer so fails, forfeit and pay into the state treasury the sum of one dollar as revenue arising from the tax imposed by section ~~5743.021, 5743.024, or 5743.026~~ of the Revised Code, and such sum may be collected by assessment in the manner provided in section 5743.081 of the Revised Code. For thirty days after the effective date of a tax imposed by section ~~5743.021, 5743.024, or 5743.026~~ of the Revised Code, a retail dealer may possess for sale or sell in the county in which the tax is levied cigarettes not bearing the

stamp or impression required by section 5743.03 of the Revised Code to evidence payment of the county tax but on which the tax has or will be paid.

Sec. 5743.03. (A) Except as provided in section 5743.04 of the Revised Code, the taxes imposed under sections 5743.02, 5743.021, 5743.024, and 5743.026 of the Revised Code shall be paid by the purchase of stamps. A stamp shall be affixed to each package of an aggregate denomination not less than the amount of the tax upon the contents thereof. The stamp, so affixed, shall be prima-facie evidence of payment of the tax.

Except as is provided in the rules prescribed by the tax commissioner under authority of sections 5743.01 to 5743.20 of the Revised Code, and unless tax stamps have been previously affixed, they shall be so affixed by each wholesale dealer, and canceled by writing or stamping across the face thereof the number assigned to such wholesale dealer by the tax commissioner for that purpose, prior to the delivery of any cigarettes to any person in this state, or in the case of a tax levied pursuant to section 5743.021, 5743.024, or 5743.026 of the Revised Code, prior to the delivery of cigarettes to any person in the county in which the tax is levied.

(B) Except as provided in the rules prescribed by the commissioner under authority of sections 5743.01 to 5743.20 of the Revised Code, each retail dealer, within twenty-four hours after the receipt of any cigarettes at the retail dealer's place of business, shall inspect the cigarettes to ensure that tax stamps are affixed. The inspection shall be completed before the cigarettes are delivered to any person in this state, or, in the case of a tax levied pursuant to section 5743.021, 5743.024, or 5743.026 of the Revised Code, before the cigarettes are delivered to any person in the county in which the tax is levied.

(C) Whenever any cigarettes are found in the place of business of any retail dealer without proper tax stamps affixed thereto and canceled, it is presumed that such cigarettes are kept therein in violation of sections 5743.01 to 5743.20 of the Revised Code.

(D) Each wholesale dealer who purchases cigarettes without proper tax stamps affixed thereto shall, on or before the thirty-first day of the month following the close of each semiannual period, which period shall end on the thirtieth day of June and the thirty-first day of December of each year, make and file a return of the preceding semiannual period, on such form as is prescribed by the tax commissioner, showing the dealer's entire purchases and sales of cigarettes and stamps or impressions for such semiannual period and accurate inventories as of the beginning and end of each semiannual period of cigarettes, stamped or unstamped; cigarette tax stamps affixed or unaffixed and unused meter impressions; and such other information as the

commissioner finds necessary to the proper administration of sections 5743.01 to 5743.20 of the Revised Code. The commissioner may extend the time for making and filing returns and may remit all or any part of amounts of penalties that may become due under sections 5743.01 to 5743.20 of the Revised Code. The wholesale dealer shall deliver the return together with a remittance of the tax deficiency reported thereon to the treasurer of state. The treasurer of state shall stamp or otherwise mark on the return the date it was received and shall also show thereon by stamp or otherwise a payment or nonpayment of the deficiency shown by the return. Thereafter, the treasurer of state shall immediately transmit all returns filed under this section to the commissioner.

(E) Any wholesale dealer who fails to file a return under this section and the rules of the commissioner, other than a report required pursuant to division (F) of this section, may be required, for each day the dealer so fails, to forfeit and pay into the state treasury the sum of one dollar as revenue arising from the tax imposed by sections 5743.01 to 5743.20 of the Revised Code and such sum may be collected by assessment in the manner provided in section 5743.081 of the Revised Code. If the commissioner finds it necessary in order to insure the payment of the tax imposed by sections 5743.01 to 5743.20 of the Revised Code, the commissioner may require returns and payments to be made other than semiannually. The returns shall be signed by the wholesale dealer or an authorized agent thereof.

(F) Each person required to file a tax return under section 5743.03, 5743.52, or 5743.62 of the Revised Code shall report to the commissioner the quantity of all cigarettes and roll-your-own cigarette tobacco sold in Ohio for each brand not covered by the tobacco master settlement agreement for which the person is liable for the taxes levied under section 5743.02, 5743.51, or 5743.62 of the Revised Code.

As used in this division, "tobacco master settlement agreement" has the same meaning as in section 183.01 of the Revised Code.

(G) The report required by division (F) of this section shall be made on a form prescribed by the commissioner and shall be filed not later than the last day of each month for the previous month, except that if the commissioner determines that the quantity reported by a person does not warrant monthly reporting, the commissioner may authorize reporting at less frequent intervals. The commissioner may assess a penalty of not more than two hundred fifty dollars for each month or portion thereof that a person fails to timely file a required report, and such sum may be collected by assessment in the manner provided in section 5743.081 of the Revised Code. All money collected under this division shall be considered as revenue

arising from the taxes imposed by sections 5743.01 to 5743.20 of the Revised Code.

Sec. 5743.04. The tax commissioner shall design and procure the stamps provided for in section 5743.03 of the Revised Code and shall enforce and administer sections 5743.01 to 5743.44 of the Revised Code. With respect to packages containing any number of cigarettes other than twenty, if the commissioner finds that it is practicable to collect the taxes levied under sections 5743.02, 5743.021, 5743.024, and 5743.026 of the Revised Code by any method other than that provided in this section and section 5743.03 of the Revised Code, the commissioner may by rule prescribe such other method for payment of the taxes upon such packages of cigarettes as will adequately protect the revenue; provided, that in any case where the commissioner prescribes that the taxes upon such packages of cigarettes shall be paid on the basis of returns filed by a wholesale or retail dealer, said returns, together with a remittance of all taxes due as shown thereon, shall be filed with the treasurer of state not later than the tenth day of the month following the month in which such cigarettes are sold in this state. The commissioner may promulgate rules in accordance with sections 119.01 to 119.13 of the Revised Code as the commissioner deems necessary to carry out sections 5743.01 to 5743.44 of the Revised Code and may adopt different detailed rules applicable to diverse methods and conditions of sale of cigarettes, prescribing, in each class of cases, upon whom, as between the wholesale dealer and the retail dealer, the primary duty of affixing stamps shall rest, and the manner in which stamps shall be affixed. A copy of such rules shall be furnished to every licensed dealer as provided in sections 119.01 to 119.13 of the Revised Code. Any such rule so furnished which excuses a wholesale dealer from affixing stamps under the circumstances of the particular case shall be a defense in the prosecution of such dealer for violation of section 5743.03 of the Revised Code.

The commissioner, after determining that it is practicable to evidence payment of the taxes levied under sections 5743.02, 5743.021, 5743.024, and 5743.026 of the Revised Code by impression made by a metering device, shall by resolution provide that such metering device may be used in lieu of the stamps otherwise provided for in section 5743.03 of the Revised Code. The commissioner may authorize any wholesale or retail dealer to use the metering device approved by the commissioner. Such device before being used shall be sealed by the treasurer of state, and shall be used only in accordance with the rules prescribed by the commissioner.

Wholesale and retail dealers authorized to use said device shall prepay the tax represented by meter impressions and shall deliver the metering

device to the treasurer of state or county treasurer in the county in which the place of business of any wholesaler or retailer is located if such treasurer is designated by the treasurer of state, who shall seal the meter in accordance with the prepayments so made.

Sec. 5743.05. All stamps provided for by section 5743.03 of the Revised Code, when procured by the tax commissioner, shall be immediately delivered to the treasurer of state, who shall execute a receipt therefor showing the number and aggregate face value of each denomination received by the treasurer of state and any other information that the commissioner requires to enforce the collection and distribution of all taxes imposed under section 5743.021, 5743.024, or 5743.026 of the Revised Code, and deliver the receipt to the commissioner. The treasurer of state shall sell the stamps and, on the fifth day of each month, make a report showing all sales made during the preceding month, with the names of purchasers, the number of each denomination, the aggregate face value purchased by each, and any other information as the commissioner requires to enforce the collection and distribution of all taxes imposed under section 5743.021, 5743.024, or 5743.026 of the Revised Code, and deliver it to the commissioner. The treasurer of state shall be accountable for all stamps received and unsold. The stamps shall be sold and accounted for at their face value, except the commissioner shall, by rule certified to the treasurer of state, authorize the sale of stamps and meter impressions to wholesale or retail dealers in this state, or to wholesale dealers outside this state, at a discount of not less than one and eight-tenths per cent or more than ten per cent of their face value, as a commission for affixing and canceling the stamps or meter impressions.

The commissioner, by rule certified to the treasurer of state, shall authorize the delivery of stamps and meter impressions to wholesale dealers in this state and to wholesale dealers outside this state on credit. If such a dealer has not been in good credit standing with this state for five consecutive years preceding the purchase, the tax commissioner shall require the dealer to file with the commissioner a bond to the state in the amount and in the form prescribed by the commissioner, with surety to the satisfaction of the commissioner, conditioned on payment to the treasurer of state within thirty days for stamps or meter impressions delivered within that time. If such a dealer has been in good credit standing with this state for five consecutive years preceding the purchase, the tax commissioner shall not require that the dealer file such a bond but shall require payment for the stamps and meter impressions within thirty days after purchase of the stamps and meter impressions. Stamps and meter impressions sold to a

dealer not required to file a bond shall be sold at face value. The maximum amount that may be sold on credit to a dealer not required to file a bond shall equal one hundred ten per cent of the dealer's average monthly purchases over the preceding calendar year. The maximum amount shall be adjusted to reflect any changes in the tax rate and may be adjusted, upon application to the tax commissioner by the dealer, to reflect changes in the business operations of the dealer. The maximum amount shall be applicable to the period of July through April. Payment by a dealer not required to file a bond shall be remitted by electronic funds transfer as prescribed by section 5743.051 of the Revised Code. If a dealer not required to file a bond fails to make the payment in full within the thirty-day period, the treasurer of state shall not thereafter sell stamps or meter impressions to that dealer until the dealer pays the outstanding amount, including penalty and interest on that amount as prescribed in this chapter, and the commissioner thereafter may require the dealer to file a bond until the dealer is restored to good standing. The commissioner shall limit delivery of stamps and meter impressions on credit to the period running from the first day of July of the fiscal year until the first day of the following May. Any discount allowed as a commission for affixing and canceling stamps or meter impressions shall be allowed with respect to sales of stamps and meter impressions on credit.

The treasurer of state shall redeem and pay for any destroyed, unused, or spoiled tax stamps and any unused meter impressions at their net value, and shall refund to wholesale dealers the net amount of state and county taxes paid erroneously or paid on cigarettes that have been sold in interstate or foreign commerce or that have become unsalable, and the net amount of county taxes that were paid on cigarettes that have been sold at retail or for retail sale outside a taxing county.

An application for a refund of tax shall be filed with the tax commissioner, on the form prescribed by the commissioner for that purpose, within three years from the date the tax stamps are destroyed or spoiled, from the date of the erroneous payment, or from the date that cigarettes on which taxes have been paid have been sold in interstate or foreign commerce or have become unsalable.

On the filing of the application, the commissioner shall determine the amount of refund to which the applicant is entitled, payable from receipts of the state tax, and, if applicable, payable from receipts of a county tax. If the amount is less than that claimed, the commissioner shall certify the amount to the director of budget and management and treasurer of state for payment from the tax refund fund created by section 5703.052 of the Revised Code. If the amount is less than that claimed, the commissioner shall proceed in

accordance with section 5703.70 of the Revised Code.

If a refund is granted for payment of an illegal or erroneous assessment issued by the department, the refund shall include interest on the amount of the refund from the date of the overpayment. The interest shall be computed at the rate per annum prescribed by section 5703.47 of the Revised Code.

Sec. 5743.08. Whenever the tax commissioner discovers any cigarettes which are being shipped, or which have been shipped, or transported in violation of section 2927.023 of the Revised Code, or discovers cigarettes, subject to the taxes levied under section 5743.02, ~~5743.021~~, 5743.024, or 5743.026 of the Revised Code, and upon which the taxes have not been paid or that are held for sale or distribution in violation of any other provision of this chapter, the commissioner may seize and take possession of such cigarettes, which shall thereupon be forfeited to the state, and the commissioner, within a reasonable time thereafter sell or destroy the forfeited cigarettes. If the commissioner sells cigarettes under this section, the commissioner shall use proceeds from the sale to pay the costs incurred in the proceedings. Any proceeds remaining after all costs have been paid shall be considered revenue arising from the taxes levied under this chapter. Seizure and sale shall not be deemed to relieve any person from the fine or imprisonment provided for violation of sections 5743.01 to 5743.20 of the Revised Code. A sale shall be made where it is most convenient and economical. The tax commissioner may order the destruction of the forfeited cigarettes if the quantity or quality of the cigarettes is not sufficient to warrant their sale.

Sec. 5743.081. (A) If any wholesale dealer or retail dealer fails to pay the tax levied under section 5743.02, ~~5743.021~~, 5743.024, or 5743.026 of the Revised Code as required by sections 5743.01 to 5743.20 of the Revised Code, and by the rules of the tax commissioner, or fails to collect the tax from the purchaser or consumer, the commissioner may make an assessment against the wholesale or retail dealer based upon any information in the commissioner's possession.

The commissioner may make an assessment against any wholesale or retail dealer who fails to file a return required by section 5743.03 or 5743.025 of the Revised Code.

No assessment shall be made against any wholesale or retail dealer for any taxes imposed under section 5743.02, ~~5743.021~~, 5743.024, or 5743.026 of the Revised Code more than three years after the last day of the calendar month that immediately follows the semiannual period prescribed in section 5743.03 of the Revised Code in which the sale was made, or more than three years after the semiannual return for such period is filed, whichever is later.

This section does not bar an assessment against any wholesale or retail dealer who fails to file a return as required by section 5743.025 or 5743.03 of the Revised Code, or who files a fraudulent return.

A penalty of up to thirty per cent may be added to the amount of every assessment made under this section. The commissioner may adopt rules providing for the imposition and remission of penalties added to assessments made under this section.

The commissioner shall give the party assessed written notice of the assessment in the manner provided in section 5703.37 of the Revised Code. The notice shall specify separately any portion of the assessment that represents a county tax. With the notice, the commissioner shall provide instructions on how to petition for reassessment and request a hearing on the petition.

(B) Unless the party assessed files with the tax commissioner within sixty days after service of the notice of assessment, either personally or by certified mail, a written petition for reassessment signed by the party assessed or that party's authorized agent having knowledge of the facts, the assessment becomes final and the amount of the assessment is due and payable from the party assessed to the treasurer of state. The petition shall indicate the objections of the party assessed, but additional objections may be raised in writing if received by the commissioner prior to the date shown on the final determination. If the petition has been properly filed, the commissioner shall proceed under section 5703.60 of the Revised Code.

(C) After an assessment becomes final, if any portion of the assessment remains unpaid, including accrued interest, a certified copy of the tax commissioner's entry making the assessment final may be filed in the office of the clerk of the court of common pleas in the county in which the wholesale or retail dealer's place of business is located or the county in which the party assessed resides. If the party assessed maintains no place of business in this state and is not a resident of this state, the certified copy of the entry may be filed in the office of the clerk of the court of common pleas of Franklin county.

Immediately upon the filing of the commissioner's entry, the clerk shall enter a judgment for the state against the party assessed in the amount shown on the entry. The judgment may be filed by the clerk in a loose-leaf book entitled "special judgments for state cigarette sales tax," and shall have the same effect as other judgments. Execution shall issue upon the judgment upon the request of the tax commissioner, and all laws applicable to sales on execution shall apply to sales made under the judgment, except as otherwise provided in sections 5743.01 to 5743.20 of the Revised Code.

The portion of the assessment not paid within sixty days after the assessment was issued shall bear interest at the rate per annum prescribed by section 5703.47 of the Revised Code from the day the commissioner issues the assessment until it is paid. Interest shall be paid in the same manner as the tax and may be collected by the issuance of an assessment under this section.

(D) All money collected by the tax commissioner under this section shall be paid to the treasurer of state, and when paid shall be considered as revenue arising from the taxes imposed by sections 5743.01 to 5743.20 of the Revised Code.

Sec. 5743.12. No person shall make a false entry upon an invoice, package, or container of cigarettes upon which an entry is required by sections 5743.01 to 5743.20 of the Revised Code, nor shall any person present any such false entry for the inspection of the tax commissioner with intent to evade the tax levied under section 5743.02, 5743.021, 5743.024, or 5743.026 of the Revised Code.

Sec. 5743.13. No person shall falsely or fraudulently make, forge, alter, or counterfeit any stamp prescribed by the tax commissioner under section 5743.03 of the Revised Code, or cause to be falsely or fraudulently made, forged, altered, or counterfeited any such stamp, or possess any counterfeiting device, or knowingly and willfully utter, publish, pass, or tender as true, any such false, altered, forged, or counterfeited stamp, or use more than once any such stamp for the purpose of evading the tax levied under section 5743.02, 5743.021, 5743.024, or 5743.026 of the Revised Code.

Sec. 5743.15. (A) No person shall engage in this state in the wholesale or retail business of trafficking in cigarettes or in the business of a manufacturer or importer of cigarettes without having a license to conduct each such activity issued by a county auditor under division (B) of this section or the tax commissioner under division (E) of this section, except that on dissolution of a partnership by death, the surviving partner may operate under the license of the partnership until expiration of the license, and the heirs or legal representatives of deceased persons, and receivers and trustees in bankruptcy appointed by any competent authority, may operate under the license of the person succeeded in possession by such heir, representative, receiver, or trustee in bankruptcy.

(B) Each applicant for a license to engage in the wholesale or retail business of trafficking in cigarettes under this section, annually, on or before the fourth Monday of May, shall make and deliver to the county auditor of the county in which the applicant desires to engage in the wholesale or retail

business of trafficking in cigarettes, upon a blank furnished by such auditor for that purpose, a statement showing the name of the applicant, each place in the county where the applicant's business is conducted, the nature of the business, and any other information the tax commissioner requires in the form of statement prescribed by the commissioner. If the applicant is a firm, partnership, or association other than a corporation, the application shall state the name and address of each of its members. If the applicant is a corporation, the application shall state the name and address of each of its officers. At the time of making the application required by this section, every person desiring to engage in the wholesale business of trafficking in cigarettes shall pay into the county treasury a license tax in the sum of two hundred dollars, or if desiring to engage in the retail business of trafficking in cigarettes, a license tax in the sum of thirty dollars for each of the first five places where the person proposes to carry on such business and twenty-five dollars for each additional place. Each place of business shall be deemed such space, under lease or license to, or under the control of, or under the supervision of the applicant, as is contained in one or more contiguous, adjacent, or adjoining buildings constituting an industrial plant or a place of business operated by, or under the control of, one person, or under one roof and connected by doors, halls, stairways, or elevators, which space may contain any number of points at which cigarettes are offered for sale, provided that each additional point at which cigarettes are offered for sale shall be listed in the application.

Upon receipt of the application and exhibition of the county treasurer's receipt showing the payment of the tax, the county auditor shall issue to the applicant a license for each place of business designated in the application, authorizing the applicant to engage in such business at such place for one year commencing on the fourth Monday of May. Companies operating club or dining cars or other cars upon which cigarettes are sold shall obtain licenses at railroad terminals within the state, under such rules as are prescribed by the commissioner. The form of the license shall be prescribed by the commissioner. A duplicate license may be obtained from the county auditor upon payment of a fifty cent fee if the original license is lost, destroyed, or defaced. When an application is filed after the fourth Monday of May, the license tax required to be paid shall be proportioned in amount to the remainder of the license year, except that it shall not be less than one fifth of the whole amount in any one year.

The holder of a wholesale or retail dealer's cigarette license may transfer the license to a place of business within the same county other than that designated on the license or may assign the license to another person for use

in the same county on condition that the licensee or assignee, whichever is applicable, make application to the county auditor therefor, upon forms approved by the commissioner and the payment of a fee of one dollar into the county treasury.

(C)(1) The wholesale cigarette license tax revenue collected under this section shall be distributed as follows:

(a) Thirty-seven and one-half per cent shall be paid upon the warrant of the county auditor into the treasury of the municipal corporation or township in which the place of business for which the tax revenue was received is located;

(b) Fifteen per cent shall be credited to the general fund of the county;

(c) Forty-seven and one-half per cent shall be paid into the cigarette tax enforcement fund created by division (C) of this section.

(2) The revenue collected from the thirty dollar tax imposed upon the first five places of business of a person engaged in the retail business of trafficking in cigarettes shall be distributed as follows:

(a) Sixty-two and one-half per cent shall be paid upon the warrant of the county auditor into the treasury of the municipal corporation or township in which the places of business for which the tax revenue was received are located;

(b) Twenty-two and one-half per cent shall be credited to the general fund of the county;

(c) Fifteen per cent shall be paid into the cigarette tax enforcement fund created by division (C) of this section.

(3) The remainder of the revenues and fines collected under this section and the penal laws relating to cigarettes shall be distributed as follows:

(a) Three-fourths shall be paid upon the warrant of the county auditor into the treasury of the municipal corporation or township in which the place of business, on account of which the revenues and fines were received, is located;

(b) One-fourth shall be credited to the general fund of the county.

(D) There is hereby created within the state treasury the cigarette tax enforcement fund for the purpose of providing funds to assist in paying the costs of enforcing sections 1333.11 to 1333.21 and Chapter 5743. of the Revised Code.

The portion of cigarette license tax revenues received by a county auditor during the annual application period that ends before the fourth Monday in May which is required to be deposited in the cigarette tax enforcement fund shall be sent to the treasurer of state by the thirtieth day of June each year. The portion of license tax money received by each county

auditor after the fourth Monday in May which is required to be deposited in the cigarette tax enforcement fund shall be sent to the treasurer of state by the thirty-first day of December.

(E)(1) Every person who desires to engage in the business of a manufacturer or importer of cigarettes shall, annually, on or before the fourth Monday of May, make and deliver to the tax commissioner, upon a blank furnished by the commissioner for that purpose, a statement showing the name of the applicant, the nature of the applicant's business, and any other information required by the commissioner. If the applicant is a firm, partnership, or association other than a corporation, the applicant shall state the name and address of each of its members. If the applicant is a corporation, the applicant shall state the name and address of each of its officers.

Upon receipt of the application, the commissioner shall issue to the applicant a license authorizing the applicant to engage in the business of manufacturer or importer, whichever the case may be, for one year commencing on the fourth Monday of May.

(2) The issuing of a license under division (E)(1) of this section to a manufacturer does not excuse a manufacturer from the certification process required under section 1346.05 of the Revised Code. A manufacturer who is issued a license issued under division (E)(1) of this section to a manufacturer and who is not listed on the directory required under section 1346.05 of the Revised Code shall cease to be valid and shall be revoked by the commissioner as provided in section 5743.18 of the Revised Code not be permitted to sell cigarettes in this state other than to a licensed cigarette wholesaler for sale outside this state. Such a manufacturer shall provide documentation to the commissioner evidencing that the cigarettes are legal for sale in another state.

(3) The tax commissioner may adopt rules necessary to administer division (E) of this section.

Sec. 5743.18. Upon notice and hearing in accordance with sections 119.01 to 119.13 of the Revised Code, the tax commissioner may revoke any manufacturer, importer, wholesale, or retail cigarette license for violation of sections 5743.01 to 5743.21 of the Revised Code. In the case of a wholesale or retail cigarette license, a certified copy of the order revoking such license shall be transmitted to the county auditor of the county in which the license was issued. In the case of a license issued to a manufacturer, ~~the commissioner shall immediately revoke any such license~~ upon the manufacturer's removal from the directory under section 1346.05 of the Revised Code, such manufacturer shall not be permitted to sell cigarettes in

this state other than to a licensed cigarette wholesaler for sale outside this state. Such a manufacturer shall provide documentation to the commissioner evidencing that the cigarettes are legal for sale in another state.

Sec. 5743.321. For the same purposes for which it levies a tax under section 5743.021 of the Revised Code, the board of county commissioners of a county that has within its territorial boundaries a qualifying regional arts and cultural district and that levies a tax under that section, by resolution adopted by a majority of the board, shall levy a tax at the same rate on the use, consumption, or storage for consumption of cigarettes by consumers in the county in which that tax is levied, provided that the tax shall not apply if the tax levied by section 5743.021 of the Revised Code has been paid. The tax shall take effect on the date that a tax levied under that section takes effect, and shall remain in effect as long as the tax levied under that section remains effective.

Sec. 5743.33. Except as provided in section 5747.331 of the Revised Code, every person who has acquired cigarettes for use, storage, or other consumption subject to the tax levied under section 5743.32, 5743.321, 5743.323, or 5743.324 of the Revised Code, shall, on or before the fifteenth day of the month following receipt of such cigarettes, file with the tax commissioner a return showing the amount of cigarettes acquired, together with remittance of the tax thereon. No such person shall transport within this state, cigarettes that have a wholesale value in excess of three hundred dollars, unless that person has obtained consent to transport the cigarettes from the department of taxation prior to such transportation. Such consent shall not be required if the applicable taxes levied under sections 5743.02, 5743.021, 5743.024, and 5743.026 of the Revised Code have been paid. Application for the consent shall be in the form prescribed by the tax commissioner.

Every person transporting such cigarettes shall possess the consent while transporting or possessing the cigarettes within this state and shall produce the consent upon request of any law enforcement officer or authorized agent of the tax commissioner.

Any person transporting such cigarettes without the consent required by this section, shall be subject to the provisions of this chapter, including the applicable taxes imposed ~~by~~ under sections 5743.02, 5743.021, 5743.024, and 5743.026 of the Revised Code.

Sec. 5743.34. If any person required to pay the tax levied under section 5743.32, 5743.321, 5743.323, or 5743.324 of the Revised Code, fails to make remittance, the tax commissioner may issue an assessment against that person based on any information in the commissioner's possession.

Sections 5743.081 and 5743.082 of the Revised Code relating to the assessments or findings, appeals from assessments or findings, the effect of assessments or findings before or after hearing and before or after filing the same in the office of the clerk of the court of common pleas, and all sections relating to the procedure, authority, duties, liabilities, powers, and privileges of the person assessed, the commissioner, the clerk, and all other public officials, shall be applicable to assessments made pursuant to this section.

Sec. 5743.35. No person required by section 5743.33 of the Revised Code to file a return with the tax commissioner shall fail to make such return, or fail to pay the applicable taxes levied under section 5743.32, 5743.321, 5743.323, or 5743.324 of the Revised Code, or fail to pay any lawful assessment issued by the commissioner.

Sec. 5745.01. As used in this chapter:

(A) "Electric company," "combined company," and "telephone company," have the same meanings as in section 5727.01 of the Revised Code, except "telephone company" does not include a non profit corporation.

(B) "Electric light company" has the same meaning as in section 4928.01 of the Revised Code, and includes the activities of a combined company as an electric company, but excludes nonprofit companies and municipal corporations.

(C) "Taxpayer" means either of the following:

(1) An electric light company subject to taxation by a municipal corporation in this state for a taxable year, excluding an electric light company that is not an electric company or a combined company and for which an election made under section 5745.031 of the Revised Code is not in effect with respect to the taxable year. If such a company is a qualified subchapter S subsidiary as defined in section 1361 of the Internal Revenue Code or a disregarded entity, the company's parent S corporation or owner is the taxpayer for the purposes of this chapter and is hereby deemed to have nexus with this state under the Constitution of the United States for the purposes of this chapter.

(2) A telephone company subject to taxation by a municipal corporation in this state for a taxable year. A telephone company is subject to taxation under this chapter for any taxable year that begins on or after January 1, 2004. A telephone company with a taxable year ending in 2004 shall compute the tax imposed under this chapter, or shall compute its net operating loss carried forward for that taxable year, by multiplying the tax owed, or the loss for the taxable year, by fifty per cent.

(D) "Disregarded entity" means an entity that, for its taxable year, is by

default, or has elected to be, disregarded as an entity separate from its owner pursuant to 26 C.F.R. 301.7701-3.

(E) "Taxable year" of a taxpayer is the taxpayer's taxable year for federal income tax purposes.

(F) "Federal taxable income" means taxable income, before operating loss deduction and special deductions, as required to be reported for the taxpayer's taxable year under the Internal Revenue Code.

(G) "Adjusted federal taxable income" means federal taxable income adjusted as follows:

(1) Deduct intangible income as defined in section 718.01 of the Revised Code to the extent included in federal taxable income;

(2) Add expenses incurred in the production of such intangible income;

(3) If, with respect to a qualifying taxpayer and a qualifying asset there occurs a qualifying taxable event, the qualifying taxpayer shall reduce its federal taxable income, as defined in division (F) of this section, by the amount of the book-tax difference for that qualifying asset if the book-tax difference is greater than zero, and shall increase its federal taxable income by the absolute value of the amount of the book-tax difference for that qualifying asset if the book-tax difference is less than zero. The adjustments provided in division (G)(3) of this section are subject to divisions (B)(3), (4), and (5) of section 5733.0510 of the Revised Code to the extent those divisions apply to the adjustments in that section for the taxable year. A taxpayer shall not deduct or add any amount under division (G)(3) of this section with respect to a qualifying asset the sale, exchange, or other disposition of which resulted in the recognition of a gain or loss that the taxpayer deducted or added, respectively, under division (G)(1) or (2) of this section.

For the purposes of division (G)(3) of this section, "book-tax difference," "qualifying taxpayer," "qualifying asset," and "qualifying taxable event" have the same meanings as in section 5733.0510 of the Revised Code.

(4) If the taxpayer is not a C corporation and is not an individual, the taxpayer shall compute "adjusted federal taxable income" as if the taxpayer were a C corporation, except:

(a) Guaranteed payments and other similar amounts paid or accrued to a partner, former partner, or member or former member shall not be allowed as a deductible expense; and

(b) With respect to each owner or owner-employee of the taxpayer, amounts paid or accrued to a qualified self-employed retirement plan and amounts paid or accrued to or for health insurance or life insurance shall not

be allowed as a deduction.

Nothing in this division shall be construed as allowing the taxpayer to deduct any amount more than once.

(5) Add or deduct the amounts described in section 5733.0511 of the Revised Code for qualifying telephone company taxpayers.

(H) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as ~~it existed on December 31, 2001~~ amended.

(I) "Ohio net income" means the amount determined under division (B) of section 5745.02 of the Revised Code.

Sec. 5747.01. Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) "Adjusted gross income" or "Ohio adjusted gross income" means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities.

(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes.

(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.

(5) Deduct benefits under Title II of the Social Security Act and tier 1 railroad retirement benefits to the extent included in federal adjusted gross income under section 86 of the Internal Revenue Code.

(6) In the case of a taxpayer who is a beneficiary of a trust that makes an

accumulation distribution as defined in section 665 of the Internal Revenue Code, add, for the beneficiary's taxable years beginning before 2002, the portion, if any, of such distribution that does not exceed the undistributed net income of the trust for the three taxable years preceding the taxable year in which the distribution is made to the extent that the portion was not included in the trust's taxable income for any of the trust's taxable years beginning in 2002 or thereafter. "Undistributed net income of a trust" means the taxable income of the trust increased by (a)(i) the additions to adjusted gross income required under division (A) of this section and (ii) the personal exemptions allowed to the trust pursuant to section 642(b) of the Internal Revenue Code, and decreased by (b)(i) the deductions to adjusted gross income required under division (A) of this section, (ii) the amount of federal income taxes attributable to such income, and (iii) the amount of taxable income that has been included in the adjusted gross income of a beneficiary by reason of a prior accumulation distribution. Any undistributed net income included in the adjusted gross income of a beneficiary shall reduce the undistributed net income of the trust commencing with the earliest years of the accumulation period.

(7) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal adjusted gross income for the taxable year, had the targeted jobs credit allowed and determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect.

(8) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent that the interest or interest equivalent is included in federal adjusted gross income.

(9) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent that the loss has been deducted or the gain has been included in computing federal adjusted gross income.

(10) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions to variable college savings program accounts made or tuition units purchased pursuant to Chapter 3334. of the Revised Code.

(11)(a) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer paid during the taxable year for medical care insurance and qualified long-term care insurance for the taxpayer, the taxpayer's spouse, and dependents. No deduction for medical care insurance under division (A)(11) of this section shall be allowed either

to any taxpayer who is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the taxpayer's spouse, or to any taxpayer who is entitled to, or on application would be entitled to, benefits under part A of Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of division (A)(11)(a) of this section, "subsidized health plan" means a health plan for which the employer pays any portion of the plan's cost. The deduction allowed under division (A)(11)(a) of this section shall be the net of any related premium refunds, related premium reimbursements, or related insurance premium dividends received during the taxable year.

(b) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income during the taxable year, the amount the taxpayer paid during the taxable year, not compensated for by any insurance or otherwise, for medical care of the taxpayer, the taxpayer's spouse, and dependents, to the extent the expenses exceed seven and one-half per cent of the taxpayer's federal adjusted gross income.

(c) For purposes of division (A)(11) of this section, "medical care" has the meaning given in section 213 of the Internal Revenue Code, subject to the special rules, limitations, and exclusions set forth therein, and "qualified long-term care" has the same meaning given in section 7702~~(B)(b)~~B(c) of the Internal Revenue Code.

(12)(a) Deduct any amount included in federal adjusted gross income solely because the amount represents a reimbursement or refund of expenses that in any year the taxpayer had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable United States department of the treasury regulations. The deduction otherwise allowed under division (A)(12)(a) of this section shall be reduced to the extent the reimbursement is attributable to an amount the taxpayer deducted under this section in any taxable year.

(b) Add any amount not otherwise included in Ohio adjusted gross income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio adjusted gross income in any taxable year.

(13) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

(a) It is allowable for repayment of an item that was included in the taxpayer's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code

for that year;

(b) It does not otherwise reduce the taxpayer's adjusted gross income for the current or any other taxable year.

(14) Deduct an amount equal to the deposits made to, and net investment earnings of, a medical savings account during the taxable year, in accordance with section 3924.66 of the Revised Code. The deduction allowed by division (A)(14) of this section does not apply to medical savings account deposits and earnings otherwise deducted or excluded for the current or any other taxable year from the taxpayer's federal adjusted gross income.

(15)(a) Add an amount equal to the funds withdrawn from a medical savings account during the taxable year, and the net investment earnings on those funds, when the funds withdrawn were used for any purpose other than to reimburse an account holder for, or to pay, eligible medical expenses, in accordance with section 3924.66 of the Revised Code;

(b) Add the amounts distributed from a medical savings account under division (A)(2) of section 3924.68 of the Revised Code during the taxable year.

(16) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that such amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer's federal adjusted gross income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction of the taxpayer's federal adjusted gross income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code.

(17) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of job and family services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax commissioner, the taxpayer shall provide any information that, in the tax commissioner's opinion, is necessary to establish the amount deducted under division (A)(17) of this section.

(18) Beginning in taxable year 2001 but not for any taxable year beginning after December 31, 2005, if the taxpayer is married and files a joint return and the combined federal adjusted gross income of the taxpayer and the taxpayer's spouse for the taxable year does not exceed one hundred thousand dollars, or if the taxpayer is single and has a federal adjusted gross income for the taxable year not exceeding fifty thousand dollars, deduct

amounts paid during the taxable year for qualified tuition and fees paid to an eligible institution for the taxpayer, the taxpayer's spouse, or any dependent of the taxpayer, who is a resident of this state and is enrolled in or attending a program that culminates in a degree or diploma at an eligible institution. The deduction may be claimed only to the extent that qualified tuition and fees are not otherwise deducted or excluded for any taxable year from federal or Ohio adjusted gross income. The deduction may not be claimed for educational expenses for which the taxpayer claims a credit under section 5747.27 of the Revised Code.

(19) Add any reimbursement received during the taxable year of any amount the taxpayer deducted under division (A)(18) of this section in any previous taxable year to the extent the amount is not otherwise included in Ohio adjusted gross income.

(20)(a)(i) Add five-sixths of the amount of depreciation expense allowed by subsection (k) of section 168 of the Internal Revenue Code, including the taxpayer's proportionate or distributive share of the amount of depreciation expense allowed by that subsection to a pass-through entity in which the taxpayer has a direct or indirect ownership interest.

(ii) Add five-sixths of the amount of qualifying section 179 depreciation expense, including a person's proportionate or distributive share of the amount of qualifying section 179 depreciation expense allowed to any pass-through entity in which the person has a direct or indirect ownership. For the purposes of this division, "qualifying section 179 depreciation expense" means the difference between (I) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code, and (II) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code as that section existed on December 31, 2002.

The tax commissioner, under procedures established by the commissioner, may waive the add-backs related to a pass-through entity if the taxpayer owns, directly or indirectly, less than five per cent of the pass-through entity.

(b) Nothing in division (A)(20) of this section shall be construed to adjust or modify the adjusted basis of any asset.

(c) To the extent the add-back required under division (A)(20)(a) of this section is attributable to property generating nonbusiness income or loss allocated under section 5747.20 of the Revised Code, the add-back shall be situated to the same location as the nonbusiness income or loss generated by the property for the purpose of determining the credit under division (A) of section 5747.05 of the Revised Code. Otherwise, the add-back shall be

apportioned, subject to one or more of the four alternative methods of apportionment enumerated in section 5747.21 of the Revised Code.

(d) For the purposes of division (A) of this section, net operating loss carryback and carryforward shall not include five-sixths of the allowance of any net operating loss deduction carryback or carryforward to the taxable year to the extent such loss resulted from depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount.

(21)(a) If the taxpayer was required to add an amount under division (A)(20)(a) of this section for a taxable year, deduct one-fifth of the amount so added for each of the five succeeding taxable years.

(b) If the amount deducted under division (A)(21)(a) of this section is attributable to an add-back allocated under division (A)(20)(c) of this section, the amount deducted shall be situated to the same location. Otherwise, the add-back shall be apportioned using the apportionment factors for the taxable year in which the deduction is taken, subject to one or more of the four alternative methods of apportionment enumerated in section 5747.21 of the Revised Code.

(c) No deduction is available under division (A)(21)(a) of this section with regard to any depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount to the extent that such depreciation resulted in or increased a federal net operating loss carryback or carryforward to a taxable year to which division (A)(20)(d) of this section does not apply.

(22) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year as reimbursement for life insurance premiums under section 5919.31 of the Revised Code.

(23) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year as a death benefit paid by the adjutant general under section 5919.33 of the Revised Code.

(B) "Business income" means income, including gain or loss, arising from transactions, activities, and sources in the regular course of a trade or business and includes income, gain, or loss from real property, tangible property, and intangible property if the acquisition, rental, management, and disposition of the property constitute integral parts of the regular course of a trade or business operation. "Business income" includes income, including gain or loss, from a partial or complete liquidation of a business, including, but not limited to, gain or loss from the sale or other disposition of goodwill.

(C) "Nonbusiness income" means all income other than business income and may include, but is not limited to, compensation, rents and royalties from real or tangible personal property, capital gains, interest, dividends and distributions, patent or copyright royalties, or lottery winnings, prizes, and awards.

(D) "Compensation" means any form of remuneration paid to an employee for personal services.

(E) "Fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any other person acting in any fiduciary capacity for any individual, trust, or estate.

(F) "Fiscal year" means an accounting period of twelve months ending on the last day of any month other than December.

(G) "Individual" means any natural person.

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

(I) "Resident" means any of the following, provided that division (I)(3) of this section applies only to taxable years of a trust beginning in 2002 or thereafter:

(1) An individual who is domiciled in this state, subject to section 5747.24 of the Revised Code;

(2) The estate of a decedent who at the time of death was domiciled in this state. The domicile tests of section 5747.24 of the Revised Code and any election under section 5747.25 of the Revised Code are not controlling for purposes of division (I)(2) of this section.

(3) A trust that, in whole or part, resides in this state. If only part of a trust resides in this state, the trust is a resident only with respect to that part.

For the purposes of division (I)(3) of this section:

(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I)(3)(d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:

(i) A person, a court, or a governmental entity or instrumentality on account of the death of a decedent, but only if the trust is described in division (I)(3)(e)(i) or (ii) of this section;

(ii) A person who was domiciled in this state for the purposes of this chapter when the person directly or indirectly transferred assets to an irrevocable trust, but only if at least one of the trust's qualifying beneficiaries is domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year;

(iii) A person who was domiciled in this state for the purposes of this chapter when the trust document or instrument or part of the trust document or instrument became irrevocable, but only if at least one of the trust's qualifying beneficiaries is a resident domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year. If a trust document or instrument became irrevocable upon the death of a person who at the time of death was domiciled in this state for purposes of this chapter, that person is a person described in division (I)(3)(a)(iii) of this section.

(b) A trust is irrevocable to the extent that the transferor is not considered to be the owner of the net assets of the trust under sections 671 to 678 of the Internal Revenue Code.

(c) With respect to a trust other than a charitable lead trust, "qualifying beneficiary" has the same meaning as "potential current beneficiary" as defined in section 1361(e)(2) of the Internal Revenue Code, and with respect to a charitable lead trust "qualifying beneficiary" is any current, future, or contingent beneficiary, but with respect to any trust "qualifying beneficiary" excludes a person or a governmental entity or instrumentality to any of which a contribution would qualify for the charitable deduction under section 170 of the Internal Revenue Code.

(d) For the purposes of division (I)(3)(a) of this section, the extent to which a trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred directly or indirectly, in whole or part, to the trust by any of the sources enumerated in that division shall be ascertained by multiplying the fair market value of the trust's assets, net of related liabilities, by the qualifying ratio, which shall be computed as follows:

(i) The first time the trust receives assets, the numerator of the qualifying ratio is the fair market value of those assets at that time, net of any related liabilities, from sources enumerated in division (I)(3)(a) of this section. The denominator of the qualifying ratio is the fair market value of all the trust's assets at that time, net of any related liabilities.

(ii) Each subsequent time the trust receives assets, a revised qualifying ratio shall be computed. The numerator of the revised qualifying ratio is the sum of (1) the fair market value of the trust's assets immediately prior to the subsequent transfer, net of any related liabilities, multiplied by the qualifying ratio last computed without regard to the subsequent transfer, and (2) the fair market value of the subsequently transferred assets at the time transferred, net of any related liabilities, from sources enumerated in division (I)(3)(a) of this section. The denominator of the revised qualifying

ratio is the fair market value of all the trust's assets immediately after the subsequent transfer, net of any related liabilities.

(iii) Whether a transfer to the trust is by or from any of the sources enumerated in division (I)(3)(a) of this section shall be ascertained without regard to the domicile of the trust's beneficiaries.

(e) For the purposes of division (I)(3)(a)(i) of this section:

(i) A trust is described in division (I)(3)(e)(i) of this section if the trust is a testamentary trust and the testator of that testamentary trust was domiciled in this state at the time of the testator's death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

(ii) A trust is described in division (I)(3)(e)(ii) of this section if the transfer is a qualifying transfer described in any of divisions (I)(3)(f)(i) to (vi) of this section, the trust is an irrevocable inter vivos trust, and at least one of the trust's qualifying beneficiaries is domiciled in this state for purposes of this chapter during all or some portion of the trust's current taxable year.

(f) For the purposes of division (I)(3)(e)(ii) of this section, a "qualifying transfer" is a transfer of assets, net of any related liabilities, directly or indirectly to a trust, if the transfer is described in any of the following:

(i) The transfer is made to a trust, created by the decedent before the decedent's death and while the decedent was domiciled in this state for the purposes of this chapter, and, prior to the death of the decedent, the trust became irrevocable while the decedent was domiciled in this state for the purposes of this chapter.

(ii) The transfer is made to a trust to which the decedent, prior to the decedent's death, had directly or indirectly transferred assets, net of any related liabilities, while the decedent was domiciled in this state for the purposes of this chapter, and prior to the death of the decedent the trust became irrevocable while the decedent was domiciled in this state for the purposes of this chapter.

(iii) The transfer is made on account of a contractual relationship existing directly or indirectly between the transferor and either the decedent or the estate of the decedent at any time prior to the date of the decedent's death, and the decedent was domiciled in this state at the time of death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

(iv) The transfer is made to a trust on account of a contractual relationship existing directly or indirectly between the transferor and another person who at the time of the decedent's death was domiciled in this state for purposes of this chapter.

(v) The transfer is made to a trust on account of the will of a testator.

(vi) The transfer is made to a trust created by or caused to be created by a court, and the trust was directly or indirectly created in connection with or as a result of the death of an individual who, for purposes of the taxes levied under Chapter 5731. of the Revised Code, was domiciled in this state at the time of the individual's death.

(g) The tax commissioner may adopt rules to ascertain the part of a trust residing in this state.

(J) "Nonresident" means an individual or estate that is not a resident. An individual who is a resident for only part of a taxable year is a nonresident for the remainder of that taxable year.

(K) "Pass-through entity" has the same meaning as in section 5733.04 of the Revised Code.

(L) "Return" means the notifications and reports required to be filed pursuant to this chapter for the purpose of reporting the tax due and includes declarations of estimated tax when so required.

(M) "Taxable year" means the calendar year or the taxpayer's fiscal year ending during the calendar year, or fractional part thereof, upon which the adjusted gross income is calculated pursuant to this chapter.

(N) "Taxpayer" means any person subject to the tax imposed by section 5747.02 of the Revised Code or any pass-through entity that makes the election under division (D) of section 5747.08 of the Revised Code.

(O) "Dependents" means dependents as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year or which the taxpayer would have been permitted to claim had the taxpayer filed a federal income tax return.

(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.

(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:

(1) "Subdivision" means any county, municipal corporation, park district, or township.

(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to exercise, including like functions that are exercised under a charter adopted pursuant to the Ohio Constitution.

(R) "Overpayment" means any amount already paid that exceeds the figure determined to be the correct amount of the tax.

(S) "Taxable income" or "Ohio taxable income" applies only to estates

and trusts, and means federal taxable income, as defined and used in the Internal Revenue Code, adjusted as follows:

(1) Add interest or dividends, net of ordinary, necessary, and reasonable expenses not deducted in computing federal taxable income, on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities, but only to the extent that such net amount is not otherwise includible in Ohio taxable income and is described in either division (S)(1)(a) or (b) of this section:

(a) The net amount is not attributable to the S portion of an electing small business trust and has not been distributed to beneficiaries for the taxable year;

(b) The net amount is attributable to the S portion of an electing small business trust for the taxable year.

(2) Add interest or dividends, net of ordinary, necessary, and reasonable expenses not deducted in computing federal taxable income, on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes, but only to the extent that such net amount is not otherwise includible in Ohio taxable income and is described in either division (S)(1)(a) or (b) of this section;

(3) Add the amount of personal exemption allowed to the estate pursuant to section 642(b) of the Internal Revenue Code;

(4) Deduct interest or dividends, net of related expenses deducted in computing federal taxable income, on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are exempt from state taxes under the laws of the United States, but only to the extent that such amount is included in federal taxable income and is described in either division (S)(1)(a) or (b) of this section;

(5) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal taxable income for the taxable year, had the targeted jobs credit allowed under sections 38, 51, and 52 of the Internal Revenue Code not been in effect, but only to the extent such amount relates either to income included in federal taxable income for the taxable year or to income of the S portion of an electing small business trust for the taxable year;

(6) Deduct any interest or interest equivalent, net of related expenses deducted in computing federal taxable income, on public obligations and purchase obligations, but only to the extent that such net amount relates either to income included in federal taxable income for the taxable year or to

income of the S portion of an electing small business trust for the taxable year;

(7) Add any loss or deduct any gain resulting from sale, exchange, or other disposition of public obligations to the extent that such loss has been deducted or such gain has been included in computing either federal taxable income or income of the S portion of an electing small business trust for the taxable year;

(8) Except in the case of the final return of an estate, add any amount deducted by the taxpayer on both its Ohio estate tax return pursuant to section 5731.14 of the Revised Code, and on its federal income tax return in determining federal taxable income;

(9)(a) Deduct any amount included in federal taxable income solely because the amount represents a reimbursement or refund of expenses that in a previous year the decedent had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable treasury regulations. The deduction otherwise allowed under division (S)(9)(a) of this section shall be reduced to the extent the reimbursement is attributable to an amount the taxpayer or decedent deducted under this section in any taxable year.

(b) Add any amount not otherwise included in Ohio taxable income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio taxable income in any taxable year, but only to the extent such amount has not been distributed to beneficiaries for the taxable year.

(10) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

(a) It is allowable for repayment of an item that was included in the taxpayer's taxable income or the decedent's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year.

(b) It does not otherwise reduce the taxpayer's taxable income or the decedent's adjusted gross income for the current or any other taxable year.

(11) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that the amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer's federal taxable income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction in the taxpayer's federal taxable

income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code.

(12) Deduct any amount, net of related expenses deducted in computing federal taxable income, that a trust is required to report as farm income on its federal income tax return, but only if the assets of the trust include at least ten acres of land satisfying the definition of "land devoted exclusively to agricultural use" under section 5713.30 of the Revised Code, regardless of whether the land is valued for tax purposes as such land under sections 5713.30 to 5713.38 of the Revised Code. If the trust is a ~~pass-through~~ pass-through entity investor, section 5747.231 of the Revised Code applies in ascertaining if the trust is eligible to claim the deduction provided by division (S)(12) of this section in connection with the pass-through entity's farm income.

Except for farm income attributable to the S portion of an electing small business trust, the deduction provided by division (S)(12) of this section is allowed only to the extent that the trust has not distributed such farm income. Division (S)(12) of this section applies only to taxable years of a trust beginning in 2002 or thereafter.

(13) Add the net amount of income described in section 641(c) of the Internal Revenue Code to the extent that amount is not included in federal taxable income.

(14) Add or deduct the amount the taxpayer would be required to add or deduct under division (A)(20) or (21) of this section if the taxpayer's Ohio taxable income were computed in the same manner as an individual's Ohio adjusted gross income is computed under this section. In the case of a trust, division (S)(14) of this section applies only to any of the trust's taxable years beginning in 2002 or thereafter.

(T) "School district income" and "school district income tax" have the same meanings as in section 5748.01 of the Revised Code.

(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S)(7) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code.

(V) "Limited liability company" means any limited liability company formed under Chapter 1705. of the Revised Code or under the laws of any other state.

(W) "Pass-through entity investor" means any person who, during any portion of a taxable year of a pass-through entity, is a partner, member, shareholder, or equity investor in that pass-through entity.

(X) "Banking day" has the same meaning as in section 1304.01 of the

Revised Code.

(Y) "Month" means a calendar month.

(Z) "Quarter" means the first three months, the second three months, the third three months, or the last three months of the taxpayer's taxable year.

(AA)(1) "Eligible institution" means a state university or state institution of higher education as defined in section 3345.011 of the Revised Code, or a private, nonprofit college, university, or other post-secondary institution located in this state that possesses a certificate of authorization issued by the Ohio board of regents pursuant to Chapter 1713. of the Revised Code or a certificate of registration issued by the state board of career colleges and schools under Chapter 3332. of the Revised Code.

(2) "Qualified tuition and fees" means tuition and fees imposed by an eligible institution as a condition of enrollment or attendance, not exceeding two thousand five hundred dollars in each of the individual's first two years of post-secondary education. If the individual is a part-time student, "qualified tuition and fees" includes tuition and fees paid for the academic equivalent of the first two years of post-secondary education during a maximum of five taxable years, not exceeding a total of five thousand dollars. "Qualified tuition and fees" does not include:

(a) Expenses for any course or activity involving sports, games, or hobbies unless the course or activity is part of the individual's degree or diploma program;

(b) The cost of books, room and board, student activity fees, athletic fees, insurance expenses, or other expenses unrelated to the individual's academic course of instruction;

(c) Tuition, fees, or other expenses paid or reimbursed through an employer, scholarship, grant in aid, or other educational benefit program.

(BB)(1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any.

(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied:

(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, is available to the trust.

(b) The requirements of section 5747.011 of the Revised Code are

satisfied for the trust's taxable year in which the trust recognizes the gain or loss.

Any gain or loss that is not a qualifying trust amount is modified business income, qualifying investment income, or modified nonbusiness income, as the case may be.

(3) "Modified nonbusiness income" means a trust's Ohio taxable income other than modified business income, other than the qualifying trust amount, and other than qualifying investment income, as defined in section 5747.012 of the Revised Code, to the extent such qualifying investment income is not otherwise part of modified business income.

(4) "Modified Ohio taxable income" applies only to trusts, and means the sum of the amounts described in divisions (BB)(4)(a) to (c) of this section:

(a) The fraction, calculated under section 5747.013, and applying section 5747.231 of the Revised Code, multiplied by the sum of the following amounts:

(i) The trust's modified business income;

(ii) The trust's qualifying investment income, as defined in section 5747.012 of the Revised Code, but only to the extent the qualifying investment income does not otherwise constitute modified business income and does not otherwise constitute a qualifying trust amount.

(b) The qualifying trust amount multiplied by a fraction, the numerator of which is the sum of the book value of the qualifying investee's physical assets in this state on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount, and the denominator of which is the sum of the book value of the qualifying investee's total physical assets everywhere on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount. If, for a taxable year, the trust recognizes a qualifying trust amount with respect to more than one qualifying investee, the amount described in division (BB)(4)(b) of this section shall equal the sum of the products so computed for each such qualifying investee.

(c)(i) With respect to a trust or portion of a trust that is a resident as ascertained in accordance with division (I)(3)(d) of this section, its modified nonbusiness income.

(ii) With respect to a trust or portion of a trust that is not a resident as ascertained in accordance with division (I)(3)(d) of this section, the amount of its modified nonbusiness income satisfying the descriptions in divisions (B)(2) to (5) of section 5747.20 of the Revised Code, except as otherwise

provided in division (BB)(4)(c)(ii) of this section. With respect to a trust or portion of a trust that is not a resident as ascertained in accordance with division (I)(3)(d) of this section, the trust's portion of modified nonbusiness income recognized from the sale, exchange, or other disposition of a debt interest in or equity interest in a section 5747.212 entity, as defined in section 5747.212 of the Revised Code, without regard to division (A) of that section, shall not be allocated to this state in accordance with section 5747.20 of the Revised Code but shall be apportioned to this state in accordance with division (B) of section 5747.212 of the Revised Code without regard to division (A) of that section.

If the allocation and apportionment of a trust's income under divisions (BB)(4)(a) and (c) of this section do not fairly represent the modified Ohio taxable income of the trust in this state, the alternative methods described in division (C) of section 5747.21 of the Revised Code may be applied in the manner and to the same extent provided in that section.

(5)(a) Except as set forth in division (BB)(5)(b) of this section, "qualifying investee" means a person in which a trust has an equity or ownership interest, or a person or unit of government the debt obligations of either of which are owned by a trust. For the purposes of division (BB)(2)(a) of this section and for the purpose of computing the fraction described in division (BB)(4)(b) of this section, all of the following apply:

(i) If the qualifying investee is a member of a qualifying controlled group on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, then "qualifying investee" includes all persons in the qualifying controlled group on such last day.

(ii) If the qualifying investee, or if the qualifying investee and any members of the qualifying controlled group of which the qualifying investee is a member on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, separately or cumulatively own, directly or indirectly, on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the proportionate share of the pass-through entity's physical assets which the pass-through entity directly or indirectly owns on the last day of the pass-through entity's calendar or fiscal year ending within or with the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount.

(iii) For the purposes of division (BB)(5)(a)(iii) of this section, "upper level pass-through entity" means a pass-through entity directly or indirectly owning any equity of another pass-through entity, and "lower level pass-through entity" means that other pass-through entity.

An upper level pass-through entity, whether or not it is also a qualifying investee, is deemed to own, on the last day of the upper level pass-through entity's calendar or fiscal year, the proportionate share of the lower level pass-through entity's physical assets that the lower level pass-through entity directly or indirectly owns on the last day of the lower level pass-through entity's calendar or fiscal year ending within or with the last day of the upper level pass-through entity's fiscal or calendar year. If the upper level pass-through entity directly and indirectly owns less than fifty per cent of the equity of the lower level pass-through entity on each day of the upper level pass-through entity's calendar or fiscal year in which or with which ends the calendar or fiscal year of the lower level pass-through entity and if, based upon clear and convincing evidence, complete information about the location and cost of the physical assets of the lower pass-through entity is not available to the upper level pass-through entity, then solely for purposes of ascertaining if a gain or loss constitutes a qualifying trust amount, the upper level pass-through entity shall be deemed as owning no equity of the lower level pass-through entity for each day during the upper level pass-through entity's calendar or fiscal year in which or with which ends the lower level pass-through entity's calendar or fiscal year. Nothing in division (BB)(5)(a)(iii) of this section shall be construed to provide for any deduction or exclusion in computing any trust's Ohio taxable income.

(b) With respect to a trust that is not a resident for the taxable year and with respect to a part of a trust that is not a resident for the taxable year, "qualifying investee" for that taxable year does not include a C corporation if both of the following apply:

(i) During the taxable year the trust or part of the trust recognizes a gain or loss from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, the C corporation.

(ii) Such gain or loss constitutes nonbusiness income.

(6) "Available" means information is such that a person is able to learn of the information by the due date plus extensions, if any, for filing the return for the taxable year in which the trust recognizes the gain or loss.

(CC) "Qualifying controlled group" has the same meaning as in section 5733.04 of the Revised Code.

(DD) "Related member" has the same meaning as in section 5733.042 of the Revised Code.

(EE)(1) For the purposes of division (EE) of this section:

(a) "Qualifying person" means any person other than a qualifying corporation.

(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:

(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;

(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year.

(2) For the purposes of this chapter, unless expressly stated otherwise, no qualifying person indirectly owns any asset directly or indirectly owned by any qualifying corporation.

(FF) For purposes of this chapter and Chapter 5751. of the Revised Code:

(1) "Trust" does not include a qualified pre-income tax trust.

(2) A "qualified pre-income tax trust" is any pre-income tax trust that makes a qualifying pre-income tax trust election as described in division (FF)(3) of this section.

(3) A "qualifying pre-income tax trust election" is an election by a pre-income tax trust to subject to the tax imposed by section 5751.02 of the Revised Code the pre-income tax trust and all pass-through entities of which the trust owns or controls, directly, indirectly, or constructively through related interests, five per cent or more of the ownership or equity interests. The trustee shall notify the tax commissioner in writing of the election on or before April 15, 2006. The election, if timely made, shall be effective on and after January 1, 2006, and shall apply for all tax periods and tax years until revoked by the trustee of the trust.

(4) A "pre-income tax trust" is a trust that satisfies all of the following requirements:

(a) The document or instrument creating the trust was executed by the grantor before January 1, 1972;

(b) The trust became irrevocable upon the creation of the trust; and

(c) The grantor was domiciled in this state at the time the trust was created.

Sec. 5747.012. This section applies for the purposes of divisions (BB)(3) and (BB)(4)(a)(ii) of section 5747.01 of the Revised Code.

(A) As used in this section:

(1)(a) Except as set forth in division (A)(1)(b) of this section, "qualifying investment income" means the portion of a qualifying investment pass-through entity's net income attributable to transaction fees in connection with the acquisition, ownership, or disposition of intangible property; loan fees; financing fees; consent fees; waiver fees; application fees; net management fees; dividend income; interest income; net capital gains from the sale or exchange or other disposition of intangible property; and all types and classifications of income attributable to distributive shares of income from other pass-through entities.

(b)(i) Notwithstanding division (A)(1)(a) of this section, "qualifying investment income" does not include any part of the qualifying investment pass-through entity's net capital gain which, after the application of section 5747.231 of the Revised Code with respect to a trust, would also constitute a qualifying trust amount.

(ii) Notwithstanding division (A)(1)(a) of this section, "qualifying investment income" does not include any part of the qualifying investment pass-through entity's net income attributable to the portion of a distributive share of income directly or indirectly from another pass-through entity to the extent such portion constitutes the other pass-through entity's net capital gain which, after the application of section 5747.231 of the Revised Code with respect to a trust, would also constitute a qualifying trust amount.

(2) "Qualifying investment pass-through entity" means an investment pass-through entity, as defined in section 5733.401 of the Revised Code, subject to the following qualifications:

(a) "Forty per cent" shall be substituted for "ninety per cent" wherever "ninety per cent" appears in section 5733.401 of the Revised Code.

(b) The pass-through entity must have been formed or organized as an entity prior to June 5, 2002, and must exist as a pass-through entity for all of the taxable year of the trust.

(c) The qualifying section 5747.012 trust or related persons to the qualifying section 5747.012 trust must directly or indirectly own at least five per cent of the equity of the investment pass-through entity each day of the entity's fiscal or calendar year ending within or with the last day of the qualifying section 5747.012 trust's taxable year;

(d) During the investment pass-through entity's calendar or fiscal year ending within or with the last day of the qualifying section 5747.012 trust's taxable year, the qualifying section 5747.012 trust or related persons of or to the qualifying section 5747.012 trust must, on each day of the investment pass-through entity's year, own directly, or own through equity investments

in other pass-through entities, more than sixty per cent of the equity of the investment pass-through entity.

(B) "Qualifying section 5747.012 trust" means a trust satisfying one of the following:

(1) The trust was created prior to, and was irrevocable on, June 5, 2002; or

(2) If the trust was created after June 4, 2002, or if the trust became irrevocable after June 4, 2002, then at least eighty per cent of the assets transferred to the trust must have been previously owned by related persons to the trust or by a trust created prior to June 5, 2002, under which the creator did not retain the power to change beneficiaries, amend the trust, or revoke the trust. For purposes of division (B)(2) of this section, the power to substitute property of equal value shall not be considered to be a power to change beneficiaries, amend the trust, or revoke the trust.

(C) For the purposes of this section, "related persons" means the family of a qualifying individual beneficiary, as defined in division (A)(5) of section 5747.011 of the Revised Code. For the purposes of this division, "family" has the same meaning as in division (A)(6) of section 5747.011 of the Revised Code.

(D) For the purposes of applying divisions (A)(2)(c), (A)(2)(d), and (B)(2) of this section, the related persons or the qualifying section 5747.012 trust, as the case may be, shall be deemed to own the equity of the investment pass-through entity after the application of division (B) of section 5747.011 of the Revised Code.

(E) "Irrevocable" has the same meaning as in division (I)(3)(b) of section 5747.01 of the Revised Code.

(F) Nothing in this section requires any item of income, gain, or loss not satisfying the definition of qualifying investment income to be treated as modified nonbusiness income. Any item of income, gain, or loss that is not qualifying investment income is modified business income, modified nonbusiness income, or a qualifying trust amount, as the case may be.

Sec. 5747.05. As used in this section, "income tax" includes both a tax on net income and a tax measured by net income.

The following credits shall be allowed against the income tax imposed by section 5747.02 of the Revised Code on individuals and estates:

(A)(1) The amount of tax otherwise due under section 5747.02 of the Revised Code on such portion of the adjusted gross income of any nonresident taxpayer that is not allocable to this state pursuant to sections 5747.20 to 5747.23 of the Revised Code;

(2) The credit provided under this division shall not exceed the portion

of the total tax due under section 5747.02 of the Revised Code that the amount of the nonresident taxpayer's adjusted gross income not allocated to this state pursuant to sections 5747.20 to 5747.23 of the Revised Code bears to the total adjusted gross income of the nonresident taxpayer derived from all sources everywhere.

(3) The tax commissioner may enter into an agreement with the taxing authorities of any state or of the District of Columbia that imposes an income tax to provide that compensation paid in this state to a nonresident taxpayer shall not be subject to the tax levied in section 5747.02 of the Revised Code so long as compensation paid in such other state or in the District of Columbia to a resident taxpayer shall likewise not be subject to the income tax of such other state or of the District of Columbia.

(B) The lesser of division (B)(1) or (2) of this section:

(1) The amount of tax otherwise due under section 5747.02 of the Revised Code on such portion of the adjusted gross income of a resident taxpayer that in another state or in the District of Columbia is subjected to an income tax. The credit provided under division (B)(1) of this section shall not exceed the portion of the total tax due under section 5747.02 of the Revised Code that the amount of the resident taxpayer's adjusted gross income subjected to an income tax in the other state or in the District of Columbia bears to the total adjusted gross income of the resident taxpayer derived from all sources everywhere.

(2) The amount of income tax liability to another state or the District of Columbia on the portion of the adjusted gross income of a resident taxpayer that in another state or in the District of Columbia is subjected to an income tax. The credit provided under division (B)(2) of this section shall not exceed the amount of tax otherwise due under section 5747.02 of the Revised Code.

(3) If the credit provided under division (B) of this section is affected by a change in either the portion of adjusted gross income of a resident taxpayer subjected to an income tax in another state or the District of Columbia or the amount of income tax liability that has been paid to another state or the District of Columbia, the taxpayer shall report the change to the tax commissioner within sixty days of the change in such form as the commissioner requires.

(a) In the case of an underpayment, the report shall be accompanied by payment of any additional tax due as a result of the reduction in credit together with interest on the additional tax and is a return subject to assessment under section 5747.13 of the Revised Code solely for the purpose of assessing any additional tax due under this division, together

with any applicable penalty and interest. It shall not reopen the computation of the taxpayer's tax liability under this chapter from a previously filed return no longer subject to assessment except to the extent that such liability is affected by an adjustment to the credit allowed by division (B) of this section.

(b) In the case of an overpayment, an application for refund may be filed under this division within the sixty day period prescribed for filing the report even if it is beyond the period prescribed in section 5747.11 of the Revised Code if it otherwise conforms to the requirements of such section. An application filed under this division shall only claim refund of overpayments resulting from an adjustment to the credit allowed by division (B) of this section unless it is also filed within the time prescribed in section 5747.11 of the Revised Code. It shall not reopen the computation of the taxpayer's tax liability except to the extent that such liability is affected by an adjustment to the credit allowed by division (B) of this section.

(4) ~~No credit shall be allowed under division (B) of this section to the extent that for any taxable year for income tax paid or accrued to another state or to the District of Columbia if the taxpayer, when computing federal adjusted gross income, has directly or indirectly deducted, or was required to directly or indirectly deduct, the amount of that income tax liability to another state or the District of Columbia in computing federal adjusted gross income.~~

(C) For a taxpayer sixty-five years of age or older during the taxable year, a credit for such year equal to fifty dollars for each return required to be filed under section 5747.08 of the Revised Code.

(D) A taxpayer sixty-five years of age or older during the taxable year who has received a lump-sum distribution from a pension, retirement, or profit-sharing plan in the taxable year may elect to receive a credit under this division in lieu of the credit to which the taxpayer is entitled under division (C) of this section. A taxpayer making such election shall receive a credit for the taxable year equal to fifty dollars times the taxpayer's expected remaining life as shown by annuity tables issued under the provisions of the Internal Revenue Code and in effect for the calendar year which includes the last day of the taxable year. A taxpayer making an election under this division is not entitled to the credit authorized under division (C) of this section in subsequent taxable years except that if such election was made prior to July 1, 1983, the taxpayer is entitled to one-half the credit authorized under such division in subsequent taxable years but may not make another election under this division.

(E) A taxpayer who is not sixty-five years of age or older during the

taxable year who has received a lump-sum distribution from a pension, retirement, or profit-sharing plan in a taxable year ending on or before July 31, 1991, may elect to take a credit against the tax otherwise due under this chapter for such year equal to fifty dollars times the expected remaining life of a taxpayer sixty-five years of age as shown by annuity tables issued under the provisions of the Internal Revenue Code and in effect for the calendar year which includes the last day of the taxable year. A taxpayer making an election under this division is not entitled to a credit under division (C) or (D) of this section in any subsequent year except that if such election was made prior to July 1, 1983, the taxpayer is entitled to one-half the credit authorized under division (C) of this section in subsequent years but may not make another election under this division. No taxpayer may make an election under this division for a taxable year ending on or after August 1, 1991.

(F) A taxpayer making an election under either division (D) or (E) of this section may make only one such election in the taxpayer's lifetime.

(G)(1) On a joint return filed by a husband and wife, each of whom had adjusted gross income of at least five hundred dollars, exclusive of interest, dividends and distributions, royalties, rent, and capital gains, a credit equal to the percentage shown in the table contained in this division of the amount of tax due after allowing for any other credit that precedes the credit under this division in the order required under section 5747.98 of the Revised Code.

(2) The credit to which a taxpayer is entitled under this division in any taxable year is the percentage shown in column B that corresponds with the taxpayer's adjusted gross income, less exemptions for the taxable year:

A.	B.
IF THE ADJUSTED GROSS INCOME, LESS EXEMPTIONS, FOR THE TAX YEAR IS:	THE CREDIT FOR THE TAXABLE YEAR IS:
\$25,000 or less	20%
More than \$25,000 but not more than \$50,000	15%
More than \$50,000 but not more than \$75,000	10%
More than \$75,000	5%

(3) The credit allowed under this division shall not exceed six hundred fifty dollars in any taxable year.

(H) No claim for credit under this section shall be allowed unless the claimant furnishes such supporting information as the tax commissioner

prescribes by rules. Each credit under this section shall be claimed in the order required under section 5747.98 of the Revised Code.

(I) An individual who is a resident for part of a taxable year and a nonresident for the remainder of the taxable year is allowed the credits under divisions (A) and (B) of this section in accordance with rules prescribed by the tax commissioner. In no event shall the same income be subject to both credits.

(J) The credit allowed under division (A) of this section shall be calculated based upon the amount of tax due under section 5747.02 of the Revised Code after subtracting any other credits that precede the credit under that division in the order required under section 5747.98 of the Revised Code. The credit allowed under division (B) of this section shall be calculated based upon the amount of tax due under section 5747.02 of the Revised Code after subtracting any other credits that precede the credit under that division in the order required under section 5747.98 of the Revised Code.

(K) No credit shall be allowed under division (B) of this section unless the taxpayer furnishes such proof as the tax commissioner shall require that the income tax liability has been paid to another state or the District of Columbia.

(L) No credit shall be allowed under division (B) of this section for compensation that is not subject to the income tax of another state or the District of Columbia as the result of an agreement entered into by the tax commissioner under division (A)(3) of this section.

Sec. 5747.056. For taxable years beginning in 2005 or thereafter, a credit shall be allowed per return against the tax imposed by section 5747.02 of the Revised Code for ~~an individual whose~~ a return not filed by an estate or trust that indicates Ohio adjusted gross income less exemptions ~~is of~~ ten thousand dollars or less. For taxable years beginning in 2005, the credit shall equal one hundred seven dollars. For taxable years beginning in 2006, the credit shall equal one hundred two dollars. For taxable years beginning in 2007, the credit shall equal ninety-eight dollars. For taxable years beginning in 2008, the credit shall equal ninety-three dollars. For taxable years beginning in 2009 or thereafter, the credit shall equal eighty-eight dollars. The credit shall be claimed in the order required under section 5747.98 of the Revised Code.

Sec. 5747.11. (A) The tax commissioner shall refund to employers, qualifying entities, or taxpayers, with respect to any tax imposed under section 5733.41, 5747.02, or 5747.41, or Chapter 5748. of the Revised Code:

- (1) Overpayments of more than one dollar;
- (2) Amounts in excess of one dollar paid illegally or erroneously;
- (3) Amounts in excess of one dollar paid on an illegal, erroneous, or excessive assessment.

(B) Except as otherwise provided under divisions (D) and (E) of this section, applications for refund shall be filed with the tax commissioner, on the form prescribed by the commissioner, within four years from the date of the illegal, erroneous, or excessive payment of the tax, or within any additional period allowed by division (B)(3)(b) of section 5747.05, division (B) of section 5747.10, division (A) of section 5747.13, or division (C) of section 5747.45 of the Revised Code.

On filing of the refund application, the commissioner shall determine the amount of refund due and certify such amount to the director of budget and management and treasurer of state for payment from the tax refund fund created by section 5703.052 of the Revised Code. Payment shall be made as provided in division (C) of section ~~117.45~~ 126.35 of the Revised Code.

(C)(1) Interest shall be allowed and paid upon any illegal or erroneous assessment in excess of one dollar in respect of the tax imposed under section 5747.02 or Chapter 5748. of the Revised Code at the rate per annum prescribed by section 5703.47 of the Revised Code from the date of the payment of the illegal or erroneous assessment until the date the refund of such amount is paid. If such refund results from the filing of a return or report, or the payment accompanying such return or report, by an employer or taxpayer, rather than from an assessment by the commissioner, such interest shall run from a period ninety days after the final filing date of the annual return until the date the refund is paid.

(2) Interest shall be allowed and paid at the rate per annum prescribed by section 5703.47 of the Revised Code upon any overpayment in excess of one dollar in respect of the tax imposed under section 5747.02 or Chapter 5748. of the Revised Code from the date of the overpayment until the date of the refund of the overpayment, except that if any overpayment is refunded within ninety days after the final filing date of the annual return or ninety days after the return is filed, whichever is later, no interest shall be allowed on such overpayment. If the overpayment results from the carryback of a net operating loss or net capital loss to a previous taxable year, the overpayment is deemed not to have been made prior to the filing date, including any extension thereof, for the taxable year in which the net operating loss or net capital loss arises. For purposes of the payment of interest on overpayments, no amount of tax, for any taxable year, shall be treated as having been paid before the date on which the tax return for that

year was due without regard to any extension of time for filing such return.

(3) Interest shall be allowed at the rate per annum prescribed by section 5703.47 of the Revised Code on amounts refunded with respect to the taxes imposed under sections 5733.41 and 5747.41 of the Revised Code. The interest shall run from whichever of the following days is the latest until the day the refund is paid: the day the illegal, erroneous, or excessive payment was made; the ninetieth day after the final day the annual report was required to be filed under section 5747.42 of the Revised Code; or the ninetieth day after the day that report was filed.

(D) "Ninety days" shall be substituted for "four years" in division (B) of this section if the taxpayer satisfies both of the following conditions:

(1) The taxpayer has applied for a refund based in whole or in part upon section 5747.059 of the Revised Code;

(2) The taxpayer asserts that either the imposition or collection of the tax imposed or charged by this chapter or any portion of such tax violates the Constitution of the United States or the Constitution of Ohio.

(E)(1) Division (E)(2) of this section applies only if all of the following conditions are satisfied:

(a) A qualifying entity pays an amount of the tax imposed by section 5733.41 or 5747.41 of the Revised Code;

(b) The taxpayer is a qualifying investor as to that qualifying entity;

(c) The taxpayer did not claim the credit provided for in section 5747.059 of the Revised Code as to the tax described in division (E)(1)(a) of this section;

(d) The four-year period described in division (B) of this section has ended as to the taxable year for which the taxpayer otherwise would have claimed that credit.

(2) A taxpayer shall file an application for refund pursuant to division (E) of this section within one year after the date the payment described in division (E)(1)(a) of this section is made. An application filed under division (E)(2) of this section shall claim refund only of overpayments resulting from the taxpayer's failure to claim the credit described in division (E)(1)(c) of this section. Nothing in division (E) of this section shall be construed to relieve a taxpayer from complying with division (A)(16) of section 5747.01 of the Revised Code.

Sec. 5747.331. (A) As used in this section:

(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.

(2) "Related member" has the same meaning as in section 5733.042 of the Revised Code.

(3) "Qualified research and development loan payments" has the same meaning as in division (D) of section 166.21 of the Revised Code.

(B) Beginning with taxable year 2003 and ending with taxable years beginning in 2007, 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 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 and submits a copy of the certificate with its report for the taxable year. Failure to submit a copy of the certificate with the report does not invalidate a claim for a credit if the taxpayer submits a copy of the certificate within sixty days after the tax commissioner requests it. 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. Any credit not fully utilized by the taxable year beginning in 2007 may be carried forward and applied against the tax levied by Chapter 5751. of the Revised Code to the extent allowed by section 5751.52 of the Revised Code.

(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 sections 5733.06, 5733.065, 5733.066, and 5747.02 of the Revised Code that may be claimed under this section and section 5733.352 of the Revised Code by a borrower as a result of qualified research and development loan payments attributable during a calendar year to any one loan shall not exceed one hundred fifty thousand dollars.

Sec. 5748.01. As used in this chapter:

(A) "School district income tax" means an income tax adopted under one of the following:

(1) Former section 5748.03 of the Revised Code as it existed prior to its repeal by Amended Substitute House Bill No. 291 of the 115th general assembly;

(2) Section 5748.03 of the Revised Code as enacted in Substitute Senate Bill No. 28 of the 118th general assembly;

(3) Section 5748.08 of the Revised Code as enacted in Amended Substitute Senate Bill No. 17 of the 122nd general assembly.

(B) "Individual" means an individual subject to the tax levied by section 5747.02 of the Revised Code.

(C) "Estate" means an estate subject to the tax levied by section 5747.02 of the Revised Code.

(D) "Taxable year" means a taxable year as defined in division (M) of section 5747.01 of the Revised Code.

(E) "Taxable income" means:

(1) In the case of an individual, one of the following, as specified in the resolution imposing the tax:

(a) Ohio adjusted gross income for the taxable year as defined in division (A) of section 5747.01 of the Revised Code, less the exemptions provided by section 5747.02 of the Revised Code, and less military pay and allowances the deduction of which has been authorized pursuant to section 5748.011 of the Revised Code;

(b) Wages, salaries, tips, and other employee compensation to the extent included in Ohio adjusted gross income as defined in section 5747.01 of the Revised Code, less military pay and allowances the deduction of which has been authorized pursuant to section 5748.011 of the Revised Code, and net earnings from self-employment, as defined in section 1402(a) of the Internal Revenue Code, to the extent included in Ohio adjusted gross income.

(2) In the case of an estate, taxable income for the taxable year as

defined in division (S) of section 5747.01 of the Revised Code.

(F) Except as provided in section 5747.25 of the Revised Code, "resident" of the school district means:

(1) An individual who is a resident of this state as defined in division (I) of section 5747.01 of the Revised Code during all or a portion of the taxable year and who, during all or a portion of such period of state residency, is domiciled in the school district or lives in and maintains a permanent place of abode in the school district;

(2) An estate of a decedent who, at the time of death, was domiciled in the school district.

(G) "School district income" means:

(1) With respect to an individual, the portion of the taxable income of an individual that is received by the individual during the portion of the taxable year that the individual is a resident of the school district and the school district income tax is in effect in that school district. An individual may have school district income with respect to more than one school district.

(2) With respect to an estate, the taxable income of the estate for the portion of the taxable year that the school district income tax is in effect in that school district.

(H) "Taxpayer" means an individual or estate having school district income upon which a school district income tax is imposed.

(I) "School district purposes" means any of the purposes for which a tax may be levied pursuant to section 5705.21 of the Revised Code.

Sec. 5748.011. The board of education of a school district that levies a school district income tax under this chapter may, by resolution, authorize individuals to deduct, in computing an individual's taxable income under section 5748.01 of the Revised Code, military pay and allowances received by the individual during the taxable year for service in the United States army, air force, navy, marine corps, or coast guard or reserve components thereof or the national guard if the military pay and allowances were received by the individual while the individual was stationed outside this state. A deduction authorized pursuant to this section may be claimed only to the extent the military pay and allowances are included in an individual's federal adjusted gross income, as defined and used in the Internal Revenue Code, and are not otherwise allowable as a deduction or exclusion in computing the individual's federal or Ohio adjusted gross income for the taxable year as defined in section 5747.01 of the Revised Code. A copy of the resolution shall be provided to the tax commissioner upon its adoption. A resolution authorizing the deduction shall specify the taxable year with respect to which the deduction first applies, provided that the deduction

cannot apply with respect to any taxable year that commences sooner than seventy-five days after the date on which the tax commissioner receives the resolution.

Sec. 5748.02. (A) The board of education of any school district, except a joint vocational school district, may declare, by resolution, the necessity of raising annually a specified amount of money for school district purposes. The resolution shall specify whether the income that is to be subject to the tax is taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of section 5748.01 of the Revised Code or taxable income of individuals as defined in division (E)(1)(b) of that section. A copy of the resolution shall be certified to the tax commissioner no later than eighty-five days prior to the date of the election at which the board intends to propose a levy under this section. Upon receipt of the copy of the resolution, the tax commissioner shall estimate both of the following:

(1) The property tax rate that would have to be imposed in the current year by the district to produce an equivalent amount of money;

(2) The income tax rate that would have had to have been in effect for the current year to produce an equivalent amount of money from a school district income tax.

Within ten days of receiving the copy of the board's resolution, the commissioner shall prepare these estimates and certify them to the board. Upon receipt of the certification, the board may adopt a resolution proposing an income tax under division (B) of this section at the estimated rate contained in the certification rounded to the nearest one-fourth of one per cent. The commissioner's certification applies only to the board's proposal to levy an income tax at the election for which the board requested the certification. If the board intends to submit a proposal to levy an income tax at any other election, it shall request another certification for that election in the manner prescribed in this division.

(B)(1) Upon the receipt of a certification from the tax commissioner under division (A) of this section, a majority of the members of a board of education may adopt a resolution proposing the levy of an annual tax for school district purposes on school district income. The proposed levy may be for a continuing period of time or for a specified number of years. The resolution shall set forth the purpose for which the tax is to be imposed, the rate of the tax, which shall be the rate set forth in the commissioner's certification rounded to the nearest one-fourth of one per cent, the number of years the tax will be levied or that it will be levied for a continuing period of time, the date on which the tax shall take effect, which shall be the first day of January of any year following the year in which the question is submitted,

and the date of the election at which the proposal shall be submitted to the electors of the district, which shall be on the date of a primary, general, or special election the date of which is consistent with section 3501.01 of the Revised Code. The resolution shall specify whether the income that is to be subject to the tax is taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of section 5748.01 of the Revised Code or taxable income of individuals as defined in division (E)(1)(b) of that section. The specification shall be the same as the specification in the resolution adopted and certified under division (A) of this section. If the board of education currently imposes an income tax pursuant to this chapter that is due to expire and a question is submitted under this section for a proposed income tax to take effect upon the expiration of the existing tax, the board may specify in the resolution that the proposed tax renews the expiring tax and is not an additional income tax, provided that the tax rate being proposed is no higher than the tax rate that is currently imposed.

(2) A board of education adopting a resolution under division (B)(1) of this section proposing a school district income tax for a continuing period of time and limited to the purpose of current expenses may propose in that resolution to reduce the rate or rates of one or more of the school district's property taxes levied for a continuing period of time in excess of the ten-mill limitation for the purpose of current expenses. The reduction in the rate of a property tax may be any amount, expressed in mills per one dollar in valuation, not exceeding the rate at which the tax is authorized to be levied. The reduction in the rate of a tax shall first take effect for the tax year that includes the day on which the school district income tax first takes effect, and shall continue for each tax year that both the school district income tax and the property tax levy are in effect.

In addition to the matters required to be set forth in the resolution under division (B)(1) of this section, a resolution containing a proposal to reduce the rate of one or more property taxes shall state for each such tax the maximum rate at which it currently may be levied and the maximum rate at which the tax could be levied after the proposed reduction, expressed in mills per one dollar in valuation, and that the tax is levied for a continuing period of time.

If a board of education proposes to reduce the rate of one or more property taxes under division (B)(2) of this section, the board, when it makes the certification required under division (A) of this section, shall designate the specific levy or levies to be reduced, the maximum rate at which each levy currently is authorized to be levied, and the rate by which each levy is proposed to be reduced. The tax commissioner, when making

the certification to the board under division (A) of this section, also shall certify the reduction in the total effective tax rate for current expenses for each class of property that would have resulted if the proposed reduction in the rate or rates had been in effect the previous tax year. As used in this paragraph, "effective tax rate" has the same meaning as in section 323.08 of the Revised Code.

(C) A resolution adopted under division (B) of this section shall go into immediate effect upon its passage, and no publication of the resolution shall be necessary other than that provided for in the notice of election. Immediately after its adoption and at least seventy-five days prior to the election at which the question will appear on the ballot, a copy of the resolution shall be certified to the board of elections of the proper county, which shall submit the proposal to the electors on the date specified in the resolution. The form of the ballot shall be as provided in section 5748.03 of the Revised Code. Publication of notice of the election shall be made in one or more newspapers of general circulation in the county once a week for four consecutive weeks. The notice shall contain the time and place of the election and the question to be submitted to the electors. The question covered by the resolution shall be submitted as a separate proposition, but may be printed on the same ballot with any other proposition submitted at the same election, other than the election of officers.

(D) No board of education shall submit the question of a tax on school district income to the electors of the district more than twice in any calendar year. If a board submits the question twice in any calendar year, one of the elections on the question shall be held on the date of the general election.

(E)(1) No board of education may submit to the electors of the district the question of a tax on school district income on the taxable income of individuals as defined in division (E)(1)(b) of section 5748.01 of the Revised Code if that tax would be in addition to an existing tax on the taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of that section.

(2) No board of education may submit to the electors of the district the question of a tax on school district income on the taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of section 5748.01 of the Revised Code if that tax would be in addition to an existing tax on the taxable income of individuals as defined in division (E)(1)(b) of that section.

Sec. 5751.01. As used in this chapter:

(A) "Person" means, but is not limited to, individuals, combinations of individuals of any form, receivers, assignees, trustees in bankruptcy, firms,

companies, joint-stock companies, business trusts, estates, partnerships, limited liability partnerships, limited liability companies, associations, joint ventures, clubs, societies, for-profit corporations, S corporations, qualified subchapter S subsidiaries, qualified subchapter S trusts, trusts, entities that are disregarded for federal income tax purposes, and any other entities. "Person" does not include nonprofit organizations or the state, its agencies, its instrumentalities, and its political subdivisions.

(B) "Consolidated elected taxpayer" means a group of two or more persons treated as a single taxpayer for purposes of this chapter as the result of an election made under section 5751.011 of the Revised Code.

(C) "Combined taxpayer" means a group of two or more persons treated as a single taxpayer for purposes of this chapter under section 5751.012 of the Revised Code.

(D) "Taxpayer" means any person, or any group of persons in the case of a consolidated elected taxpayer or combined taxpayer treated as one taxpayer, required to register or pay tax under this chapter. "Taxpayer" does not include excluded persons.

(E) "Excluded person" means any of the following:

(1) Any person with not more than one hundred fifty thousand dollars of taxable gross receipts during the calendar year. Division (E)(1) of this section does not apply to a person that is a member of a group that is a consolidated elected taxpayer or a combined taxpayer;

(2) A public utility that paid the excise tax imposed by section 5727.24 or 5727.30 of the Revised Code based on one or more measurement periods that include the entire tax period under this chapter, except that a public utility that is a combined company is a taxpayer with regard to the following gross receipts:

(a) Taxable gross receipts directly attributed to a public utility activity, but not directly attributed to an activity that is subject to the excise tax imposed by section 5727.24 or 5727.30 of the Revised Code;

(b) Taxable gross receipts that cannot be directly attributed to any activity, multiplied by a fraction whose numerator is the taxable gross receipts described in division (E)(2)(a) of this section and whose denominator is the total taxable gross receipts that can be directly attributed to any activity;

(c) Except for any differences resulting from the use of an accrual basis method of accounting for purposes of determining gross receipts under this chapter and the use of the cash basis method of accounting for purposes of determining gross receipts under section 5727.24 of the Revised Code, the gross receipts directly attributed to the activity of a natural gas company

shall be determined in a manner consistent with division (D) of section 5727.03 of the Revised Code.

As used in division (E)(2) of this section, "combined company" and "public utility" have the same meanings as in section 5727.01 of the Revised Code.

(3) A financial institution, as defined in section 5725.01 of the Revised Code, that paid the corporation franchise tax charged by division (D) of section 5733.06 of the Revised Code based on one or more taxable years that include the entire tax period under this chapter;

(4) A dealer in intangibles, as defined in section 5725.01 of the Revised Code, that paid the dealer in intangibles tax levied by division (D) of section 5707.03 of the Revised Code based on one or more measurement periods that include the entire tax period under this chapter;

(5) A financial holding company as defined in the "Bank Holding Company Act," 12 U.S.C. 1841(p);

(6) A bank holding company as defined in the "Bank Holding Company Act," 12 U.S.C. 1841(a);

(7) A savings and loan holding company as defined in the "Home Owners Loan Act," 12 U.S.C. 1467a(a)(1)(D) that is engaging only in activities or investments permissible for a financial holding company under 12 U.S.C. 1843(k);

(8) A person directly or indirectly owned by one or more financial institutions, financial holding companies, bank holding companies, or savings and loan holding companies described in division (E)(3), (5), (6), or (7) of this section that is engaged in activities permissible for a financial holding company under 12 U.S.C. 1843(k), except that any such person held pursuant to merchant banking authority under 12 U.S.C. 1843(k)(4)(H) or 12 U.S.C. 1843(k)(4)(I) is not an excluded person, or a person directly or indirectly owned by one or more insurance companies described in division (E)(9) of this section that is authorized to do the business of insurance in this state.

For the purposes of division (E)(8) of this section, a person owns another person under the following circumstances:

(a) In the case of corporations issuing capital stock, one corporation owns another corporation if it owns fifty per cent or more of the other corporation's capital stock with current voting rights;

(b) In the case of a limited liability company, one person owns the company if that person's membership interest, as defined in section 1705.01 of the Revised Code, is fifty per cent or more of the combined membership interests of all persons owning such interests in the company;

(c) In the case of a partnership, trust, or other unincorporated business organization other than a limited liability company, one person owns the organization if, under the articles of organization or other instrument governing the affairs of the organization, that person has a beneficial interest in the organization's profits, surpluses, losses, or distributions of fifty per cent or more of the combined beneficial interests of all persons having such an interest in the organization;

(d) In the case of multiple ownership, the ownership interests of more than one person may be aggregated to meet the fifty per cent ownership tests in this division only when each such owner is described in division (E)(3), (5), (6), or (7) of this section and is engaged in activities permissible for a financial holding company under 12 U.S.C. 1843(k) or is a person directly or indirectly owned by one or more insurance companies described in division (E)(9) of this section that is authorized to do the business of insurance in this state;

(9) A domestic insurance company or foreign insurance company, as defined in section 5725.01 of the Revised Code, that paid the insurance company premiums tax imposed by section 5725.18 or Chapter 5729. of the Revised Code based on one or more measurement periods that include the entire tax period under this chapter;

(10) A person that solely facilitates or services one or more securitizations or similar transactions for any person described in division (E)(3), (5), (6), (7), (8), or (9) of this section. For purposes of this division, "securitization" means transferring one or more assets to one or more persons and then issuing securities backed by the right to receive payment from the asset or assets so transferred.

(11) Except as otherwise provided in this division, a pre-income tax trust as defined in division (FF)(4) of section 5747.01 of the Revised Code and any pass-through entity of which such pre-income tax trust owns or controls, directly, indirectly, or constructively through related interests, more than five per cent of the ownership or equity interests. If the pre-income tax trust has made a qualifying pre-income tax trust election under division (FF)(3) of section 5747.01 of the Revised Code, then the trust and the pass-through entities of which it owns or controls, directly, indirectly, or constructively through related interests, more than five per cent of the ownership or equity interests, shall not be excluded persons for purposes of the tax imposed under section 5751.02 of the Revised Code.

(F) Except as otherwise provided in divisions (F)(2), (3), and (4), ~~and~~ (5) of this section, "gross receipts" means the total amount realized by a person, without deduction for the cost of goods sold or other expenses

incurred, that contributes to the production of gross income of the person, including the fair market value of any property and any services received, and any debt transferred or forgiven as consideration.

(1) The following are examples of gross receipts:

(a) Amounts realized from the sale, exchange, or other disposition of the taxpayer's property to or with another;

(b) Amounts realized from the taxpayer's performance of services for another;

(c) Amounts realized from another's use or possession of the taxpayer's property or capital;

(d) Any combination of the foregoing amounts.

(2) "Gross receipts" excludes the following amounts:

(a) Interest income except interest on credit sales;

(b) Dividends and distributions from corporations, and distributive or proportionate shares of receipts and income from a pass-through entity as defined under section 5733.04 of the Revised Code;

(c) Receipts from the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset;

(d) Proceeds received attributable to the repayment, maturity, or redemption of the principal of a loan, bond, mutual fund, certificate of deposit, or marketable instrument;

(e) The principal amount received under a repurchase agreement or on account of any transaction properly characterized as a loan to the person;

(f) Contributions received by a trust, plan, or other arrangement, any of which is described in section 501(a) of the Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 1, Subchapter (D) of the Internal Revenue Code applies;

(g) Compensation, whether current or deferred, and whether in cash or in kind, received or to be received by an employee, former employee, or the employee's legal successor for services rendered to or for an employer, including reimbursements received by or for an individual for medical or education expenses, health insurance premiums, or employee expenses, or on account of a dependent care spending account, legal services plan, any cafeteria plan described in section 125 of the Internal Revenue Code, or any similar employee reimbursement;

(h) Proceeds received from the issuance of the taxpayer's own stock, options, warrants, puts, or calls, or from the sale of the taxpayer's treasury stock;

(i) Proceeds received on the account of payments from life insurance

policies;

(j) Gifts or charitable contributions received, membership dues received, and payments received for educational courses, meetings, meals, or similar payments to a trade, professional, or other similar association; fundraising receipts received by any person when any excess receipts are donated or used exclusively for charitable purposes; and proceeds received by a nonprofit organization including proceeds realized with regard to its unrelated business taxable income;

(k) Damages received as the result of litigation in excess of amounts that, if received without litigation, would be gross receipts;

(l) Property, money, and other amounts received or acquired by an agent on behalf of another in excess of the agent's commission, fee, or other remuneration;

(m) Tax refunds and other tax benefit recoveries, and reimbursements for the tax imposed under this chapter made by entities that are part of the same combined taxpayer or consolidated elected taxpayer group, and reimbursements made by entities that are not members of a combined taxpayer or consolidated elected taxpayer group that are required to be made for economic parity among multiple owners of an entity whose tax obligation under this chapter is required to be reported and paid entirely by one owner, pursuant to the requirements of sections 5751.011 and 5751.012 of the Revised Code;

(n) Pension reversions;

(o) Contributions to capital;

(p) Sales or use taxes collected as a vendor or an out-of-state seller on behalf of the taxing jurisdiction from a consumer or other taxes the taxpayer is required by law to collect directly from a purchaser and remit to a local, state, or federal tax authority;

(q) In the case of receipts from the sale of cigarettes or tobacco products by a wholesale dealer, retail dealer, distributor, manufacturer, or seller, all as defined in section 5743.01 of the Revised Code, an amount equal to the federal and state excise taxes paid by any person on or for such cigarettes or tobacco products under subtitle E of the Internal Revenue Code or Chapter 5743. of the Revised Code;

(r) In the case of receipts from the sale of motor fuel by a licensed motor fuel dealer, licensed retail dealer, or licensed permissive motor fuel dealer, all as defined in section 5735.01 of the Revised Code, an amount equal to federal and state excise taxes paid by any person on such motor fuel under section 4081 of the Internal Revenue Code or Chapter 5735. of the Revised Code;

(s) In the case of receipts from the sale of beer or intoxicating liquor, as defined in section 4301.01 of the Revised Code, by a person holding a permit issued under Chapter 4301. or 4303. of the Revised Code, an amount equal to federal and state excise taxes paid by any person on or for such beer or intoxicating liquor under subtitle E of the Internal Revenue Code or Chapter 4301. or 4305. of the Revised Code;

(t) Receipts realized by a new motor vehicle dealer or used motor vehicle dealer, as defined in section 4517.01 of the Revised Code, from the sale or other transfer of a motor vehicle, as defined in that section, to another motor vehicle dealer for the purpose of resale by the transferee motor vehicle dealer, but only if the sale or other transfer was based upon the transferee's need to meet a specific customer's preference for a motor vehicle;

(u) Receipts from a financial institution described in division (E)(3) of this section for services provided to the financial institution in connection with the issuance, processing, servicing, and management of loans or credit accounts, if such financial institution and the recipient of such receipts have at least fifty per cent of their ownership interests owned or controlled, directly or constructively through related interests, by common owners;

(v) Receipts realized from administering anti-neoplastic drugs and other cancer chemotherapy, biologicals, therapeutic agents, and supportive drugs in a physician's office to patients with cancer;

(w) Funds received or used by a mortgage broker that is not a dealer in intangibles, other than fees or other consideration, pursuant to a table-funding mortgage loan or warehouse-lending mortgage loan. Terms used in division (F)(2)~~(x)~~(w) of this section have the same meanings as in section 1322.01 of the Revised Code, except "mortgage broker" means a person assisting a buyer in obtaining a mortgage loan for a fee or other consideration paid by the buyer or a lender, or a person engaged in table-funding or warehouse-lending mortgage loans that are first lien mortgage loans.

(x) Property, money, and other amounts received by a professional employer organization, as defined in section 4125.01 of the Revised Code, from a client employer, as defined in that section, in excess of the administrative fee charged by the professional employer organization to the client employer;

(y) In the case of amounts retained as commissions by a permit holder under Chapter 3769. of the Revised Code, an amount equal to the amounts specified under that chapter that must be paid to or collected by the tax commissioner as a tax and the amounts specified under that chapter to be

used as purse money;

(z) Qualifying distribution center receipts.

(i) For purposes of division (F)(2)(z) of this section:

(I) "Qualifying distribution center receipts" means receipts of a supplier from qualified property that is delivered to a qualified distribution center, multiplied by a quantity that equals one minus the Ohio delivery percentage.

(II) "Qualified property" means tangible personal property delivered to a qualified distribution center that is shipped to that qualified distribution center solely for further shipping by the qualified distribution center to another location in this state or elsewhere. "Further shipping" includes storing and repackaging such property into smaller or larger bundles, so long as such property is not subject to further manufacturing or processing.

(III) "Qualified distribution center" means a warehouse or other similar facility in this state that, for the qualifying year, is operated by a person that is not part of a combined taxpayer group and that has a qualifying certificate. However, all warehouses or other similar facilities that are operated by persons in the same taxpayer group and that are located within one mile of each other shall be treated as one qualified distribution center.

(IV) "Qualifying year" means the calendar year to which the qualifying certificate applies.

(V) "Qualifying period" means the period of the first day of July of the second year preceding the qualifying year through the thirtieth day of June of the year preceding the qualifying year.

(VI) "Qualifying certificate" means an annual application approved by the tax commissioner from an operator of a distribution center that has filed an application as prescribed by the commissioner and paid the annual fee for the qualifying certificate on or before the first day of September prior to the qualifying year or forty-five days after the opening of the distribution center, whichever is later. The application and annual fee shall be filed and paid for each qualified distribution center.

The applicant must substantiate to the commissioner's satisfaction that, for the qualifying period, all persons operating the distribution center have more than fifty per cent of the cost of the qualified property shipped to a location such that it would be situated outside this state under the provisions of division (E) of section 5751.033 of the Revised Code. The applicant must also substantiate that the distribution center cumulatively had costs from its suppliers equal to or exceeding five hundred million dollars during the qualifying period. (For purposes of division (F)(2)(z)(i)(VI) of this section, "supplier" excludes any person that is part of the consolidated elected taxpayer group, if applicable, of the operator of the qualified distribution

center.) The commissioner may require the applicant to have an independent certified public accountant certify that the calculation of the minimum thresholds required for a qualified distribution center by the operator of a distribution center has been made in accordance with generally accepted accounting principles. The commissioner shall issue or deny the issuance of a certificate within sixty days after the receipt of the application. A denial is subject to appeal under section 5717.02 of the Revised Code. If the operator files a timely appeal under section 5717.02 of the Revised Code, the operator shall be granted a qualifying certificate, provided that the operator is liable for any tax, interest, or penalty upon amounts claimed as qualifying distribution center receipts, other than those receipts exempt under division (C)(1) of section 5751.011 of the Revised Code, that would have otherwise not been owed by its suppliers if the qualifying certificate was valid.

(VII) "Ohio delivery percentage" means the proportion of the total property delivered to a destination inside Ohio from the qualified distribution center during the qualifying period compared with total deliveries from such distribution center everywhere during the qualifying period.

(ii) If the distribution center is new and was not open for the entire qualifying period, the operator of the distribution center may request that the commissioner grant a qualifying certificate. If the certificate is granted and it is later determined that more than fifty per cent of the qualified property during that year was not shipped to a location such that it would be situated outside of this state under the provisions of division (E) of section 5751.033 of the Revised Code or if it is later determined that the person that operates the distribution center had average monthly costs from its suppliers of less than forty million dollars during that year, then the operator of the distribution center shall be liable for any tax, interest, or penalty upon amounts claimed as qualifying distribution center receipts, other than those receipts exempt under division (C)(1) of section 5751.011 of the Revised Code, that would have not otherwise been owed by its suppliers during the qualifying year if the qualifying certificate was valid. (For purposes of division (F)(2)(z)(ii) of this section, "supplier" excludes any person that is part of the consolidated elected taxpayer group, if applicable, of the operator of the qualified distribution center.)

(iii) When filing an application for a qualifying certificate under division (F)(2)(z)(i)(VI) of this section, the operator of a qualified distribution center also shall provide documentation, as the commissioner requires, for the commissioner to ascertain the Ohio delivery percentage. The commissioner, upon issuing the qualifying certificate, also shall certify

the Ohio delivery percentage. The operator of the qualified distribution center may appeal the commissioner's certification of the Ohio delivery percentage in the same manner as an appeal is taken from the denial of a qualifying certificate under division (F)(2)(z)(i)(VI) of this section.

Within thirty days after all appeals have been exhausted, the operator of the qualified distribution center shall notify the affected suppliers of qualified property that such suppliers are required to file, within sixty days after receiving notice from the operator of the qualified distribution center, amended reports for the impacted calendar quarter or quarters or calendar year, whichever the case may be. Any additional tax liability or tax overpayment shall be subject to interest but shall not be subject to the imposition of any penalty so long as the amended returns are timely filed. The supplier of tangible personal property delivered to the qualified distribution center shall include in its report of taxable gross receipts the receipts from the total sales of property delivered to the qualified distribution center for the calendar quarter or calendar year, whichever the case may be, multiplied by the Ohio delivery percentage for the qualifying year. Nothing in division (F)(2)(z)(iii) of this section shall be construed as imposing liability on the operator of a qualified distribution center for the tax imposed by this chapter arising from any change to the Ohio delivery percentage.

(iv) In the case where the distribution center is new and not open for the entire qualifying period, the operator shall make a good faith estimate of an Ohio delivery percentage for use by suppliers in their reports of taxable gross receipts for the remainder of the qualifying period. The operator of the facility shall disclose to the suppliers that such Ohio delivery percentage is an estimate and is subject to recalculation. By the due date of the next application for a qualifying certificate, the operator shall determine the actual Ohio delivery percentage for the estimated qualifying period and proceed as provided in division (F)(2)(z)(iii) of this section with respect to the calculation and recalculation of the Ohio delivery percentage. The supplier is required to file, within sixty days after receiving notice from the operator of the qualified distribution center, amended reports for the impacted calendar quarter or quarters or calendar year, whichever the case may be. Any additional tax liability or tax overpayment shall be subject to interest but shall not be subject to the imposition of any penalty so long as the amended returns are timely filed.

(v) Qualifying certificates and Ohio delivery percentages issued by the commissioner shall be open to public inspection and shall be timely published by the commissioner. A supplier relying in good faith on a

certificate issued under this division shall not be subject to tax on the qualifying distribution center receipts under division (F)(2)(z) of this section. A person receiving a qualifying certificate is responsible for paying the tax, interest, and penalty upon amounts claimed as qualifying distribution center receipts that would not otherwise have been owed by the supplier if the qualifying certificate were available when it is later determined that the qualifying certificate should not have been issued because the statutory requirements were in fact not met.

(vi) The annual fee for a qualifying certificate shall be one hundred thousand dollars for each qualified distribution center. If a qualifying certificate is not issued, the annual fee is subject to refund after the exhaustion of all appeals provided for in division (F)(2)(z)(i)(VI) of this section. The fee imposed under this division may be assessed in the same manner as the tax imposed under this chapter. The first one hundred thousand dollars of the annual application fees collected each calendar year shall be credited to the commercial activity tax administrative fund. The remainder of the annual application fees collected shall be distributed in the same manner required under section 5751.20 of the Revised Code.

(vii) The tax commissioner may require that adequate security be posted by the operator of the distribution center on appeal when the commissioner disagrees that the applicant has met the minimum thresholds for a qualified distribution center as set forth in divisions (F)(2)(z)(i)(VI) and (F)(2)(z)(ii) of this section.

(aa) Any receipts for which the tax imposed by this chapter is prohibited by the constitution or laws of the United States or the constitution of this state.

(3) In the case of a taxpayer when acting as a real estate broker, "gross receipts" includes only the portion of any fee for the service of a real estate broker, or service of a real estate salesperson associated with that broker, that is retained by the broker and not paid to an associated real estate salesperson or another real estate broker. For the purposes of this division, "real estate broker" and "real estate salesperson" have the same meanings as in section 4735.01 of the Revised Code.

(4) A taxpayer's method of accounting for gross receipts for a tax period shall be the same as the taxpayer's method of accounting for federal income tax purposes for the taxpayer's federal taxable year that includes the tax period. If a taxpayer's method of accounting for federal income tax purposes changes, its method of accounting for gross receipts under this chapter shall be changed accordingly.

In calculating gross receipts, the following shall be deducted to the

extent included as a gross receipt in the current tax period or reported as taxable gross receipts in a prior tax period:

- (a) Cash discounts allowed and taken;
- (b) Returns and allowances;

(c) ~~Bad debts from receipts upon which the tax imposed by this chapter was paid in a prior quarterly tax payment period.~~ For the purposes of this division, "bad debts" mean any debts that have become worthless or uncollectible between the preceding and current quarterly tax payment periods, have been uncollected for at least six months, and may be claimed as a deduction under section 166 of the Internal Revenue Code and the regulations adopted pursuant thereto, or that could be claimed as such if the taxpayer kept its accounts on the accrual basis. "Bad debts" does not include uncollectible amounts on property that remains in the possession of the taxpayer until the full purchase price is paid, expenses in attempting to collect any account receivable or for any portion of the debt recovered, and repossessed property;

(d) Any amount realized from the sale of an account receivable but only to the extent the receipts from the underlying transaction giving rise to the account receivable were included in the gross receipts of the taxpayer.

(G) "Taxable gross receipts" means gross receipts situated to this state under section 5751.033 of the Revised Code.

(H) A person has "substantial nexus with this state" if any of the following applies. The person:

- (1) Owns or uses a part or all of its capital in this state;
- (2) Holds a certificate of compliance with the laws of this state authorizing the person to do business in this state;
- (3) Has bright-line presence in this state;
- (4) Otherwise has nexus with this state to an extent that the person can

be required to remit the tax imposed under this chapter under the constitution of the United States.

(I) A person has "bright-line presence" in this state for a reporting period and for the remaining portion of the calendar year if any of the following applies. The person:

(1) Has at any time during the calendar year property in this state with an aggregate value of at least fifty thousand dollars. For the purpose of division (I)(1) of this section, owned property is valued at original cost and rented property is valued at eight times the net annual rental charge.

(2) Has during the calendar year payroll in this state of at least fifty thousand dollars. Payroll in this state includes all of the following:

- (a) Any amount subject to withholding by the person under section

5747.06 of the Revised Code;

(b) Any other amount the person pays as compensation to an individual under the supervision or control of the person for work done in this state; and

(c) Any amount the person pays for services performed in this state on its behalf by another.

(3) Has during the calendar year taxable gross receipts ~~in this state~~ of at least five hundred thousand dollars.

(4) Has at any time during the calendar year within this state at least twenty-five per cent of the person's total property, total payroll, or total ~~sales~~ gross receipts.

(5) Is domiciled in this state as an individual or for corporate, commercial, or other business purposes.

(J) "Tangible personal property" has the same meaning as in section 5739.01 of the Revised Code.

(K) "Internal Revenue Code" means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term used in this chapter that is not otherwise defined has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes unless a different meaning is clearly required. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

(L) "Calendar quarter" means a three-month period ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, or the thirty-first day of December.

(M) "Tax period" means the calendar quarter or calendar year on the basis of which a taxpayer is required to pay the tax imposed under this chapter.

(N) "Calendar year taxpayer" means a taxpayer for which the tax period is a calendar year.

(O) "Calendar quarter taxpayer" means a taxpayer for which the tax period is a calendar quarter.

(P) "Agent" means a person authorized by another person to act on its behalf to undertake a transaction for the other, including any of the following:

(1) A person receiving a fee to sell financial instruments;

(2) A person retaining only a commission from a transaction with the other proceeds from the transaction being remitted to another person;

(3) A person issuing licenses and permits under section 1533.13 of the Revised Code;

(4) A lottery sales agent holding a valid license issued under section 3770.05 of the Revised Code;

(5) A person acting as an agent of the division of liquor control under section 4301.17 of the Revised Code.

(Q) "Received" includes amounts accrued under the accrual method of accounting.

Sec. 5751.011. (A) A group of two or more persons may elect to be a consolidated elected taxpayer for the purposes of this chapter if the group satisfies all of the following requirements:

(1) The group elects to include all persons, including persons enumerated in divisions (E)(2) to (10) of section 5751.01 of the Revised Code, having at least eighty per cent, or having at least fifty per cent, of the value of their ownership interests owned or controlled, directly or constructively through related interests, by common owners during all or any portion of the tax period, together with the common owners. At the election of the group, all ~~foreign corporations meeting entities that are not incorporated or formed under the laws of a state or of the United States and that meet~~ the elected ownership test shall either be included in the group or all shall be excluded from the group. The group shall notify the tax commissioner of the foregoing elections ~~at the time of filing the initial registration required under section 5751.04 of the Revised Code~~ before the due date of the return in which the election is to become effective. If fifty per cent of the value of a person's ownership interests is owned or controlled by each of two consolidated elected taxpayer groups formed under the fifty per cent ownership or control test, that person is a member of each group for the purposes of this section, and each group shall include in the group's taxable gross receipts fifty per cent of that person's taxable gross receipts. Otherwise, all of that person's taxable gross receipts shall be included in the taxable gross receipts of the consolidated elected taxpayer group of which the person is a member. In no event shall the ownership or control of fifty per cent of the value of a person's ownership interests by two otherwise unrelated groups form the basis for consolidating the groups into a single consolidated elected taxpayer group or permit any exclusion under division (C) of this section of taxable gross receipts between members of the two groups. Division (A)(3) of this section applies with respect to the elections described in this division.

(2) ~~The group applies to the tax commissioner for approval~~ makes the election to be treated as a consolidated elected taxpayer ~~pursuant to~~ in the manner prescribed under division (D) of this section.

(3) ~~The~~ Subject to review and audit by the tax commissioner, the group

agrees that ~~if the commissioner approves the election,~~ all of the following apply:

(a) The group shall file reports as a single taxpayer for at least the next eight calendar quarters following the election so long as at least two or more of the members of the group meet the requirements of division (A)(1) of this section.

(b) Before the expiration of the eighth such calendar quarter, the group shall notify the commissioner if it elects to cancel its designation as a consolidated elected taxpayer. If the group does not so notify the tax commissioner, the election remains in effect for another eight calendar quarters.

(c) If, at any time during any of those eight calendar quarters following the election, a former member of the group no longer meets the requirements under division (A)(1) of this section, that member shall report and pay the tax imposed under this chapter separately, as a member of a combined taxpayer, or, if the former member satisfies such requirements with respect to another consolidated elected group, as a member of that consolidated elected group.

(d) The group agrees to the application of division (B) of this section.

(B) A group of persons making the election under this section shall report and pay tax on all of the group's taxable gross receipts even if substantial nexus with this state does not exist for one or more persons in the group.

(C)(1) A consolidated elected taxpayer shall exclude taxable gross receipts between its members and taxable gross receipts received by a person enumerated in divisions (E)(2) to (10) of section 5751.01 of the Revised Code, except for taxable gross receipts received by a member described in division (E)(4) of section 5751.01 of the Revised Code that is not a qualifying dealer as defined in section 5725.24 of the Revised Code. Except as provided in division (C)(2) of this section, nothing in this section shall have the effect of excluding taxable gross receipts received from persons that are not members of the group.

(2) Gross receipts related to the sale or transmission of electricity through the use of an intermediary regional transmission organization approved by the federal energy regulatory commission shall be excluded from taxable gross receipts under division (C)(1) of this section if all other requirements of that division are met, even if the receipts are from and to the same member of the group.

(D) To make the election to be a consolidated elected taxpayer, a group of persons shall ~~apply to~~ notify the tax commissioner of the election in the

manner prescribed by the commissioner and pay the commissioner a registration fee equal to the lesser of two hundred dollars or twenty dollars for each person in the group. No additional fee shall be imposed for the addition of new members to the group once the group has remitted a fee in the amount of two hundred dollars. ~~The application~~ election shall be ~~filed~~ made and the fee paid before the later of the beginning of the first calendar quarter to which the election applies or November 15, 2005. The fee shall be collected and used in the same manner as provided in section 5751.04 of the Revised Code.

The election shall be made on a form prescribed by the tax commissioner for that purpose and shall be signed by one or more individuals with authority, separately or together, to make a binding election on behalf of all persons in the group. ~~The tax commissioner shall approve a group's election if the group satisfies the requirements of division (A) of this section.~~

Any person acquired or formed after the filing of the registration shall be included in the group if the person meets the requirements of division (A)(1) of this section, and the group shall notify the tax commissioner of any additions to the group with the next tax return it files with the commissioner.

(E) Each member of a consolidated elected taxpayer is jointly and severally liable for the tax imposed by this chapter and any penalties or interest thereon. The tax commissioner may require one person in the group to be the taxpayer for purposes of registration and remittance of the tax, but all members of the group are subject to assessment under section 5751.09 of the Revised Code.

Sec. 5751.032. (A) As used in this section:

(1) "CAT" refers to the tax levied by this chapter.

(2) "CAT collected" means, with regard to a CAT test period, the net amount of CAT, exclusive of registration fees, received in the period after subtracting any CAT refunded in the period.

(3) "First CAT test period" means the twenty-four month period beginning July 1, 2005, and ending June 30, 2007.

(4) "Second CAT test period" means the twelve-month period beginning July 1, 2008, and ending June 30, 2009.

(5) "Third CAT test period" means the twelve-month period beginning July 1, 2010, and ending June 30, 2011.

(B) Not later than the last day of September immediately following the end of each CAT test period, the tax commissioner shall compute the amount of CAT collected during that test period. If the amount is less than

ninety per cent or greater than one hundred ten per cent of the prescribed CAT collections for that period, the commissioner shall proceed as provided in division (C) or (D) of this section, as applicable. For the purposes of division (B) of this section, the prescribed CAT collections for the CAT test periods are as follows:

- (1) For the first CAT test period, eight hundred fifteen million dollars;
- (2) For the second CAT test period, one billion one hundred ninety million dollars less any amount credited to the commercial activity tax reduction fund with regard to the first CAT test period;
- (3) For the third CAT test period, one billion six hundred ten million dollars less any amount credited to the commercial activity tax reduction fund with regard to the second CAT test period.

(C)(1) If the amount of CAT collected during a CAT test period is less than ninety per cent of the prescribed CAT collections for that test period, the tax commissioner shall determine a new tax rate equal to the tax rate that would have yielded the prescribed CAT collections during that test period. The tax rate shall be the rate that would have to be imposed under division (A) of section 5751.03 of the Revised Code before any applicable phase-in percentages under section 5751.031 of the Revised Code or otherwise provided by law to yield the prescribed CAT collection after applying any applicable phase-in percentages.

(2) If the amount of CAT collected during a CAT test period exceeds one hundred ten per cent of the prescribed CAT collections for that test period, the tax commissioner shall determine a new tax rate equal to the tax rate that would have yielded the prescribed CAT collections during that test period less one-half of the amount of the excess that was certified to the director of budget and management for the test period under division (D) of this section. The tax rate shall be the rate that would have to be imposed under division (A) of section 5751.03 of the Revised Code before any applicable phase-in percentages under section 5751.031 of the Revised Code or otherwise provided by law to yield the prescribed CAT collection after applying any applicable phase-in percentages.

(3) A new tax rate computed under division (C)(1) or (2) of this section shall be expressed as a number of mills per dollar, rounded to the nearest one-hundredth of one mill. The rate shall be rounded upward by one-hundredth of one mill only if the next decimal digit is five or more.

(4) Not later than the last day of September following the end of the CAT test period on the basis of which a new tax rate is computed, the tax commissioner shall certify the new tax rate to the governor, the president of the senate, the speaker of the house of representatives, and all other

members of the general assembly. The commissioner shall publish the new tax rate by journal entry and provide notice of the new tax rate to taxpayers. The new tax rate shall be the rate imposed under division (A) of section 5751.03 of the Revised Code beginning with the ensuing calendar year, and is subject to any applicable phase-in percentages provided for under section 5751.031 of the Revised Code.

(D) If the amount of CAT collected during a CAT test period exceeds one hundred ten per cent of the prescribed CAT collections for that test period, the tax commissioner shall certify the excess amount to the director of budget and management not later than the last day of September immediately following the end of that test period. The director shall forthwith transfer from the general revenue fund one-half of the amount of the excess so certified to the commercial activity tax refund fund, which is hereby created in the state treasury, and the remaining one-half of the amount of the excess to the budget stabilization fund. All money credited to the commercial activity tax refund fund shall be applied to reimburse the general revenue fund, school district tangible property tax replacement fund, and local government tangible property tax replacement fund for the diminution in revenue caused by the credit provided under division (D) of section 5751.03 of the Revised Code. On or before the last day of May, August, and October of the calendar year that begins after the end of the test period, and on or before the last day of February of the following calendar year, the director of budget and management shall transfer one-fourth of the amount that had been transferred to the commercial activity tax refund fund to each of those funds in the proportions specified under division (B) of section 5751.21 of the Revised Code.

In the calendar year that begins immediately after the year in which a transfer is made to the commercial activity tax refund fund, the tax commissioner shall compute the amount to be credited, under division (D) of section 5751.03 of the Revised Code, to each taxpayer that paid in full the tax imposed under this chapter for the calendar year in which the transfer was made. The credit allowed to each such taxpayer shall equal the amount transferred to the commercial activity tax refund fund multiplied by a fraction, the numerator of which is the amount of tax paid by that taxpayer for that calendar year and the denominator of which is the total of the taxes paid by all such taxpayers for which the credit is allowed. The credit applies only to the calendar year that begins immediately after the year in which a transfer is made to the commercial activity tax refund fund under this division."

(E) It is the intent of the General Assembly to conduct a review of the

prescribed CAT collections and rate adjustments provided for under divisions (A) to (D) of this section every two years in conjunction with its biennial budget deliberations, and to establish lower prescribed CAT collections or reduce the rate of tax levied under this chapter on the basis of the following three factors:

- (1) The revenue yield of the tax;
- (2) The condition of the Ohio economy;
- (3) Savings realized by ongoing reform to medicaid and other policy initiatives.

Sec. 5751.04. (A) Not later than the later of November 15, 2005, or thirty days after a person first has more than one hundred fifty thousand dollars in taxable gross receipts in a calendar year, each person subject to this chapter shall register with the tax commissioner on the form prescribed by the commissioner. The form shall include the following:

- (1) The person's name;
- (2) If applicable, the name of the state or country under the laws of which the person is incorporated;
- (3) If applicable, the location of a person's principal office, ~~and, in the case of a foreign corporation, the location of its principal place of business in this state~~ and the name and address of the officer or agent of the corporation in charge of the business ~~in this state~~;
- (4) If applicable, the names of the person's president, secretary, treasurer, and statutory agent designated pursuant to section 1703.041 of the Revised Code, with the post office address of each;
- (5) The kind of business in which the person is engaged, including applicable business or industry codes;
- (6) ~~The~~ If required by the tax commissioner, the date of the beginning of the person's annual accounting period that includes the first day of January of the taxable calendar year;
- (7) If the person is not a corporation or a sole proprietor, the names of ~~all~~ the person's owners and officers, if required by the tax commissioner;
- (8) The person's federal employer identification number or numbers or, if those are not applicable, the person's social security number or equivalent;
- (9) All other information that the commissioner requires to administer and enforce this chapter.

(B) Except as otherwise provided in this division, each person registering with the tax commissioner as required by division (A) of this section shall pay a registration fee. The fee shall be in the amount of fifteen dollars if a person registers electronically and twenty dollars if a person does not register electronically. The registration fee shall be paid in the manner

prescribed by the tax commissioner at the same time the registration is due if a person is subject to the tax imposed under this chapter before January 1, 2006. If a person first becomes subject to the tax after that date, the registration fee is payable with the first tax period return the person is required to file as prescribed by section 5751.051 of the Revised Code. If a registration fee is not paid when due, an additional fee is imposed in the amount of one hundred dollars per month or part thereof the fee is outstanding, not to exceed one thousand dollars. The tax commissioner may abate the additional fee. The fee imposed under this division may be assessed in the same manner as the tax imposed under this chapter. Proceeds from the fee shall be credited to the commercial activity tax administrative fund, which is hereby created in the state treasury for the commissioner to use in implementing and administering the tax imposed under this chapter.

No registration fee is payable by a person for a calendar year if the person first begins business operations in this state after the thirtieth day of November of that calendar year or if the person's taxable gross receipts for the calendar year exceed one hundred fifty thousand dollars but do not exceed one hundred fifty thousand dollars as of the first day of December of the calendar year.

Registration fees paid under this section, excluding any additional fee imposed for late payment of the registration fee, shall be credited against the first payment of tax payable under section 5751.03 of the Revised Code after the registration fee is paid.

(C) If a person that has registered under this section is no longer a taxpayer subject to this chapter, including no longer being a taxpayer because of the application of division (E)(1) of section 5751.01 of the Revised Code, the person shall notify the commissioner that the person's registration should be cancelled.

Sec. 5751.05. (A) If a person subject to this chapter anticipates that the person's taxable gross receipts will be ~~less than~~ one million dollars or less in calendar year 2006, the person may elect to be a calendar year taxpayer. If a person is not required to be registered under this section for calendar year 2006 and anticipates that the person's taxable gross receipts will be ~~less than~~ one million dollars or less in the first calendar year the person is required to register under this section, the person may elect to be a calendar year taxpayer.

(B) Any person that is a calendar year taxpayer pursuant to an election under division (A) of this section shall become a calendar quarter taxpayer in the subsequent calendar year if the person's taxable gross receipts for the prior calendar year are more than one million dollars ~~or more~~, and shall

remain a calendar quarter taxpayer until the person notifies the tax commissioner, and receives approval in writing from the tax commissioner, to switch back to being a calendar year taxpayer. Nothing in this division prohibits a person that has elected to be a calendar year taxpayer from notifying the tax commissioner, using the procedures prescribed by the commissioner, that it is switching back to being a calendar quarter taxpayer.

(C) Any taxpayer that is not a calendar year taxpayer pursuant to this section is a calendar quarter taxpayer. The tax commissioner may grant written approval for a calendar quarter taxpayer to use an alternative reporting schedule or estimate the amount of tax due for a calendar quarter if the taxpayer demonstrates to the commissioner the need for such a deviation. The commissioner may adopt a rule to apply division (C) of this section to a group of taxpayers without the taxpayers having to receive written approval from the commissioner.

Sec. 5751.051. (A)(1) Not later than forty days after the end of each calendar quarter, every taxpayer other than a calendar year taxpayer shall file with the tax commissioner a tax return in such form as the commissioner prescribes. The return shall include, but is not limited to, the amount of the taxpayer's taxable gross receipts for the calendar quarter and shall indicate the amount of tax due under section 5751.03 of the Revised Code for the calendar quarter.

(2)(a) Subject to division (C) of section 5751.05 of the Revised Code, a calendar quarter taxpayer shall report the taxable gross receipts for that calendar quarter.

(b) With respect to taxable gross receipts incorrectly reported in a calendar quarter that has a lower tax rate, the tax shall be computed at the tax rate in effect for the quarterly return in which such receipts should have been reported. Nothing in division (A)(2)(b) of this section prohibits a taxpayer from filing an application for refund under section 5751.08 of the Revised Code with regard to the incorrect reporting of taxable gross receipts discovered after filing the annual return described in division (A)(3) of this section.

A tax return shall not be deemed to be an incorrect reporting of taxable gross receipts for the purposes of division (A)(2)(b) of this section if the return reflects between ninety-five and one hundred five per cent of the actual taxable gross receipts for the calendar quarter.

(3) The tax return filed for the fourth calendar quarter of a calendar year is the annual return for the privilege tax imposed by this chapter. Such return shall report any additional taxable gross receipts not previously reported in the calendar year and shall adjust for any over-reported taxable

gross receipts in the calendar year. If the taxpayer ceases to be a taxpayer before the end of the calendar year, the last return the taxpayer is required to file shall be the annual return for the taxpayer and the taxpayer shall report any additional taxable gross receipts not previously reported in the calendar year and shall adjust for any over-reported taxable gross receipts in the calendar year.

(4) Because the tax imposed by this chapter is a privilege tax, the tax rate with respect to taxable gross receipts for a calendar quarter is not fixed until the end of the measurement period for each calendar quarter. Subject to division (A)(2)(b) of this section, the total amount of taxable gross receipts reported for a given calendar quarter shall be subject to the tax rate in effect in that quarter.

(5) Not later than forty days after the end of each calendar year, every calendar year taxpayer shall file with the tax commissioner a tax return in such form as the commissioner prescribes. The return shall include, but is not limited to, the amount of the taxpayer's taxable gross receipts for the calendar year and shall indicate the amount of tax due under section 5751.03 of the Revised Code for the calendar year.

(B)(1) A person that first becomes subject to the tax imposed under this chapter during a calendar quarter on or after January 1, 2006, shall pay the minimum tax imposed under division (B) of section 5751.03 of the Revised Code along with the registration fee imposed under this section, if applicable, on or before the day the return is required to be filed for that quarter under division (A)(1) of this section, regardless of whether the person elects to be a calendar year taxpayer under section 5751.05 of the Revised Code.

(2) The amount of the minimum tax for a person subject to division (B)(1) of this section shall be reduced to seventy-five dollars if the registration is timely filed after the first day of May and before the first day of December January of the following calendar year.

Sec. 5751.10. If any person liable for the tax imposed under this chapter sells the trade or business, disposes in any manner other than in the regular course of business at least seventy-five per cent of assets of the trade or business, or quits the trade or business, any tax owed by such person shall become due and payable immediately, and the person shall pay the tax under this section, including any applicable penalties and interest, within ~~fifteen~~ forty-five days after the date of selling or quitting the trade or business. The person's successor shall withhold a sufficient amount of the purchase money to cover the amount due and unpaid until the former owner produces a receipt from the tax commissioner showing that the amounts are paid or a

certificate indicating that no taxes are due. If a purchaser fails to withhold purchase money, that person is personally liable up to the purchase money amount, for such amounts that are unpaid during the operation of the business by the former owner.

The tax commissioner may adopt rules regarding the issuance of certificates under this section, including the waiver of the need for a certificate if certain criteria are met.

Sec. 5751.20. (A) As used in sections 5751.20 to 5751.22 of the Revised Code:

(1) "School district," "joint vocational school district," "local taxing unit," "state education aid," "recognized valuation," "fixed-rate levy," and "fixed-sum levy" have the same meanings as used in section 5727.84 of the Revised Code.

(2) "State education aid offset" means the amount determined for each school district or joint vocational school district under division (A)(1) of section 5751.21 of the Revised Code.

(3) "Machinery and equipment property tax value loss" means the amount determined under division (C)(1) of this section.

(4) "Inventory property tax value loss" means the amount determined under division (C)(2) of this section.

(5) "Furniture and fixtures property tax value loss" means the amount determined under division (C)(3) of this section.

(6) "Machinery and equipment fixed-rate levy loss" means the amount determined under division (D)(1) of this section.

(7) "Inventory fixed-rate levy loss" means the amount determined under division (D)(2) of this section.

(8) "Furniture and fixtures fixed-rate levy loss" means the amount determined under division (D)(3) of this section.

(9) "Total fixed-rate levy loss" means the sum of the machinery and equipment fixed-rate levy loss, the inventory fixed-rate levy loss, the furniture and fixtures fixed-rate levy loss, and the telephone company fixed-rate levy loss.

(10) "Fixed-sum levy loss" means the amount determined under division (E) of this section.

(11) "Machinery and equipment" means personal property subject to the assessment rate specified in division (F) of section 5711.22 of the Revised Code.

(12) "Inventory" means personal property subject to the assessment rate specified in division (E) of section 5711.22 of the Revised Code.

(13) "Furniture and fixtures" means personal property subject to the

assessment rate specified in division (G) of section 5711.22 of the Revised Code.

(14) "Qualifying levies" are levies in effect for tax year 2004 or applicable to tax year 2005 or approved at an election conducted before September 1, 2005, ~~and first levied in tax year 2006~~. For the purpose of determining the rate of a qualifying levy authorized by section 5705.212 or 5705.213 of the Revised Code, the rate shall be the rate that would be in effect for tax year 2010.

(15) "Telephone property" means tangible personal property of a telephone, telegraph, or interexchange telecommunications company subject to an assessment rate specified in section 5727.111 of the Revised Code in tax year 2004.

(16) "Telephone property tax value loss" means the amount determined under division (C)(4) of this section.

(17) "Telephone property fixed-rate levy loss" means the amount determined under division (D)(4) of this section.

(B) The commercial activities tax receipts fund is hereby created in the state treasury and shall consist of money arising from the tax imposed under this chapter. All money in that fund shall be credited for each fiscal year in the following percentages to the general revenue fund, to the school district tangible property tax replacement fund, which is hereby created in the state treasury for the purpose of making the payments described in section 5751.21 of the Revised Code, and to the local government tangible property tax replacement fund, which is hereby created in the state treasury for the purpose of making the payments described in section 5751.22 of the Revised Code, in the following percentages:

Fiscal year	General Revenue Fund	School District Tangible Property Tax Replacement Fund	Local Government Tangible Property Tax Replacement Fund
2006	67.7%	22.6%	9.7%
2007	0%	70.0%	30.0%
2008	0%	70.0%	30.0%
2009	0%	70.0%	30.0%
2010	0%	70.0%	30.0%
2011	0%	70.0%	30.0%
2012	5.3%	70.0%	24.7%
2013	19.4%	70.0%	10.6%

2014	14.1%	70.0%	15.9%
2015	17.6%	70.0%	12.4%
2016	21.1%	70.0%	8.9%
2017	24.6%	70.0%	5.4%
2018	28.1%	70.0%	1.9%
2019 and thereafter	100%	0%	0%

(C) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its machinery and equipment, inventory property, furniture and fixtures property, and telephone property tax value losses, which are the applicable amounts described in divisions (C)(1), (2), (3), and (4) of this section, except as provided in division (C)(5) of this section:

(1) Machinery and equipment property tax value loss is the taxable value of machinery and equipment property as reported by taxpayers for tax year 2004 multiplied by:

- (a) For tax year 2006, thirty-three and eight-tenths per cent;
- (b) For tax year 2007, sixty-one and three-tenths per cent;
- (c) For tax year 2008, eighty-three per cent;
- (d) For tax year 2009 and thereafter, one hundred per cent.

(2) Inventory property tax value loss is the taxable value of inventory property as reported by taxpayers for tax year 2004 multiplied by:

- (a) For tax year 2006, a fraction, the numerator of which is five and three-fourths and the denominator of which is twenty-three;
- (b) For tax year 2007, a fraction, the numerator of which is nine and one-half and the denominator of which is twenty-three;
- (c) For tax year 2008, a fraction, the numerator of which is thirteen and one-fourth and the denominator of which is twenty-three;
- (d) For tax year 2009 and thereafter a fraction, the numerator of which is seventeen and the denominator of which is twenty-three.

(3) Furniture and fixtures property tax value loss is the taxable value of furniture and fixture property as reported by taxpayers for tax year 2004 multiplied by:

- (a) For tax year 2006, twenty-five per cent;
- (b) For tax year 2007, fifty per cent;
- (c) For tax year 2008, seventy-five per cent;
- (d) For tax year 2009 and thereafter, one hundred per cent.

The taxable value of property reported by taxpayers used in divisions (C)(1), (2), and (3) of this section shall be such values as determined to be final by the tax commissioner as of August 31, 2005. Such determinations

shall be final except for any correction of a clerical error that was made prior to August 31, 2005, by the tax commissioner.

(4) Telephone property tax value loss is the taxable value of telephone property as taxpayers would have reported that property for tax year 2004 if the assessment rate for all telephone property for that year were twenty-five per cent, multiplied by:

- (a) For tax year 2006, zero per cent;
- (b) For tax year 2007, zero per cent;
- (c) For tax year 2008, zero per cent;
- (d) For tax year 2009, sixty per cent;
- (e) For tax year 2010, eighty per cent;
- (f) For tax year 2011 and thereafter, one hundred per cent.

(5) Division (C)(5) of this section applies to any school district, joint vocational school district, or local taxing unit in a county in which is located a facility currently or formerly devoted to the enrichment or commercialization of uranium or uranium products, and for which the total taxable value of property listed on the general tax list of personal property for any tax year from tax year 2001 to tax year 2004 was fifty per cent or less of the taxable value of such property listed on the general tax list of personal property for the next preceding tax year.

In computing the property tax value losses under divisions (C)(1), (2), and (3) of this section for any school district, joint vocational school district, or local taxing unit to which division (C)(5) of this section applies, the taxable value of such property as listed on the general tax list of personal property for tax year 2000 shall be substituted for the taxable value of such property as reported by taxpayers for tax year 2004, in the taxing district containing the uranium facility, if the taxable value listed for tax year 2000 is greater than the taxable value reported by taxpayers for tax year 2004. For the purpose of making the computations under divisions (C)(1), (2), and (3) of this section, the tax year 2000 valuation is to be allocated to machinery and equipment, inventory, and furniture and fixtures property in the same proportions as the tax year 2004 values.

To facilitate the calculations required under division (C) of this section, the county auditor, upon request from the tax commissioner, shall provide by August 1, 2005, the values of machinery and equipment, inventory, and furniture and fixtures for all single-county personal property taxpayers for tax year 2004.

(D) Not later than September 15, 2005, the tax commissioner shall determine for each tax year from 2006 through 2009 for each school district, joint vocational school district, and local taxing unit its machinery and

equipment, inventory, and furniture and fixtures fixed-rate levy losses, and for each tax year from 2006 through 2011 its telephone property fixed-rate levy loss, which are the applicable amounts described in divisions (D)(1), (2), (3), and (4) of this section:

(1) The machinery and equipment fixed-rate levy loss is the machinery and equipment property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(2) The inventory fixed-rate loss is the inventory property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(3) The furniture and fixtures fixed-rate levy loss is the furniture and fixture property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(4) The telephone property fixed-rate levy loss is the telephone property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(E) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its fixed-sum levy loss. The fixed-sum levy loss is the amount obtained by subtracting the amount described in division (E)(2) of this section from the amount described in division (E)(1) of this section:

(1) The sum of the machinery and equipment property tax value loss, the inventory property tax value loss, and the furniture and fixtures property tax value loss, and, for 2008 through 2017 the telephone property tax value loss of the district or unit multiplied by the sum of the fixed-sum tax rates of qualifying levies. For 2006 through 2010, this computation shall include all qualifying levies remaining in effect for the current tax year and any school district emergency levies that are qualifying levies not remaining in effect for the current year. For 2011 through 2017, this computation shall include only qualifying levies remaining in effect for the current year. For purposes of this computation, a qualifying school district emergency levy remains in effect in a year after 2010 only if, for that year, the board of education levies a school district emergency levy for an annual sum at least equal to the annual sum levied by the board in tax year 2004 less the amount of the payment certified under this division for 2006.

(2) The total taxable value in tax year 2004 less the sum of the machinery and equipment, inventory, furniture and fixtures, and telephone property tax value losses in each school district, joint vocational school district, and local taxing unit multiplied by one-half of one mill per dollar.

(3) For the calculations in divisions (E)(1) and (2) of this section, the tax value losses are those that would be calculated for tax year 2009 under

divisions (C)(1), (2), and (3) of this section and for tax year 2011 under division (C)(4) of this section.

(4) To facilitate the calculation under divisions (D) and (E) of this section, not later than September 1, 2005, any school district, joint vocational school district, or local taxing unit that has a qualifying levy that was approved at an election conducted during 2005 before September 1, 2005, shall certify to the tax commissioner a copy of the county auditor's certificate of estimated property tax millage for such levy as required under division (B) of section 5705.03 of the Revised Code, which is the rate that shall be used in the calculations under such divisions.

If the amount determined under division (E) of this section for any school district, joint vocational school district, or local taxing unit is greater than zero, that amount shall equal the reimbursement to be paid pursuant to division (D) of section 5751.21 or division (A)(3) of section 5751.22 of the Revised Code, and the one-half of one mill that is subtracted under division (E)(2) of this section shall be apportioned among all contributing fixed-sum levies in the proportion that each levy bears to the sum of all fixed-sum levies within each school district, joint vocational school district, or local taxing unit.

(F) Not later than October 1, 2005, the tax commissioner shall certify to the department of education for every school district and joint vocational school district the machinery and equipment, inventory, furniture and fixtures, and telephone property tax value losses determined under division (C) of this section, the machinery and equipment, inventory, furniture and fixtures, and telephone fixed-rate levy losses determined under division (D) of this section, and the fixed-sum levy losses calculated under division (E) of this section. The calculations under divisions (D) and (E) of this section shall separately display the levy loss for each levy eligible for reimbursement.

(G) Not later than October 1, 2005, the tax commissioner shall certify the amount of the fixed-sum levy losses to the county auditor of each county in which a school district, joint vocational school district, or local taxing unit with a fixed-sum levy loss reimbursement has territory.

Sec. 5751.21. (A) Not later than the thirty-first day of July of 2007 through 2017, the department of education shall determine the following for each school district and each joint vocational school district eligible for payment under division (B) of this section:

(1) The state education aid offset, which is the difference obtained by subtracting the amount described in division (A)(1)(b) of this section from the amount described in division (A)(1)(a) of this section:

(a) The state education aid computed for the school district or joint vocational school district for the current fiscal year as of the thirty-first day of July;

(b) The state education aid that would be computed for the school district or joint vocational school district for the current fiscal year as of the thirty-first day of July if the recognized valuation included the machinery and equipment, inventory, furniture and fixtures, and telephone property tax value losses for the school district or joint vocational school district for the second preceding tax year.

(2) The greater of zero or the difference obtained by subtracting the state education aid offset determined under division (A)(1) of this section from the sum of the machinery and equipment fixed-rate levy loss, the inventory fixed-rate levy loss, furniture and fixtures fixed-rate levy loss, and telephone property fixed-rate levy loss certified under division (F) of section 5751.20 of the Revised Code for all taxing districts in each school district and joint vocational school district for the second preceding tax year.

By the fifth day of August of each such year, the department of education shall certify the amount so determined under division (A)(1) of this section to the director of budget and management.

(B) The department of education shall pay from the school district tangible property tax replacement fund to each school district and joint vocational school district all of the following for fixed-rate levy losses certified under division (F) of section 5751.20 of the Revised Code:

(1) On or before May 31, 2006, one-seventh of the total fixed-rate levy loss for tax year 2006;

(2) On or before August 31, 2006, and October 31, 2006, one-half of six-sevenths of the total fixed-rate levy loss ~~for~~ for tax year 2006;

(3) On or before May 31, 2007, one-seventh of the total fixed-rate levy loss for tax year 2007;

(4) On or before August 31, 2007, and October 31, 2007, forty-three per cent of the amount determined under division (A)(2) of this section for fiscal year 2008, but not less than zero, plus one-half of six-sevenths of the difference between the total fixed-rate levy loss for tax year 2007 and the total fixed-rate levy loss for tax year 2006.

(5) On or before May 31, 2008, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2008, but not less than zero, plus one-seventh of the difference between the total fixed-rate levy loss for tax year 2008 and the total fixed-rate levy loss for tax year 2006.

(6) On or before August 31, 2008, and October 31, 2008, forty-three per

cent of the amount determined under division (A)(2) of this section for fiscal year 2009, but not less than zero, plus one-half of six-sevenths of the difference between the total fixed-rate levy loss in tax year 2008 and the total fixed-rate levy loss in tax year 2007.

(7) On or before May 31, 2009, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2009, but not less than zero, plus one-seventh of the difference between the total fixed-rate levy loss for tax year 2009 and the total fixed-rate levy loss for tax year 2007.

(8) On or before August 31, 2009, and October 31, 2009, ~~forty-three~~ forty-three per cent of the amount determined under division (A)(2) of this section for fiscal year 2010, but not less than zero, plus one-half of six-sevenths of the difference between the total fixed-rate levy loss in tax year 2009 and the total fixed-rate levy loss in tax year 2008.

(9) On or before May 31, 2010, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2010, but not less than zero, plus one-seventh of the difference between the total fixed-rate levy loss in tax year 2010 and the total fixed-rate levy loss in tax year 2008.

(10) On or before August 31, 2010, and October 31, 2010, one-third of the amount determined under division (A)(2) of this section for fiscal year 2011, but not less than zero, plus one-half of six-sevenths of the difference between the telephone property fixed-rate levy loss for tax year 2010 and the telephone property fixed-rate levy loss for tax year 2009.

(11) On or before May 31, 2011, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2011, but not less than zero, plus one-seventh of the difference between the telephone property fixed-rate levy loss for tax year 2011 and the telephone property fixed-rate levy loss for tax year 2009.

(12) On or before August 31, 2011, October 31, 2011, and May 31, 2012, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is fourteen and the denominator of which is seventeen, but not less than zero, multiplied by one-third, plus one-half of six-sevenths of the difference between the telephone property fixed-rate levy loss for tax year 2011 and the telephone property fixed-rate levy loss for tax year 2010.

(13) On or before May 31, 2012, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2012, multiplied by a fraction, the numerator of which is fourteen and the denominator of which is seventeen, plus one-seventh of the difference

between the telephone property fixed-rate levy loss for tax year 2011 and the telephone property fixed-rate levy loss for tax year 2010.

(14) On or before August 31, 2012, October 31, 2012, and May 31, 2013, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is eleven and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(15) On or before August 31, 2013, October 31, 2013, and May 31, 2014, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is nine and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(16) On or before August 31, 2014, October 31, 2014, and May 31, 2015, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is seven and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(17) On or before August 31, 2015, October 31, 2015, and May 31, 2016, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is five and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(18) On or before August 31, 2016, October 31, 2016, and May 31, 2017, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is three and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(19) On or before August 31, 2017, October 31, 2017, and May 31, 2018, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is one and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(20) After May 31, 2018, no payments shall be made under this section.

The department of education shall report to each school district and joint vocational school district the apportionment of the payments among the school district's or joint vocational school district's funds based on the certifications under division (F) of section 5751.20 of the Revised Code.

Any qualifying levy that is a fixed-rate levy that is not applicable to a tax year after 2010 does not qualify for any reimbursement after the tax year to which it is last applicable.

(C) For taxes levied within the ten-mill limitation for debt purposes in tax year 2005, payments shall be made equal to one hundred per cent of the loss computed as if the tax were a fixed-rate levy, but those payments shall extend from fiscal year 2006 through fiscal year 2018, as long as the qualifying levy continues to be used for debt purposes. If the purpose of such a qualifying levy is changed, that levy becomes subject to the payments

determined in division (B) of this section.

(D)(1) Not later than January 1, 2006, for each fixed-sum levy of each school district or joint vocational school district and for each year for which a determination is made under division (F) of section 5751.20 of the Revised Code that a fixed-sum levy loss is to be reimbursed, the tax commissioner shall certify to the department of education the fixed-sum levy loss determined under that division. The certification shall cover a time period sufficient to include all fixed-sum levies for which the commissioner made such a determination. The department shall pay from the school district property tax replacement fund to the school district or joint vocational school district one-third of the fixed-sum levy loss so certified for each year on or before the last day of May, August, and ~~November~~ October of the current year.

(2) Beginning in 2006, by the first day of January of each year, the tax commissioner shall review the certification originally made under division (D)(1) of this section. If the commissioner determines that a debt levy that had been scheduled to be reimbursed in the current year has expired, a revised certification for that and all subsequent years shall be made to the department of education.

(E) Beginning in September 2007 and through June 2018, the director of budget and management shall transfer from the school district tangible property tax replacement fund to the general revenue fund each of the following:

(1) On the first day of September, the lesser of one-fourth of the amount certified for that fiscal year under division (A)(1) of this section or the balance in the school district tangible property tax replacement fund;

(2) On the first day of December, the lesser of one-fourth of the amount certified for that fiscal year under division (A)(1) of this section or the balance in the school district tangible property tax replacement fund;

(3) On the first day of March, the lesser of one-fourth of the amount certified for that fiscal year under division (A)(1) of this section or the balance in the school district tangible property tax replacement fund;

(4) On the first day of June, the lesser of one-fourth of the amount certified for that fiscal year under division (A)(1) of this section or the balance in the school district tangible property tax replacement fund.

(F) For each of the fiscal years 2006 through 2018, if the total amount in the school district tangible property tax replacement fund is insufficient to make all payments under divisions (B), (C), ~~or~~ and (D) of this section at the times the payments are to be made, the director of budget and management shall transfer from the general revenue fund to the school district tangible

property tax replacement fund the difference between the total amount to be paid and the amount in the school district tangible property tax replacement fund. For each fiscal year after 2018, at the time payments under division (D) of this section are to be made, the director of budget and management shall transfer from the general revenue fund to the school district property tax replacement fund the amount necessary to make such payments.

(G) On the fifteenth day of June of 2006 through 2011, the director of budget and management may transfer any balance in the school district tangible property tax replacement fund to the general revenue fund. At the end of fiscal years 2012 through 2018, any balance in the school district tangible property tax replacement fund shall remain in the fund to be used in future fiscal years for school purposes.

(H) If all of the territory of a school district or joint vocational school district is merged with another district, or if a part of the territory of a school district or joint vocational school district is transferred to an existing or newly created district, the department of education, in consultation with the tax commissioner, shall adjust the payments made under this section as follows:

(1) For a merger of two or more districts, the machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses and the fixed-sum levy losses of the successor district shall be equal to the sum of the machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses and debt levy losses as determined in section 5751.20 of the Revised Code, for each of the districts involved in the merger.

(2) If property is transferred from one district to a previously existing district, the amount of machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses that shall be transferred to the recipient district shall be an amount equal to the total machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses times a fraction, the numerator of which is the value of business tangible personal property on the land being transferred in the most recent year for which data are available, and the denominator of which is the total value of business tangible personal property in the district from which the land is being transferred in the most recent year for which data are available.

(3) After December 31, 2004, if property is transferred from one or more districts to a district that is newly created out of the transferred property, the newly created district shall be deemed not to have any machinery and equipment, inventory, furniture and fixtures, or telephone

property fixed-rate levy losses and the districts from which the property was transferred shall have no reduction in their machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses.

(4) If the recipient district under division (H)(2) of this section or the newly created district under divisions (H)(3) of this section is assuming debt from one or more of the districts from which the property was transferred and any of the districts losing the property had fixed-sum levy losses, the department of education, in consultation with the tax commissioner, shall make an equitable division of the fixed-sum levy loss reimbursements.

Sec. 5751.22. (A) Not later than January 1, 2006, the tax commissioner shall compute the payments to be made to each local taxing unit for each year according to divisions (A)(1), (2), (3), and (4) of this section, and shall distribute the payments in the manner prescribed by division (C) of this section. The calculation of the fixed-sum levy loss shall cover a time period sufficient to include all fixed-sum levies for which the commissioner determined, pursuant to division (E) of section 5751.20 of the Revised Code, that a fixed-sum levy loss is to be reimbursed.

(1) Except as provided in division (A)(4) of this section, for machinery and equipment, inventory, and furniture and fixtures fixed-rate levy losses determined under division (D) of section 5751.20 of the Revised Code, payments shall be made in an amount equal to each of those losses multiplied by the following:

- (a) For tax years 2006 through 2010, one hundred per cent;
- (b) For tax year 2011, a fraction, the numerator of which is fourteen and the denominator of which is seventeen;
- (c) For tax year 2012, a fraction, the numerator of which is eleven and the denominator of which is seventeen;
- (d) For tax year 2013, a fraction, the numerator of which is nine and the denominator of which is seventeen;
- (e) For tax year 2014, a fraction, the numerator of which is seven and the denominator of which is seventeen;
- (f) For tax year 2015, a fraction, the numerator of which is five and the denominator of which is seventeen;
- (g) For tax year 2016, a fraction, the numerator of which is three and the denominator of which is seventeen;
- (h) For tax year 2017, a fraction, the numerator of which is one and the denominator of which is seventeen;
- (i) For tax years 2018 and thereafter, no fixed-rate payments shall be made.

Any qualifying levy that is a fixed-rate levy that is not applicable to a tax year after 2010 shall not qualify for any reimbursement after the tax year to which it is last applicable.

(2) Except as provided in division (A)(4) of this section, for telephone property fixed-rate levy losses determined under division (D)(4) of section 5751.20 of the Revised Code, payments shall be made in an amount equal to each of those losses multiplied by the following:

- (a) For tax years 2009 through 2011, one hundred per cent;
- (b) For tax year 2012, seven-eighths;
- (c) For tax year 2013, six-eighths;
- (d) For tax year 2014, five-eighths;
- (e) For tax year 2015, four-eighths;
- (f) For tax year 2016, three-eighths;
- (g) For tax year 2017, two-eighths;
- (h) For tax year 2018, one-eighth;
- (i) For tax years 2019 and thereafter, no fixed-rate payments shall be made.

Any qualifying levy that is a fixed-rate levy that is not applicable to a tax year after 2011 shall not qualify for any reimbursement after the tax year to which it is last applicable.

(3) For fixed-sum levy losses determined under division (E) of section 5751.20 of the Revised Code, payments shall be made in the amount of one hundred per cent of the fixed-sum levy loss for payments required to be made in 2006 and thereafter.

(4) For taxes levied within the ten-mill limitation for debt purposes in tax year 2005, payments shall be made based on the schedule in division (A)(1) of this section for each of the calendar years 2006 through 2010. For each of the calendar years 2011 through 2017, the percentages for calendar year 2010 shall be used, as long as the qualifying levy continues to be used for debt purposes. If the purpose of such a qualifying levy is changed, that levy becomes subject to the payment schedules in divisions (A)(1)(a) to (h) of this section. No payments shall be made for such levies after calendar year 2017.

(B) Beginning in 2007, by the thirty-first day of January of each year, the tax commissioner shall review the calculation originally made under division (A) of this section of the fixed-sum levy losses determined under division (E) of section 5751.20 of the Revised Code. If the commissioner determines that a fixed-sum levy that had been scheduled to be reimbursed in the current year has expired, a revised calculation for that and all subsequent years shall be made.

(C) Payments to local taxing units required to be made under division (A) of this section shall be paid from the local government tangible property tax replacement fund to the county undivided income tax fund in the proper county treasury. Beginning in May 2006, ~~one-third~~ one-seventh of the amount certified under that division shall be paid by the last day of May; each year, and three-sevenths shall be paid by the last day of August; and October each year. Within forty-five days after receipt of such payments, the county treasurer shall distribute amounts determined under division (A) of this section to the proper local taxing unit as if they had been levied and collected as taxes, and the local taxing unit shall apportion the amounts so received among its funds in the same proportions as if those amounts had been levied and collected as taxes.

(D) For each of the fiscal years 2006 through 2019, if the total amount in the local government tangible property tax replacement fund is insufficient to make all payments under division (C) of this section at the times the payments are to be made, the director of budget and management shall transfer from the general revenue fund to the local government tangible property tax replacement fund the difference between the total amount to be paid and the amount in the local government tangible property tax replacement fund. For each fiscal year after 2019, at the time payments under division (A)(2) of this section are to be made, the director of budget and management shall transfer from the general revenue fund to the local government property tax replacement fund the amount necessary to make such payments.

(E) On the fifteenth day of June of each year from 2006 through 2018, the director of budget and management may transfer any balance in the local government tangible property tax replacement fund to the general revenue fund.

(F) If all or a part of the territories of two or more local taxing units are merged, or unincorporated territory of a township is annexed by a municipal corporation, the tax commissioner shall adjust the payments made under this section to each of the local taxing units in proportion to the tax value loss apportioned to the merged or annexed territory, or as otherwise provided by a written agreement between the legislative authorities of the local taxing units certified to the commissioner not later than the first day of June of the calendar year in which the payment is to be made.

Sec. 5751.53. (A) As used in this section:

(1) "Net income" and "taxable year" have the same meanings as in section 5733.04 of the Revised Code.

(2) "Franchise tax year" means "tax year" as defined in section 5733.04

of the Revised Code.

(3) "Deductible temporary differences" and "taxable temporary differences" have the same meanings as those terms have for purposes of paragraph 13 of the statement of financial accounting standards, number 109.

(4) "Qualifying taxpayer" means a taxpayer under this chapter that has a qualifying Ohio net operating loss carryforward equal to or greater than the qualifying amount.

(5) "Qualifying Ohio net operating loss carryforward" means an Ohio net operating loss carryforward that the taxpayer could deduct in whole or in part for franchise tax year 2006 under section 5733.04 of the Revised Code but for the application of division (H) of this section. A qualifying Ohio net operating loss carryforward shall not exceed the amount of loss carryforward from franchise tax year 2005 as reported by the taxpayer either on a franchise tax report for franchise tax year 2005 pursuant to section 5733.02 of the Revised Code or on an amended franchise tax report prepared in good faith for such year and filed before July 1, 2006.

(6) "Disallowed Ohio net operating loss carryforward" means the lesser of the amounts described in division (A)(6)(a) or (b) of this section, but the amounts described in divisions (A)(6)(a) and (b) of this section shall each be reduced by the qualifying amount.

(a) The qualifying taxpayer's qualifying Ohio net operating loss carryforward;

(b) The Ohio net operating loss carryforward amount that the qualifying taxpayer used to compute the related deferred tax asset reflected on its books and records on the last day of its taxable year ending in 2004, adjusted for return to accrual, but this amount shall be reduced by the qualifying related valuation allowance amount. For the purposes of this section, the "qualifying related valuation allowance amount" is the amount of Ohio net operating loss reflected in the qualifying taxpayer's computation of the valuation allowance account, as shown on its books and records on the last day of its taxable year ending in 2004, with respect to the deferred tax asset relating to its Ohio net operating loss carryforward amount.

(7) "Other net deferred tax items apportioned to this state" is the product of (a) the amount of other net deferred tax items and (b) the fraction described in division (B)(2) of section 5733.05 for the qualifying taxpayer's franchise tax year 2005.

(8)(a) Subject to divisions (A)(8)(b) to (d) of this section, the "amount of other net deferred tax items" is the difference between (i) the qualifying taxpayer's deductible temporary differences, net of related valuation

allowance amounts, shown on the qualifying taxpayer's books and records on the last day of its taxable year ending in 2004, and (ii) the qualifying taxpayer's taxable temporary differences as shown on those books and records on that date. The amount of other net deferred tax items may be less than zero.

(b) For the purposes of computing the amount of the qualifying taxpayer's other net deferred tax items described in division (A)(8)(a) of this section, any credit carryforward allowed under Chapter 5733. of the Revised Code shall be excluded from the amount of deductible temporary differences to the extent such credit carryforward amount, net of any related valuation allowance amount, is otherwise included in the qualifying taxpayer's deductible temporary differences, net of related valuation allowance amounts, shown on the qualifying taxpayer's books and records on the last day of the qualifying taxpayer's taxable year ending in 2004.

(c) No portion of the disallowed Ohio net operating loss carryforward shall be included in the computation of the amount of the qualifying taxpayer's other net deferred tax items described in division (A)(8)(a) of this section.

(d) In no event shall the amount of other net deferred tax items apportioned to this state exceed twenty-five per cent of the qualifying Ohio net operating loss carryforward.

(9) "Amortizable amount" means:

(a) If the qualifying taxpayer's other net deferred tax items apportioned to this state is equal to or greater than zero, eight per cent of the sum of the qualifying taxpayer's disallowed Ohio net operating loss carryforward and the qualifying taxpayer's other net deferred tax items apportioned to this state;

(b) If the amount of the qualifying taxpayer's other net deferred tax items apportioned to this state is less than zero and if the absolute value of the amount of qualifying taxpayer's other net deferred tax items apportioned to this state is less than the qualifying taxpayer's disallowed net operating loss, eight per cent of the difference between the qualifying taxpayer's disallowed net operating loss carryforward and the absolute value of the qualifying taxpayer's other net deferred tax items apportioned to this state;

(c) If the amount of the qualifying taxpayer's other net deferred tax items apportioned to this state is less than zero and if the absolute value of the amount of qualifying taxpayer's other net deferred tax items apportioned to this state is equal to or greater than the qualifying taxpayer's disallowed net operating loss, zero.

(10) "Books and records" means the qualifying taxpayer's books,

records, and all other information, all of which the qualifying taxpayer maintains and uses to prepare and issue its financial statements in accordance with generally accepted accounting principles.

(11)(a) Except as modified by division (A)(11)(b) of this section, "qualifying amount" means fifty million dollars per person.

(b) If for franchise tax year 2005 the person was a member of a combined franchise tax report, as provided by section 5733.052 of the Revised Code, the "qualifying amount" is, in the aggregate, fifty million dollars for all members of that combined franchise tax report, and for purposes of divisions (A)(6)(a) and (b) of this section, those members shall allocate to each member any portion of the fifty million dollar amount. The total amount allocated to the members who are qualifying taxpayers shall equal fifty million dollars.

(B) For each calendar period beginning prior to January 1, 2030, there is hereby allowed a nonrefundable tax credit against the tax levied each year by this chapter on each qualifying taxpayer, on each consolidated elected taxpayer having one or more qualifying taxpayers as a member, and on each combined taxpayer having one or more qualifying taxpayers as a member. The credit shall be claimed in the order specified in section 5751.98 of the Revised Code and is allowed only to reduce the first one-half of any tax remaining after allowance of the credits that precede it in section 5751.98 of the Revised Code. No credit under division (B) of this section shall be allowed against the second one-half of such remaining tax.

Except as otherwise limited by divisions (C) and (D) of this section, the maximum amount of the nonrefundable credit that may be used against the first one-half of the remaining tax for each calendar year is as follows:

- (1) For calendar year 2010, ten per cent of the amortizable amount;
- (2) For calendar year 2011, twenty per cent of the amortizable amount, less all amounts previously used;
- (3) For calendar year 2012, thirty per cent of the amortizable amount, less all amounts previously used;
- (4) For calendar year 2013, forty per cent of the amortizable amount, less all amounts previously used;
- (5) For calendar year 2014, fifty per cent of the amortizable amount, less all amounts previously used;
- (6) For calendar year 2015, sixty per cent of the amortizable amount, less all amounts previously used;
- (7) For calendar year 2016, seventy per cent of the amortizable amount, less all amounts previously used;
- (8) For calendar year 2017, eighty per cent of the amortizable amount,

less all amounts previously used;

(9) For calendar year 2018, ninety per cent of the amortizable amount, less all amounts previously used;

(10) For each of calendar years 2019 through 2029, one hundred per cent of the amortizable amount, less all amounts used in all previous years.

In no event shall the cumulative credit used for calendar years 2010 through 2029 exceed one hundred per cent of the amortizable amount.

(C)(1) Except as otherwise set forth in division (C)(2) of this section, a refundable credit is allowed in calendar year 2030 for any portion of the qualifying taxpayer's amortizable amount that is not used in accordance with division (B) of this section against the tax levied by this chapter on all taxpayers.

(2) Division (C)(1) of this section shall not apply and no refundable credit shall be available to any person if during any portion of the calendar year 2030 the person is not subject to the tax imposed by this chapter.

(D) Not later than June 30, 2006, each qualifying taxpayer, consolidated elected taxpayer, or combined taxpayer that will claim for any year the credit allowed in divisions (B) and (C) of this section shall file with the tax commissioner a report setting forth the amortizable amount available to such taxpayer and all other related information that the commissioner, by rule, requires. If the taxpayer does not timely file the report or fails to provide timely all information required by this division, the taxpayer is precluded from claiming any credit amounts described in divisions (B) and (C) of this section. Unless extended by mutual consent, the tax commissioner may, until June 30, 2010, audit the accuracy of the amortizable amount available to each taxpayer that will claim the credit, and adjust the amortizable amount or, if appropriate, issue any assessment or final determination, as applicable, necessary to correct any errors found upon audit.

(E) For the purpose of calculating the amortizable amount, if the tax commissioner ascertains that any portion of that amount is the result of a sham transaction as described in section 5703.56 of the Revised Code, the commissioner shall reduce the amortizable amount by two times the adjustment.

(F) If one entity transfers all or a portion of its assets and equity to another entity as part of an entity organization or reorganization or subsequent entity organization or reorganization for which no gain or loss is recognized in whole or in part for federal income tax purposes under the Internal Revenue Code, the credits allowed by this section shall be computed in a manner consistent with that used to compute the portion, if any, of federal net operating losses allowed to the respective entities under

the Internal Revenue Code. The tax commissioner may prescribe forms or rules for making the computations required by this division.

(G)(1) Except as provided in division (F) of this section, no person shall pledge, collateralize, hypothecate, assign, convey, sell, exchange, or otherwise dispose of any or all tax credits, or any portion of any or all tax credits allowed under this section.

(2) No credit allowed under this section is subject to execution, attachment, lien, levy, or other judicial proceeding.

(H)(1)(a) Except as set forth in division (H)(1)(b) of this section and notwithstanding division (I)(1) of section 5733.04 of the Revised Code to the contrary, each person timely and fully complying with the reporting requirements set forth in division (D) of this section shall not claim, and shall not be entitled to claim, any deduction or adjustment for any Ohio net operating loss carried forward to any one or more franchise tax years after franchise tax year 2005.

(b) Division (H)(1)(a) of this section applies only to the portion of the Ohio net operating loss represented by the disallowed Ohio net operating loss carryforward.

(2) Notwithstanding division (I) of section 5733.04 of the Revised Code to the contrary, with respect to all franchise tax years after franchise tax year 2005, each person timely and fully complying with the reporting requirements set forth in division (D) of this section shall not claim, and shall not be entitled to claim, any deduction, exclusion, or adjustment with respect to deductible temporary differences reflected on the person's books and records on the last day of its taxable year ending in 2004.

(3)(a) Except as set forth in division (H)(3)(b) of this section and notwithstanding division (I) of section 5733.04 of the Revised Code to the contrary, with respect to all franchise tax years after franchise tax year 2005, each person timely and fully complying with the reporting requirements set forth in division (D) of this section shall exclude from Ohio net income all taxable temporary differences reflected on the person's books and records on the last day of its taxable year ending in 2004.

(b) In no event shall the exclusion provided by division (H)(3)(a) of this section for any franchise tax year exceed the amount of the taxable temporary differences otherwise included in Ohio net income for that year.

(4) Divisions (H)(2) and (3) of this section shall apply only to the extent such items were used in the calculations of the credit provided by this section.

Sec. 5919.19. (A) There is hereby created the commemorative Ohio national guard service medal. The adjutant general shall design the medal

and administer the program for its distribution. Former members of the Ohio national guard who have been honorably or medically discharged or released from service in the Ohio national guard are eligible, upon application, to receive the medal.

Eligible persons who apply to receive the medal shall submit to the adjutant general a copy of their DD-214 form or NGB-22 form and a fee in an amount to be determined by the adjutant general. The adjutant general shall set the fee at an amount necessary to cover the cost of producing the medal.

(B) There is hereby created in the state treasury the national guard service medal fund. Fees collected from applicants for the medal as well as any appropriations made by the general assembly for purposes of the medal program shall be paid into the state treasury to the credit of the fund. The fund shall be used to pay for the production of the medal.

Sec. 5923.05. (A)(1) Permanent public employees who are members of the Ohio organized militia or members of other reserve components of the armed forces of the United States, including the Ohio national guard, are entitled to a leave of absence from their respective positions without loss of pay for the time they are performing service in the uniformed services, for periods of up to one month, for each calendar year in which they are performing service in the uniformed services.

(2) As used in this section:

(a) "Calendar year" means the year beginning on the first day of January and ending on the last day of December.

(b) "Month" means twenty-two eight-hour work days or one hundred seventy-six hours within one calendar year.

(c) "Permanent public employees" and "uniformed services" have the same meanings as in section 5903.01 of the Revised Code.

(d) "State agency" means any department, bureau, board, commission, office, or other organized body established by the constitution or laws of this state for the exercise of any function of state government, the general assembly, all legislative agencies, the supreme court, the court of claims, and the state-supported institutions of higher education.

(B) Except as otherwise provided in division (D) of this section, any permanent public employee who is employed by a political subdivision, who is entitled to the leave provided under division (A) of this section, and who is called or ordered to the uniformed services for longer than a month, for each calendar year in which the employee performed service in the uniformed services, because of an executive order issued by the president of the United States, because of an act of congress, or because of an order to

perform duty issued by the governor pursuant to section 5919.29 of the Revised Code is entitled, during the period designated in the order or act, to a leave of absence and to be paid, during each monthly pay period of that leave of absence, the lesser of the following:

(1) The difference between the permanent public employee's gross monthly wage or salary as a permanent public employee and the sum of the permanent public employee's gross uniformed pay and allowances received that month;

(2) Five hundred dollars.

(C) Except as otherwise provided in division (D) of this section, any permanent public employee who is employed by a state agency, who is entitled to the leave provided under division (A) of this section, and who is called or ordered to the uniformed services for longer than a month, for each calendar year in which the employee performed service in the uniformed services, because of an executive order issued by the president of the United States, because of an act of congress, or because of an order to perform duty issued by the governor pursuant to section 5919.29 or 5923.21 of the Revised Code is entitled, during the period designated in the order or act, to a leave of absence and to be paid, during each monthly pay period of that leave of absence, the difference between the permanent public employee's gross monthly wage or salary as a permanent public employee and the sum of the permanent public employee's gross uniformed pay and allowances received that month.

(D) No permanent public employee shall receive payments under division (B) or (C) of this section if the sum of the permanent public employee's gross uniformed pay and allowances received in a pay period exceeds the employee's gross wage or salary as a permanent public employee for that period or if the permanent public employee is receiving pay under division (A) of this section.

(E) Any political subdivision of the state, as defined in section 2744.01 of the Revised Code, may elect to pay any of its permanent public employees who are entitled to the leave provided under division (A) of this section and who are called or ordered to the uniformed services for longer than one month, for each calendar year in which the employee performed service in the uniformed services, because of an executive order issued by the president or an act of congress, such payments, in addition to those payments required by division (B) of this section, as may be authorized by the legislative authority of the political subdivision.

(F) Each permanent public employee who is entitled to leave provided under division (A) of this section shall submit to the permanent public

employee's appointing authority the published order authorizing the call or order to the uniformed services or a written statement from the appropriate military commander authorizing that service, prior to being credited with that leave.

(G) Any permanent public employee of a political subdivision whose employment is governed by a collective bargaining agreement with provision for the performance of service in the uniformed services shall abide by the terms of that collective bargaining agreement with respect to the performance of that service, except that no collective bargaining agreement may afford fewer rights and benefits than are conferred under this section.

Sec. 6121.02. There is hereby created the Ohio water development authority. Such authority is a body both corporate and politic in this state, and the carrying out of its purposes and the exercise by it of the powers conferred by ~~Chapter 6121. of the Revised Code~~ this chapter shall be held to be, and are hereby determined to be, essential governmental functions and public purposes of the state, but the authority is not immune from liability by reason thereof. The authority is subject to all provisions of law generally applicable to state agencies ~~which~~ that do not conflict with this chapter.

The authority shall consist of eight members as follows: five members appointed by the governor, with the advice and consent of the senate, no more than three of whom shall be members of the same political party, and the directors of natural resources, environmental protection, and development, who shall be members ex officio without compensation. The director of development may designate a person in the unclassified civil service to serve in the director's place as a member of the authority notwithstanding section 121.05 of the Revised Code. The appointive members shall be residents of the state, and shall have been qualified electors therein for a period of at least five years next preceding their appointment. Appointed members' terms of office shall be for eight years, commencing on the second day of July and ending on the first day of July. Each member shall hold office from the date of appointment until the end of the term for which the member was appointed. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of such term. Any appointed member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first. A member of the authority is eligible for reappointment. Each appointed member of the authority, before entering upon the performance of the duties

of the office, shall take an oath as provided by Section 7 of Article XV, Ohio Constitution. The governor may at any time remove any member of the authority for misfeasance, nonfeasance, or malfeasance in office.

The authority shall elect one of its appointed members as chairperson and another as vice-chairperson, and shall appoint a secretary-treasurer who need not be a member of the authority. Four members of the authority shall constitute a quorum, and the affirmative vote of four members shall be necessary for any action taken by vote of the authority. No vacancy in the membership of the authority shall impair the rights of a quorum by such vote to exercise all the rights and perform all the duties of the authority.

Before the issuance of any water development revenue bonds under ~~Chapter 6121. of the Revised Code~~ this chapter, each appointed member of the authority shall give a surety bond to the state in the penal sum of twenty-five thousand dollars and the secretary-treasurer shall give such a bond in the penal sum of fifty thousand dollars, each such surety bond to be conditioned upon the faithful performance of the duties of the office, to be executed by a surety company authorized to transact business in this state, and to be approved by the governor and filed in the office of the secretary of state. Each appointed member of the authority shall receive an annual salary of five thousand dollars, payable in monthly installments, and is entitled to health care benefits comparable to those generally available to state officers and employees under section 124.82 of the Revised Code. If Section 20 of Article II, Ohio Constitution, prohibits the Ohio water development authority from paying all or a part of the cost of health care benefits on behalf of a member of the authority for the remainder of an existing term, the member may receive these benefits by paying their total cost from the member's own financial resources, including paying by means of deductions from the member's salary. Each member shall be reimbursed for actual expenses necessarily incurred in the performance of official duties. All expenses incurred in carrying out ~~such sections~~ this chapter shall be payable solely from funds provided under ~~Chapter 6121. of the Revised Code~~ this chapter, or appropriated for such purpose by the general assembly and no liability or obligation shall be incurred by the authority beyond the extent to which moneys have been provided under ~~such sections~~ this chapter or such appropriations.

SECTION 101.02. That existing sections 9.41, 9.901, 101.543, 107.40, 109.57, 109.572, 113.09, 113.11, 113.12, 117.45, 117.46, 117.47, 117.48, 120.36, 120.52, 120.521, 120.53, 121.37, 122.17, 122.171, 122.72, 122.73, 122.74, 122.90, 124.09, 124.11, 124.134, 124.135, 124.137, 124.138,

124.139, 124.14, 124.151, 124.152, 124.18, 124.181, 124.182, 124.321, 124.324, 124.327, 124.382, 124.384, 124.386, 124.387, 124.389, 124.391, 124.82, 124.821, 124.823, 124.84, 124.87, 125.21, 126.07, 126.21, 126.22, 131.01, 131.02, 131.33, 133.01, 133.04, 133.06, 133.12, 133.18, 141.08, 141.10, 145.70, 173.14, 173.39, 173.391, 173.41, 184.20, 319.301, 340.021, 742.57, 901.23, 927.39, 927.40, 927.41, 927.42, 955.011, 955.16, 955.43, 1309.102, 1309.520, 1309.521, 1317.07, 1321.02, 1333.11, 1333.82, 1523.02, 1901.31, 1901.311, 1901.32, 1901.33, 2151.357, 2152.44, 2305.2341, 2503.20, 2913.01, 2913.02, 2921.321, 2923.46, 2925.44, 2933.43, 3109.14, 3301.0714, 3302.021, 3307.32, 3309.68, 3310.03, 3310.06, 3310.08, 3310.16, 3311.057, 3313.29, 3313.372, 3313.61, 3313.64, 3313.6410, 3313.813, 3314.02, 3314.03, 3314.08, 3314.26, 3314.35, 3314.36, 3315.01, 3317.01, 3317.015, 3317.02, 3317.021, 3317.022, 3317.024, 3317.029, 3317.0216, 3317.03, 3317.051, 3317.053, 3317.06, 3317.07, 3317.082, 3317.11, 3317.19, 3318.052, 3318.37, 3319.17, 3323.091, 3323.13, 3323.20, 3353.02, 3354.10, 3357.10, 3358.06, 3362.01, 3365.02, 3375.121, 3381.15, 3381.17, 3517.152, 3701.041, 3701.341, 3701.65, 3705.242, 3718.02, 3734.57, 3735.67, 3745.114, 3769.087, 3901.383, 3901.3814, 3905.43, 3917.04, 4109.01, 4109.02, 4109.06, 4117.01, 4123.444, 4301.01, 4303.17, 4303.181, 4303.182, 4303.29, 4731.22, 4731.281, 4781.04, 4905.79, 5101.93, 5111.011, 5111.0112, 5111.061, 5111.081, 5111.082, 5111.083, 5111.084, 5111.085, 5111.11, 5111.151, 5111.161, 5111.162, 5111.20, 5111.222, 5111.231, 5111.244, 5111.27, 5111.31, 5111.88, 5111.882, 5111.889, 5111.8811, 5111.8812, 5112.08, 5112.18, 5112.31, 5115.04, 5119.16, 5123.0413, 5123.196, 5123.36, 5139.50, 5505.27, 5531.10, 5577.99, 5703.21, 5703.57, 5705.03, 5705.091, 5705.19, 5705.195, 5705.34, 5709.08, 5709.081, 5709.40, 5709.42, 5709.43, 5709.73, 5709.74, 5709.75, 5709.78, 5709.79, 5709.80, 5711.01, 5725.221, 5727.06, 5727.85, 5729.05, 5733.01, 5733.352, 5733.56, 5733.98, 5735.27, 5739.011, 5739.026, 5739.211, 5741.031, 5743.025, 5743.03, 5743.04, 5743.05, 5743.08, 5743.081, 5743.12, 5743.13, 5743.15, 5743.18, 5743.33, 5743.34, 5743.35, 5745.01, 5747.01, 5747.012, 5747.05, 5747.056, 5747.11, 5747.331, 5748.01, 5748.02, 5751.01, 5751.011, 5751.032, 5751.04, 5751.05, 5751.051, 5751.10, 5751.20, 5751.21, 5751.22, 5751.53, 5923.05, and 6121.02 of the Revised Code are hereby repealed.

SECTION 105.01. That sections 124.822, 124.92, 3325.12, 3325.17, 3365.11, 4732.04, and 5111.18 of the Revised Code are hereby repealed.

SECTION 203.10. All items set forth in Sections 203.20 and 203.30 of this act are hereby appropriated out of any moneys in the General Revenue Fund (GRF) that are not otherwise appropriated:

Reappropriations

SECTION 203.20. DAS DEPARTMENT OF ADMINISTRATIVE SERVICES

CAP-786	Rural Areas Community Improvements	\$	45,000
CAP-817	Urban Areas Community Improvements	\$	918,900
	Total Department of Administrative Services	\$	963,900

RURAL AREAS COMMUNITY IMPROVEMENTS

From the foregoing appropriation item CAP-786, Rural Areas Community Improvements, grants shall be made for the following projects: \$20,000 for the Red Mill Creek Water Retention Basin and \$25,000 for the Lawrence County Water Projects.

URBAN AREAS COMMUNITY IMPROVEMENTS

From the foregoing appropriation item CAP-817, Urban Areas Community Improvements, grants shall be made for the following projects: \$50,000 for the Brown Senior Center Renovations; \$100,000 for Project AHEAD Facility Improvements; \$75,000 for the J. Frank-Troy Senior Citizens Center; \$50,000 for the Beech Acres Family Center; \$23,900 for the Canton Jewish Women's Center; \$450,000 for the Gateway Social Services Building; \$50,000 for the Loew Field Improvements; \$20,000 for the Harvard Community Services Center Renovation & Expansion; \$20,000 for the Collinwood Community Service Center Repair & Renovation; and \$80,000 for Bowman Park - City of Toledo.

Reappropriations

SECTION 203.30. DNR DEPARTMENT OF NATURAL RESOURCES

CAP-823	Cost Sharing-Pollution Abatement	\$	22,538
CAP-942	Local Parks Projects	\$	80,225
CAP-999	Geographic Information Management System	\$	1,085
	Total Department of Natural Resources	\$	103,847
	TOTAL GRF General Revenue Fund	\$	1,067,747

LOCAL PARKS PROJECTS

From the foregoing appropriation item CAP-942, Local Parks Projects, \$75,000 shall be granted for the Liberty Township Playground.

SECTION 203.40. No expenditures shall be made from any of the items

appropriated from the General Revenue Fund in Sections 203.20 and 203.30 of this act until the funds are released by the Controlling Board.

SECTION 205.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Wildlife Fund (Fund 015) that are not otherwise appropriated:

		Reappropriations	
DNR DEPARTMENT OF NATURAL RESOURCES			
CAP-117	Cooper Hollow Wildlife Area	\$	4,815
CAP-161	Tranquility Wildlife Area	\$	1,286
CAP-216	Killbuck Creek Wildlife Area	\$	550
CAP-387	Access Development	\$	2,459,274
CAP-702	Upgrade Underground Fuel Tanks	\$	134,945
CAP-703	Cap Abandoned Water Wells	\$	57,125
CAP-754	Tiffin River Wildlife Area	\$	1,000
CAP-834	Appraisal Fees - Statewide	\$	52,445
CAP-852	Wildlife Area Building Development/Renovation	\$	3,376,004
CAP-881	Dam Rehabilitation	\$	500,000
CAP-995	Boundary Protection	\$	100,000
	Total Department of Natural Resources	\$	6,687,444
	TOTAL Wildlife Fund	\$	6,687,444

SECTION 207.10. The items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Public School Building Fund (Fund 021) that are not otherwise appropriated:

		Reappropriations	
SFC SCHOOL FACILITIES COMMISSION			
CAP-622	Public School Buildings	\$	30,219,647
CAP-778	Exceptional Needs	\$	1,440,286
CAP-783	Emergency School Building Assistance	\$	15,000,000
	Total School Facilities Commission	\$	46,659,933
	TOTAL Public School Building Fund	\$	46,659,933

SECTION 209.10. The items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Highway Safety Fund (Fund 036) that are not otherwise appropriated:

		Reappropriations	
DHS DEPARTMENT OF PUBLIC SAFETY			
CAP-045	Platform Scales Improvements	\$	400,000
CAP-072	Patrol Academy Infrastructure Improvements	\$	750,000
CAP-077	Van Wert Patrol Post	\$	31,567

CAP-079	Ironton Patrol Post	\$	1,900,000
	Total Department of Public Safety	\$	3,081,567
	TOTAL Highway Safety Fund	\$	3,081,567

SECTION 211.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Waterways Safety Fund (Fund 086) that are not otherwise appropriated:

Reappropriations

DNR DEPARTMENT OF NATURAL RESOURCES

CAP-082	Lake Loramie State Park	\$	128,617
CAP-205	Deer Creek State Park	\$	360,000
CAP-324	Cooperative Funding for Boating Facilities	\$	10,934,559
CAP-390	State Park Maintenance Facility Development	\$	1,821,093
CAP-934	Operations Facilities Development	\$	1,141,508
	Total Department of Natural Resources	\$	14,385,777
	TOTAL Waterways Safety Fund	\$	14,385,777

SECTION 213.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Underground Parking Garage Operating Fund (Fund 208) that are not otherwise appropriated:

Reappropriations

CSR CAPITOL SQUARE REVIEW AND ADVISORY BOARD

CAP-004	Emergency Generator and Lighting System	\$	200,000
CAP-008	Install Garage Oil Interceptor System	\$	60,000
CAP-009	Garage Fire Suppression System	\$	706,631
	Total Capitol Square Review and Advisory Board	\$	966,631
	TOTAL Underground Parking Garage Operating Fund	\$	966,631

UNDERGROUND PARKING GARAGE FIRE SUPPRESSION SYSTEM

Appropriation item CAP-009, Garage Fire Suppression System, in the Underground Parking Garage Operating Fund (Fund 208), shall be used for completion of the second and final phase of a fire suppression system in the Statehouse garage. Notwithstanding any section of the Revised Code, any transfer or disbursement of moneys from appropriation item CAP-009, Garage Fire Suppression System, for this purpose shall be subject to Controlling Board approval.

SECTION 215.10. The items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Nursing Home - Federal Fund (Fund 319) that are not otherwise appropriated:

			Reappropriations
OVH OHIO VETERANS' HOME			
430-776	Mechanical Systems Upgrade	\$	1,560,000
430-777	Secrest Kitchen Improvements	\$	260,000
430-778	Corridor Renovations	\$	325,000
430-781	Secrest/Veterans' Hall Roof Replacement	\$	552,500
	Total Ohio Veterans' Home	\$	2,697,500
	TOTAL Nursing Home - Federal Fund	\$	2,697,500

SECTION 217.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Army National Guard Service Contract Fund (Fund 342) that are not otherwise appropriated:

			Reappropriations
ADJ ADJUTANT GENERAL			
CAP-065	Local Armory Construction/Federal	\$	5,845,553
	Total Adjutant General	\$	5,845,553
	TOTAL Army National Guard Service Contract Fund	\$	5,845,553

SECTION 219.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Special Administrative Fund (Fund 4A9) that are not otherwise appropriated:

			Reappropriations
JFS DEPARTMENT OF JOB AND FAMILY SERVICES			
CAP-027	Various Renovations - Local Offices	\$	2,076,956
CAP-702	Central Office Building Renovations	\$	16,000,000
	Total Department of Job and Family Services	\$	18,076,956
	TOTAL Special Administrative Fund	\$	18,076,956

CENTRAL OFFICE BUILDING RENOVATIONS SPENDING AND REPAYMENT PLAN

Funds appropriated in the foregoing appropriation item CAP-702, Central Office Building Renovations, are to be released for expenditure only after approval of the Unemployment Compensation Advisory Council created under section 4141.08 of the Revised Code. The amount to be released shall be based on a spending plan, which may include a repayment schedule, approved by the Council. Once approval is received, the Director of Job and Family Services shall request the Director of Budget and Management or the Controlling Board to release the appropriation.

SECTION 221.10. The items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the

Community Match Armories Fund (Fund 5U8) that are not otherwise appropriated:

		Reappropriations
ADJ ADJUTANT GENERAL		
CAP-066	Armory Construction/Local	\$ 4,273,922
Total Adjutant General		\$ 4,273,922
TOTAL Community Match Armories Fund		\$ 4,273,922

SECTION 223.10. The items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the State Fire Marshal Fund (Fund 546) that are not otherwise appropriated:

		Reappropriations
COM DEPARTMENT OF COMMERCE		
CAP-015	Site Improvements	\$ 646
CAP-016	MARCS Radio Communication	\$ 33,187
Total Department of Commerce		\$ 33,833
TOTAL State Fire Marshal Fund		\$ 33,833

SECTION 225.10. The items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Veterans' Home Improvement Fund (Fund 604) that are not otherwise appropriated:

		Reappropriations
OVH OHIO VETERANS' HOME		
CAP-776	Mechanical Systems Upgrade	\$ 811,800
CAP-777	Secrest Kitchen Improvements	\$ 95,318
CAP-778	Corridor Renovations	\$ 120,344
CAP-779	Service Building	\$ 33,410
CAP-781	Secrest/Veterans' Hall Roof Replacement	\$ 293,378
CAP-782	HVAC Controls Upgrade	\$ 135,000
CAP-783	Resident Security Upgrade	\$ 50,000
CAP-784	Multipurpose/Employee Locker Room	\$ 228,680
Total Ohio Veterans' Home		\$ 1,767,930
TOTAL Veterans' Home Improvement Fund		\$ 1,767,930

SECTION 227.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Education Facilities Trust Fund (Fund N87) that are not otherwise appropriated:

		Reappropriations
SFC SCHOOL FACILITIES COMMISSION		

Am. Sub. H. B. No. 530

777

CAP-780	Classroom Facilities Assistance Program	\$	107,244,971
CAP-784	Exceptional Needs Program	\$	7,097,377
	Total School Facilities Commission	\$	114,342,348
	TOTAL Education Facilities Trust Fund	\$	114,342,348

SECTION 229.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Clean Ohio Revitalization Fund (Fund 003) that are not otherwise appropriated:

			Reappropriations
	DEV DEPARTMENT OF DEVELOPMENT		
CAP-001	Clean Ohio Revitalization	\$	40,702,351
CAP-002	Clean Ohio Assistance	\$	13,208,076
	Total Department of Development	\$	53,910,427
	TOTAL Clean Ohio Revitalization Fund	\$	53,910,427

SECTION 231.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Job Ready Site Development Fund (Fund 012) that are not otherwise appropriated:

			Reappropriations
	DEV DEPARTMENT OF DEVELOPMENT		
CAP-003	Job Ready Site Development	\$	30,000,000
	Total Department of Development	\$	30,000,000
	TOTAL Job Ready Site Development Fund	\$	30,000,000

SECTION 233.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Highway Safety Building Fund (Fund 025) that are not otherwise appropriated:

			Reappropriations
	DHS DEPARTMENT OF PUBLIC SAFETY		
CAP-047	Public Safety Office Building	\$	2,710,400
CAP-068	Alum Creek Warehouse Renovations	\$	84,207
CAP-069	Centre School Renovations	\$	20,219
CAP-070	Canton One Stop Shop	\$	731,000
CAP-076	Investigative Unit MARCS Equipment	\$	15,877
	Total Department of Public Safety	\$	3,561,703
	TOTAL Highway Safety Building Fund	\$	3,561,703

SECTION 235.10. All items set forth in Sections 235.20 to 236.20 of this act are hereby appropriated out of any moneys in the state treasury to the

credit of the Administrative Building Fund (Fund 026) that are not otherwise appropriated:

		Reappropriations
SECTION 235.20. ADJ ADJUTANT GENERAL		
CAP-032	Upgrade Underground Storage Tanks	\$ 46,078
CAP-034	Asbestos Abatement - Various Facilities	\$ 6,392
CAP-036	Roof Replacement - Various Facilities	\$ 337,408
CAP-038	Electrical System - Various Facilities	\$ 164,912
CAP-039	Camp Perry Facility Improvements	\$ 235,272
CAP-044	Replace Windows/Doors - Various Facilities	\$ 257,459
CAP-045	Plumbing Renovations - Various Facilities	\$ 283,022
CAP-046	Paving Renovations - Various Facilities	\$ 788,000
CAP-050	HVAC Systems - Various Facilities	\$ 193,552
CAP-054	Construct Camp Perry Administration Building	\$ 6,540
CAP-056	Masonry Renovations - Various Facilities	\$ 181,096
CAP-057	Sewer Improvement - Rickenbacker	\$ 1,300
CAP-059	Construct Bowling Green Armory	\$ 14,151
CAP-060	Facility Protection Measures	\$ 463,246
CAP-061	Repair/Renovate Waste Water System	\$ 200,000
CAP-068	Norwalk Armory Storage Facility	\$ 15,000
CAP-069	Construct Marysville Armory/Community Center	\$ 2,883,475
Total Adjutant General		\$ 6,076,903

NEW ARMORY CONSTRUCTION

The foregoing appropriation item CAP-059, Construct Bowling Green Armory, shall be used to fund the state's share of the cost of building a basic armory in the Bowling Green area, including the cost of site acquisition, site preparation, and planning and design. Appropriations shall not be released for this item without a certification by the Adjutant General to the Director of Budget and Management that sufficient moneys have been allocated for the federal share of the cost of construction.

The amount reappropriated for appropriation item CAP-059, Construct Bowling Green Armory, is the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-059, Construct Bowling Green Armory, plus \$14,151.

		Reappropriations
SECTION 235.30. DAS DEPARTMENT OF ADMINISTRATIVE SERVICES		
CAP-809	Hazardous Substance Abatement	\$ 1,609,476
CAP-811	Health/EPA Laboratory Facilities	\$ 1,116,354
CAP-822	Americans with Disabilities Act	\$ 1,598,416
CAP-826	Office Services Building Renovation	\$ 86,483

CAP-827	Statewide Communications System	\$	16,943,803
CAP-834	Capital Project Management System	\$	1,157,600
CAP-835	Energy Conservation Projects	\$	890,085
CAP-837	Major Computer Purchases	\$	1,476,068
CAP-838	SOCC Renovations	\$	1,399,122
CAP-844	Hamilton State/Local Government Center - Planning	\$	57,500
CAP-849	Facility Planning and Development	\$	3,492,200
CAP-850	Education Building Renovations	\$	14,649
CAP-852	North High Building Complex Renovations	\$	11,534,496
CAP-855	Office Space Planning	\$	5,274,502
CAP-856	Governor's Residence Security Update	\$	6,433
CAP-859	eSecure Ohio	\$	2,626,921
CAP-860	Structured Cabling	\$	403,518
CAP-864	eGovernment Infrastructure	\$	1,297,400
CAP-865	DAS Building Security	\$	140,852
CAP-866	OH*1 Network	\$	4,000,000
CAP-867	Lausche Building Connector	\$	1,307,200
CAP-868	Riversouth Development	\$	18,500,000
Total Department of Administrative Services		\$	74,933,078

HAZARDOUS SUBSTANCE ABATEMENT IN STATE FACILITIES

The foregoing appropriation item CAP-809, Hazardous Substance Abatement, shall be used to fund the removal of asbestos, PCB, radon gas, and other contamination hazards from state facilities.

Prior to the release of funds for asbestos abatement, the Department of Administrative Services shall review proposals from state agencies to use these funds for asbestos abatement projects based on criteria developed by the Department of Administrative Services. Upon a determination by the Department of Administrative Services that the requesting agency cannot fund the asbestos abatement project or other toxic materials removal through existing capital and operating appropriations, the Department may request the release of funds for such projects by the Controlling Board. State agencies intending to fund asbestos abatement or other toxic materials removal through existing capital and operating appropriations shall notify the Director of Administrative Services of the nature and scope prior to commencing the project.

Only agencies that have received appropriations for capital projects from the Administrative Building Fund (Fund 026) are eligible to receive funding from this item. Public school districts are not eligible.

IMPLEMENTATION OF AMERICANS WITH DISABILITIES ACT

The foregoing appropriation item CAP-822, Americans with Disabilities Act, shall be used to renovate state-owned facilities to provide access for physically disabled persons in accordance with Title II of the Americans with Disabilities Act.

Prior to the release of funds for renovation, state agencies shall perform self-evaluations of state-owned facilities identifying barriers to access to

service. State agencies shall prioritize access barriers and develop a transition plan for the removal of these barriers. The Department of Administrative Services shall review proposals from state agencies to use these funds for Americans with Disabilities Act renovations.

Only agencies that have received appropriations for capital projects from the Administrative Building Fund (Fund 026) are eligible to receive funding from this item. Public school districts are not eligible.

MARCS STEERING COMMITTEE AND STATEWIDE COMMUNICATIONS SYSTEM

There is hereby continued a Multi-Agency Radio Communications System (MARCS) Steering Committee consisting of the designees of the Directors of the Office of Information Technology, Public Safety, Natural Resources, Transportation, Rehabilitation and Correction, and Budget and Management. The Director of the Office of Information Technology or the Director's designee shall chair the Committee. The Committee shall provide assistance to the Director of the Office of Information Technology for effective and efficient implementation of the MARCS system as well as develop policies for the ongoing management of the system. Upon dates prescribed by the Directors of the Office of Information Technology and Budget and Management, the MARCS Steering Committee shall report to the Directors on the progress of MARCS implementation and the development of policies related to the system.

The foregoing appropriation item CAP-827, Statewide Communications System, shall be used to purchase or construct the components of MARCS that are not specific to any one agency. The equipment may include, but is not limited to, multi-agency equipment at the Emergency Operations Center/Joint Dispatch Facility, computer and telecommunication equipment used for the functioning and integration of the system, communications towers, tower sites, tower equipment, and linkages among towers and between towers and the State of Ohio Network for Integrated Communication (SONIC) system. The Director of the Office of Information Technology shall, with the concurrence of the MARCS Steering Committee, determine the specific use of funds.

The amount reappropriated for the foregoing appropriation item CAP-827, Statewide Communications System, is the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-827, Statewide Communications System, plus \$623,665.11.

Spending from this appropriation item shall not be subject to Chapters 123. and 153. of the Revised Code.

ENERGY CONSERVATION PROJECTS

The foregoing appropriation item CAP-835, Energy Conservation Projects, shall be used to perform energy conservation renovations, including the United States Environmental Protection Agency's Energy Star Program, in state-owned facilities. Prior to the release of funds for renovation, state agencies shall have performed a comprehensive energy audit for each project. The Department of Administrative Services shall review and approve proposals from state agencies to use these funds for energy conservation. Public school districts and state-supported and state-assisted institutions of higher education are not eligible for funding from this item.

NORTH HIGH BUILDING COMPLEX RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-852, North High Building Complex Renovations, is the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-852, North High Building Complex Renovations, plus the sum of the unencumbered and unallotted balance for appropriation item CAP-813, Heer Building Renovation as of June 30, 2006.

		Reappropriations
SECTION 235.40. AGR DEPARTMENT OF AGRICULTURE		
CAP-025	Building Renovations	\$ 5,020
CAP-029	Administration Building Renovation	\$ 541
CAP-033	Site Electrical/Utility Improvement	\$ 15,420
CAP-037	Consumer Lab/Weights/Measures Equip	\$ 6,428
CAP-039	Renovate Weights/Measures Building	\$ 307,655
CAP-042	Reynoldsburg Complex Security	\$ 110,000
CAP-043	Building and Grounds Renovation	\$ 501,863
CAP-044	Renovate Building 4	\$ 59,832
CAP-049	Consumer Analytical Laboratory	\$ 110,000
CAP-050	Plant Industries Building Planning	\$ 650,000
Total Department of Agriculture		\$ 1,766,759

		Reappropriations
SECTION 235.50. AGO ATTORNEY GENERAL		
CAP-715	Expand/Renovate Richfield Lab	\$ 51,942
Total Attorney General		\$ 51,942

EXPAND/RENOVATE RICHFIELD LAB

The amount reappropriated for appropriation item CAP-715, Expand/Renovate Richfield Lab, is the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-715, Expand/Renovate Richfield Lab, plus \$39,403.

SECTION 235.60. CSR CAPITOL SQUARE			Reappropriations
ADVISORY BOARD			REVIEW AND
CAP-010	Capitol Rotunda Renovations	\$	1,607,515
CAP-015	Sound System Upgrades	\$	136,118
Total Capitol Square Review and Advisory Board			\$ 1,743,633

SECTION 235.70. EXP EXPOSITIONS COMMISSION			Reappropriations
CAP-037	Electric and Lighting Upgrade	\$	2,400,000
CAP-046	Land Acquisition	\$	5,240
CAP-056	Building Renovations - 2	\$	1,609,813
CAP-057	HVAC Planning	\$	2,001
CAP-063	Facility Improvements and Modernization Plan	\$	131,771
CAP-064	Replacement of Water Lines	\$	16,209
CAP-068	Masonry Renovations	\$	59,824
CAP-069	Restroom Renovations	\$	9,559
CAP-072	Emergency Renovations and Equipment Replacement	\$	783,523
Total Expositions Commission			\$ 5,017,940

FACILITY IMPROVEMENTS AND MODERNIZATION PLAN

The amount reappropriated for the foregoing appropriation item CAP-063, Facility Improvements and Modernization Plan, is the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-063, Facility Improvements and Modernization Plan, plus \$131,771.

SECTION 235.80. DNR DEPARTMENT OF NATURAL RESOURCES			Reappropriations
CAP-741	High Band Radio System	\$	107,336
CAP-742	Fountain Square Building and Telephone System Improvements	\$	1,403,088
CAP-744	Multi-Agency Radio Communications Equipment	\$	2,412,559
CAP-747	DNR Fairgrounds Areas Upgrading	\$	500,000
CAP-867	Reclamation Facility Renovation and Development	\$	225,000
CAP-928	Handicapped Accessibility	\$	39,654
CAP-934	District Office Renovations and Development	\$	761,147
Total Department of Natural Resources			\$ 5,448,784

SECTION 235.90. DHS DEPARTMENT OF PUBLIC SAFETY			Reappropriations
CAP-053	Construct EMA/EOC and Office Building	\$	6,605
CAP-054	Multi-Agency Radio Communications System	\$	587,511
CAP-067	VHF Radio System Improvements	\$	224,464

CAP-078	Upgrade/Replacement - State EOC Equipment	\$	950,762
CAP-081	National Weather Radio Coverage	\$	162,900
Total Department of Public Safety		\$	1,932,242

Reappropriations

SECTION 236.10. OSB SCHOOL FOR THE BLIND

CAP-728	New School Lighting	\$	184,500
CAP-745	Roof Improvements on the School and Cottage	\$	164,186
CAP-751	Upgrade Fire Alarm System	\$	73,192
CAP-757	Bathroom Handicapped Accessibility	\$	20,956
CAP-764	Electric System Improvements	\$	29,774
CAP-772	Boiler Replacement	\$	233,240
CAP-774	Glass Windows/East Wall of Natatorium	\$	63,726
CAP-775	Renovation of Science Lab Greenhouse	\$	58,850
CAP-776	Renovating Recreation Area	\$	213,900
CAP-777	New Classrooms/Secondary MH Program	\$	880,407
CAP-778	Renovation of Student Health Service Area	\$	144,375
CAP-779	Replacement of Cottage Windows	\$	208,725
CAP-780	Residential Renovations	\$	7,043
CAP-781	Food Prep Area/Air Conditioning	\$	67,250
Total Ohio School for the Blind		\$	2,350,124

Reappropriations

SECTION 236.20. OSD SCHOOL FOR THE DEAF

CAP-776	Dormitory Renovations	\$	2,833
CAP-777	Boilers, Blowers, Central School Complex	\$	748,144
CAP-778	Central Warehouse	\$	676,624
CAP-779	Storage Barn	\$	330,850
Total Ohio School for the Deaf		\$	1,758,451
Total Administrative Building Fund		\$	101,079,856

SECTION 239.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Adult Correctional Building Fund (Fund 027) that are not otherwise appropriated:

Reappropriations

DRC DEPARTMENT OF REHABILITATION AND CORRECTION
STATEWIDE AND CENTRAL OFFICE PROJECTS

CAP-002	Local Jails	\$	1,852,736
CAP-003	Community-Based Correctional Facilities	\$	10,119,077
CAP-004	Site Renovations	\$	618,891
CAP-007	Asbestos Removal	\$	380,624
CAP-008	Powerhouse/Utility Improvements	\$	2,507,048
CAP-009	Water System/Plant Improvements	\$	4,613,277
CAP-010	Industrial Equipment - Statewide	\$	373,291
CAP-011	Roof/Window Renovations - Statewide	\$	601,320
CAP-012	Shower/Restroom Improvements	\$	1,142,680

CAP-017	Security Improvements - Statewide	\$	7,583,533
CAP-026	Waste Water Treatment Facilities	\$	41,087
CAP-041	Community Residential Program	\$	5,566,687
CAP-109	Statewide Fire Alarm Systems	\$	69,080
CAP-111	General Building Renovations	\$	33,465,948
CAP-129	Water Treatment Plants - Statewide	\$	651,500
CAP-141	Multi-Agency Radio System Equipment	\$	835,604
CAP-142	Various Medical Services	\$	755,818
CAP-143	Perimeter, Lighting, Alarm, Sallyports	\$	659,236
CAP-186	Close Custody Prison and Camp	\$	5,000,000
CAP-187	Mandown Alert Communication System - Statewide	\$	3,172,907
CAP-188	Manufacturing/Storage Building Additions - Statewide	\$	159,300
CAP-189	Tuck-pointing - Statewide	\$	27,754
CAP-238	Electrical Systems Upgrades	\$	175,025
CAP-239	Emergency Projects	\$	1,532,617
CAP-240	State Match for Federal Prison Construction Funds	\$	1,625,319
CAP-302	OPI Shops Renovation - Statewide	\$	75,000
Total Statewide and Central Office Projects		\$	83,605,359

BELMONT CORRECTIONAL INSTITUTION

CAP-358	Soft Start Capacitors	\$	28,928
Total Belmont Correctional Institution		\$	28,928

CHILLICOTHE CORRECTIONAL INSTITUTION

CAP-177	Convert Warehouse to Dormitory	\$	596
CAP-190	Utility Improvements	\$	117,500
CAP-258	Sewer Upgrades	\$	267,092
Total Chillicothe Correctional Institution		\$	385,188

CORRECTIONAL RECEPTION CENTER

CAP-333	HVAC Upgrade - CRC	\$	1,500
CAP-334	Roof Renovation - CRC	\$	705
Total Correctional Reception Center		\$	2,205

CORRECTIONS MEDICAL CENTER

CAP-362	Parking Lot Improvements	\$	80,895
Total Corrections Medical Center		\$	80,895

CORRECTIONS TRAINING ACADEMY

CAP-342	Asbestos Abatement/HVAC Upgrade - CTA	\$	913,710
Total Corrections Training Academy		\$	913,710

DAYTON CORRECTIONAL INSTITUTION

CAP-195	Hot Water System Improvements - DCI	\$	400,000
CAP-242	Shower Renovations - DCI	\$	58,929
CAP-352	Site Drainage Improvement	\$	3,500
Total Dayton Correctional Institution		\$	462,429

FRANKLIN PRE-RELEASE CENTER

CAP-316	Roof Renovation - FPRC	\$	1,200
Total Franklin Pre-Release Center		\$	1,200

GRAFTON CORRECTIONAL INSTITUTION

CAP-339	Residential Treatment Unit - ADD - GCI	\$	1,500
CAP-359	Roof Replacement - GCI	\$	918,916
Total Grafton Correctional Institution		\$	920,416

LEBANON CORRECTIONAL INSTITUTION

CAP-118	Water Tower Renovations	\$	1,174
CAP-119	Masonry Improvements - LECI	\$	3,063

CAP-198	Water Treatment Plant - LECI	\$	1,269,008
CAP-285	Bar Screen Replacement	\$	1,203
CAP-332	Electric Distribution and Transformer	\$	101,000
CAP-361	Dietary Floor Renovation	\$	18,040
Total Lebanon Correctional Institution		\$	1,393,488

LONDON CORRECTIONAL INSTITUTION

CAP-245	Bridge Replacement - LOCI	\$	2,865
CAP-261	Roof Replacement	\$	1,028
CAP-308	Electric Upgrades - LOCI	\$	250,000
Total London Correctional Institution		\$	253,893

LORAIN CORRECTIONAL INSTITUTION

CAP-303	Auger Replacement - LLORCL	\$	500
CAP-348	Door and Lock Replacement - LRCI	\$	1,500
CAP-353	Roof Renovations - LRCI	\$	15,000
Total Lorain Correctional Institution		\$	17,000

MADISON CORRECTIONAL INSTITUTION

CAP-288	Water Softener System - Madison	\$	1,500
Total Madison Correctional Institution		\$	1,500

MANSFIELD CORRECTIONAL INSTITUTION

CAP-305	Site Improvements - MNCI	\$	314,375
CAP-307	Network Wiring - MNCI	\$	155,073
CAP-356	Security Fence Upgrade - MNCI	\$	456,537
Total Mansfield Correctional Institution		\$	925,985

MARION CORRECTIONAL INSTITUTION

CAP-208	Hot Water Tank Replacement	\$	151,750
CAP-246	Exterior Window Replacement - MCI	\$	1,075
CAP-329	Concrete Floor Replacement - MCI	\$	866
Total Marion Correctional Institution		\$	153,691

OHIO REFORMATORY FOR WOMEN

CAP-165	Master Plan Building/Renovations - ORW	\$	59,585
CAP-210	Replacement Dormitory - ORW	\$	772,090
CAP-212	Powerhouse Renovation & Replumbing	\$	1,250,000
CAP-267	Renovate ARN Dorms	\$	761
CAP-326	Control Center Expansion - ORW	\$	1,500
CAP-327	Roof Replacement - ORW	\$	168,852
Total Ohio Reformatory for Women		\$	2,252,788

OHIO STATE PENITENTIARY

CAP-363	Fence Security Systems - OSP	\$	12,700
Total Ohio State Penitentiary		\$	12,700

PICKAWAY CORRECTIONAL INSTITUTION

CAP-228	Power House Improvements	\$	1,000
CAP-274	Replacement of Segregation Housing	\$	4,806,750
CAP-312	Waste Water Treatment Plant	\$	6,767,175
CAP-357	Emergency Generator Repair - PCI	\$	1,080,993
Total Pickaway Correctional Institution		\$	12,655,918

RICHLAND CORRECTIONAL INSTITUTION

CAP-360	Dormitory Exterior Stairs - RICL	\$	271,278
Total Richland Correctional Institution		\$	271,278

ROSS CORRECTIONAL INSTITUTION

CAP-276	Rubberized Roof Replacement	\$	38,863
CAP-311	Water Tower Renovation - RCI	\$	1,600

CAP-331	Security Upgrades and Improvements	\$	76,600
Total Ross Correctional Institution		\$	117,063
SOUTHEASTERN CORRECTIONAL INSTITUTION			
CAP-167	Master Plan Building/Renovations - SCI	\$	8,569
CAP-336	Waste Water Treatment Plant Improvements - SCI	\$	421,952
Total Southeastern Correctional Institution		\$	430,521
SOUTHERN OHIO CORRECTIONAL FACILITY			
CAP-279	Powerhouse Domestic Hot Water Replacement	\$	150,664
Total Southern Ohio Correctional Facility		\$	150,664
TOTAL Department of Rehabilitation and Correction		\$	105,036,819
TOTAL Adult Correctional Building Fund		\$	105,036,819

SECTION 239.20. LOCAL JAILS

From the foregoing appropriation item, CAP-002, Local Jails, the Department of Rehabilitation and Correction shall designate the projects involving the construction and renovation of county, multicounty, municipal-county, and multicounty-municipal jail facilities and workhouses, including correctional centers authorized under sections 153.61 and 307.93 of the Revised Code, for which the Ohio Building Authority is authorized to issue obligations. Notwithstanding any provisions to the contrary in Chapter 152. or 153. of the Revised Code, the Department of Rehabilitation and Correction may coordinate, review, and monitor the drawdown and use of funds for the renovation or construction of projects for which designated funds are provided.

The funding authorized under this section shall not be applied to any such facilities that are not designated by the Department of Rehabilitation and Correction. The amount of funding authorized under this section that may be applied to a project designated for initial funding after July 1, 2000, involving the construction or renovation of a county, multicounty, municipal-county, and multicounty-municipal jail facilities and workhouses, including correctional centers authorized under sections 153.61 and 307.93 of the Revised Code, shall not exceed \$35,000 per bed of the total allowable cost of the project in the case of construction of county and municipal-county jail facilities, workhouses, and correctional centers, or multicounty or multicounty-municipal jail facilities, workhouses, and correctional centers and shall not exceed 30 per cent of the total allowable cost of the project in the case of renovation of county, multicounty, municipal-county, and multicounty-municipal jail facilities, workhouses, and correctional centers. If a political subdivision is in the planning phase of constructing a multicounty or multicounty-municipal jail facility, workhouse, or correctional center on or before the effective date of this section, the Department of Rehabilitation and Correction shall fund that

facility at \$42,000 per bed. Multicounty or multicounty-municipal jail facility construction projects initiated after the effective date of this section may be considered for, but are not entitled to be awarded, funding at \$42,000 per bed. The higher per bed award is at the discretion of the Department of Rehabilitation and Correction and is contingent upon available funds, the impact of the project, and inclusion of at least three counties in the project.

The cost-per-bed funding authorized under this section that may be applied to a construction project shall not exceed the actual cost-per-bed of the project. The 30 per cent funding authorized under this section that may be applied to a renovation project shall not exceed \$35,000 per bed of the total allowable cost of the project.

The funding authorized under this section shall not be applied to any project involving the construction of a county, multicounty, municipal-county, or multicounty-municipal jail facility or workhouse, including a correctional center established under sections 153.61 and 307.93 of the Revised Code, unless the facility, workhouse, or correctional center will be built in compliance with "The Minimum Standards for Jails in Ohio" and the plans have been approved under section 5120.10 of the Revised Code. In addition, the funding authorized under this section shall not be applied to any project involving the renovation of a county, multicounty, municipal-county, or multicounty-municipal jail facility or workhouse, including a correctional center established under sections 153.61 and 307.93 of the Revised Code, unless the renovation is for the purpose of bringing the facility, workhouse, or correctional center into compliance with "The Minimum Standards for Jails in Ohio" and the plans have been approved under section 5120.10 of the Revised Code.

SECTION 239.30. COMMUNITY-BASED CORRECTIONAL FACILITIES

The Department of Rehabilitation and Correction may designate to the Ohio Building Authority the sites of, and, notwithstanding any provisions to the contrary in Chapter 152. or 153. of the Revised Code, may review the renovation or construction of the single county and district community-based correctional facilities funded by the foregoing appropriation item CAP-003, Community-Based Correctional Facilities.

SECTION 239.40. COMMUNITY RESIDENTIAL PROGRAM RENOVATIONS

The foregoing appropriation item CAP-041, Community Residential Program, may be used by the Department of Rehabilitation and Correction, under sections 5120.103, 5120.104, and 5120.105 of the Revised Code, to provide for the construction or renovation of halfway house facilities for offenders eligible for community supervision by the Department of Rehabilitation and Correction.

SECTION 241.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Juvenile Correctional Building Fund (Fund 028) that are not otherwise appropriated:

		Reappropriations	
DYS DEPARTMENT OF YOUTH SERVICES			
CAP-801	Fire Suppression/Safety/Security	\$	2,400,980
CAP-803	General Institutional Renovations	\$	5,638,025
CAP-812	Community Rehabilitation Centers	\$	151,991
CAP-821	Construct Maximum Security Facility	\$	134,795
CAP-823	Cuyahoga Boys School Renovation and Expansion	\$	42,198
CAP-828	Multi-Agency Radio System Equipment	\$	61,539
CAP-829	Local Juvenile Detention Centers	\$	692,623
CAP-831	Gym Expansion - Cuyahoga Hills Boys School	\$	145,546
CAP-833	Security Renovations - Indian River	\$	5,340
CAP-834	Health and Safety Unit - Riverview	\$	196,092
CAP-837	Sanitary Safety/Renovations Indian River	\$	1,400,756
CAP-838	EDU and Programming Expansion - ORV	\$	1,400,000
Total Department of Youth Services		\$	12,269,885
TOTAL Juvenile Correctional Building Fund		\$	12,269,885

SECTION 241.20. COMMUNITY REHABILITATION CENTERS

From the foregoing appropriation item CAP-812, Community Rehabilitation Centers, the Department of Youth Services shall designate the projects involving the construction and renovation of single county and multicounty community corrections facilities for which the Ohio Building Authority is authorized to issue obligations.

The Department of Youth Services is authorized to review and approve the renovation and construction of projects for which funds are provided. The proceeds of any obligations authorized under this section shall not be applied to any such facilities that are not designated and approved by the Department of Youth Services.

The Department of Youth Services shall adopt guidelines to accept and review applications and designate projects. The guidelines shall require the county or counties to justify the need for the facility and to comply with

timelines for the submission of documentation pertaining to the site, program, and construction.

For purposes of this section, "community corrections facilities" has the same meaning as in section 5139.36 of the Revised Code.

SECTION 241.30. LOCAL JUVENILE DETENTION CENTERS

From the foregoing appropriation item CAP-829, Local Juvenile Detention Centers, the Department of Youth Services shall designate the projects involving the construction and renovation of county and multicounty juvenile detention centers for which the Ohio Building Authority is authorized to issue obligations.

The Department of Youth Services is authorized to review and approve the renovation and construction of projects for which funds are provided. The proceeds of any obligations authorized under this section shall not be applied to any such facilities that are not designated by the Department of Youth Services.

The Department of Youth Services shall comply with the guidelines set forth in this section, accept and review applications, designate projects, and determine the amount of state match funding to be applied to each project. The department shall, with the advice of the county or counties participating in a project, determine the funded design capacity of the detention centers that are designated to receive funding. Notwithstanding any provisions to the contrary contained in Chapter 152. or 153. of the Revised Code, the Department of Youth Services may coordinate, review, and monitor the drawdown and use of funds for the renovation and construction of projects for which designated funds are provided.

(A) The Department of Youth Services shall develop a weighted numerical formula to determine the amount, if any, of state match that may be provided to a single or multicounty detention center project. The formula shall include the factors specified below in division (A)(1) of this section and may include the factors specified below in division (A)(2) of this section. The weight assigned to the factors specified in division (A)(1) of this section shall be not less than twice the weight assigned to factors specified in division (A)(2) of this section.

(1)(a) The number of detention center beds needed in the county or group of counties, as estimated by the Department of Youth Services, is significantly more than the number of beds currently available;

(b) Any existing detention center in the county or group of counties does not meet health, safety, or security standards for detention centers as established by the Department of Youth Services;

(c) The Department of Youth Services projects that the county or group of counties have a need for a sufficient number of detention beds to make the project economically viable.

(2)(a) The percentage of children in the county or group of counties living below the poverty level is above the state average;

(b) The per capita income in the county or group of counties is below the state average.

(B) The formula developed by the Department of Youth Services shall yield a percentage of state match ranging from 0 to 60 per cent based on the above factors. Notwithstanding the foregoing provisions, if a single county or multicounty system currently has no detention center beds, or if the projected need for detention center beds as estimated by the Department of Youth Services is greater than 120 per cent of current detention center bed capacity, then the percentage of state match shall be 60 per cent. To determine the dollar amount of the state match for new construction projects, the percentage of state match is multiplied by \$125,000 per bed for detention centers with a designated capacity of 99 beds or less, and by \$130,000 per bed for detention centers with a design capacity of 100 beds or more. To determine the dollar amount of the state match for renovation projects the percentage match shall be multiplied by the actual cost of the renovation, provided that the cost of the renovation does not exceed \$100,000 per bed. The funding authorized under this section that may be applied to a construction or renovation project shall not exceed the actual cost of the project.

The funding authorized under this section shall not be applied to any project unless the detention center will be built in compliance with health, safety, and security standards for detention centers as established by the Department of Youth Services. In addition, the funding authorized under this section shall not be applied to the renovation of a detention center unless the renovation is for the purpose of increasing the number of beds in the center, or to meet health, safety, or security standards for detention centers as established by the Department of Youth Services.

SECTION 243.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Cultural and Sports Facilities Building Fund (Fund 030) that are not otherwise appropriated:

		Reappropriations	
AFC CULTURAL FACILITIES COMMISSION			
CAP-003	Center of Science and Industry - Toledo	\$	7,542

CAP-033	Woodward Opera House Renovation	\$	1,150,000
CAP-038	Center Exhibit Replacement	\$	816,000
CAP-042	Statewide Site Exhibit/Renovation & Construction	\$	123,000
CAP-043	Statewide Site Repairs	\$	200,100
CAP-046	Cincinnati Museum Center Improvements	\$	250,000
CAP-053	Powers Auditorium Improvements	\$	250,000
CAP-055	Waco Museum & Aviation Learning Center	\$	500,000
CAP-058	Cedar Bog Nature Preserve Education Center	\$	766,200
CAP-064	Bramley Historic House	\$	75,000
CAP-065	Beck Center for the Cultural Arts	\$	100,000
CAP-066	Delaware County Cultural Arts Center	\$	40,000
CAP-071	Cleveland Institute of Music	\$	1,500,000
CAP-072	West Side Arts Consortium	\$	138,000
CAP-073	Ice Arena Development	\$	5,500,000
CAP-074	Stan Hywet Hall & Gardens	\$	1,000,000
CAP-075	McKinley Museum Improvements	\$	125,000
CAP-076	Spring Hill Historic Home	\$	125,000
CAP-079	Lorain Palace Civic Theatre	\$	200,000
CAP-080	Great Lakes Historical Society	\$	150,000
CAP-745	Historic Sites and Museums	\$	604,453
CAP-753	Buffington Island State Memorial	\$	73,500
CAP-769	Rankin House State Memorial	\$	192,000
CAP-781	Historical Center Archives/Library	\$	624,000
CAP-784	Ohio Historical Center Rehabilitation	\$	1,523,737
CAP-789	Neil Armstrong Air and Space Museum Improvements	\$	103,516
CAP-809	Cincinnati Ballet Facility Improvements	\$	450,000
CAP-814	Crawford Museum of Transportation & Industry	\$	2,500,000
CAP-820	Historical Center Ohio Village Buildings	\$	502,000
CAP-821	Lorain County Historical Society	\$	300,000
CAP-822	Armory Youth Center	\$	40,000
CAP-823	Marion Palace Theatre	\$	1,575,000
CAP-824	McConnellsville Opera House	\$	75,000
CAP-825	Secrest Auditorium	\$	75,000
CAP-826	Renaissance Theatre	\$	700,000
CAP-827	Trumpet in the Land	\$	100,000
CAP-829	Mid-Ohio Valley Players	\$	80,000
CAP-830	The Anchorage	\$	50,000
CAP-834	Galion Historic Big Four Depot Restoration	\$	170,000
CAP-835	Jamestown Opera House	\$	125,000
CAP-837	Lake County Historical Society	\$	250,000
CAP-839	Hancock Historical Society	\$	75,000
CAP-840	Riversouth Development	\$	1,000,000
CAP-841	Ft. Piqua Hotel	\$	200,000
CAP-843	Marina District Amphitheatre and Related Development	\$	2,000,000
CAP-844	Chas. A. Eulett Education Center/Appalachian Museum	\$	1,850,000
CAP-845	Lima Historic Athletic Field	\$	100,000
CAP-846	Butler Palace Theatre	\$	200,000
CAP-847	Voice Of America Museum	\$	275,000
CAP-848	Oxford Arts Center ADA Project	\$	72,000
CAP-849	Clark County Community Arts Expansion Project	\$	500,000
CAP-850	Westcott House Historic Site	\$	75,000
CAP-851	Gen. Lytle Homestead-Harmony Hill	\$	50,000
CAP-852	Miami Township Community Amphitheatre	\$	50,000
CAP-853	Western Reserve Historical Society	\$	1,000,000

CAP-854	Steamship Mather Museum	\$	100,000
CAP-855	Rock and Roll Hall of Fame	\$	250,000
CAP-858	Strongsville Historic Building	\$	100,000
CAP-859	Arts Castle	\$	100,000
CAP-860	Great Lakes Historical Society	\$	325,000
CAP-861	Ohio Glass Museum	\$	250,000
CAP-863	Ariel Theatre	\$	100,000
CAP-864	Bellbrook/Sugarcreek Historical Society	\$	10,000
CAP-867	Ensemble Theatre	\$	450,000
CAP-868	Taft Museum	\$	500,000
CAP-869	Art Academy of Cincinnati	\$	100,000
CAP-870	Riverbend Pavilion Improvements	\$	250,000
CAP-871	Cincinnati Art and Technical Academy - Longworth Hall	\$	100,000
CAP-872	Music Hall: Over-The-Rhine	\$	750,000
CAP-873	John Bloomfield Home Restoration	\$	115,000
CAP-874	Malinta Historical Society Caboose Exhibit	\$	6,000
CAP-875	Hocking County Historic Society - Schempp House	\$	10,000
CAP-876	Art Deco Markay Theatre	\$	200,000
CAP-877	Harvey Wells House	\$	100,000
CAP-879	Broad Street Historical Renovation	\$	300,000
CAP-880	Amherst Historical Society	\$	35,000
CAP-881	COSI - Toledo	\$	1,580,000
CAP-882	Ohio Theatre - Toledo	\$	100,000
CAP-883	Chester Academy Historic Site Renovation	\$	25,000
CAP-884	Bradford Ohio Railroad Museum	\$	100,000
CAP-885	Montgomery County Historical Society Archives	\$	100,000
CAP-886	Nelson T. Gant Historic Homestead	\$	25,000
CAP-887	Aurora Outdoor Sports Complex	\$	50,000
CAP-888	Preble County Historical Society	\$	100,000
CAP-889	Tecumseh Sugarloaf Mountain Amphitheatre	\$	120,000
CAP-890	Pro Football Hall of Fame	\$	400,000
CAP-891	Maps Air Museum	\$	15,000
CAP-892	Foundation Community Theatre	\$	50,000
CAP-893	William McKinley Library Restoration	\$	250,000
CAP-896	Richard Howe House	\$	100,000
CAP-897	Ward-Thomas Museum	\$	30,000
CAP-898	Packard Music Hall Renovation Project	\$	1,075,000
CAP-899	Holland Theatre	\$	100,000
CAP-900	Van Wert Historical Society	\$	32,000
CAP-901	Warren County Historical Society	\$	225,000
CAP-902	Marietta Colony Theatre	\$	335,000
CAP-903	West Salem Village Opera House	\$	92,000
CAP-904	Beavercreek Community Theater	\$	100,000
CAP-905	Smith Orr Homestead	\$	100,000
	Total Cultural Facilities Commission	\$	39,831,048
	TOTAL Cultural and Sports Facilities Building Fund	\$	39,831,048

ICE ARENA DEVELOPMENT

The amount reappropriated for the foregoing appropriation item CAP-073, Ice Arena Development, is the unencumbered and unallotted balance, as of June 30, 2006, in appropriation item CAP-073, Ice Arena Development, which prior to July 1, 2006, was named "Marina District/Ice Arena Development," plus \$2,000,000.

Notwithstanding any provision of law to the contrary, on July 1, 2006, or as soon thereafter as possible, the Director of Budget and Management shall transfer \$2,000,000 from CAP-843, Marina District Amphitheatre and Related Development, which prior to July 1, 2006, was named "Marina District/Ice Arena Development," to CAP-073, Ice Arena Development.

The foregoing appropriation item CAP-073, Ice Arena Development, shall be used by the City of Toledo for the development of an ice arena in the City of Toledo.

MARINA DISTRICT AMPHITHEATRE AND RELATED DEVELOPMENT

The amount reappropriated for the foregoing appropriation item CAP-843, Marina District Amphitheatre and Related Development, is the unencumbered and unallotted balance, as of June 30, 2006, in appropriation item CAP-843, Marina District Amphitheatre and Related Development, which prior to July 1, 2006, was named "Marina District/Ice Arena Development," minus \$2,000,000.

The foregoing appropriation item CAP-843, Marina District Amphitheatre and Related Development, shall be used by the City of Toledo for the development of an amphitheatre and related developments in the Marina District of Toledo.

PACKARD MUSIC HALL RENOVATIONS PROJECT

The amount reappropriated for the foregoing appropriation item CAP-898, Packard Music Hall Renovation Project, is the unencumbered and unallotted balance, as of June 30, 2006, in appropriation item CAP-898, Packard Music Hall Renovation Project, plus \$975,000 of the unencumbered and unallotted balance, as of June 30, 2006, in appropriation item CAP-063, Robins Theatre Renovations.

SECTION 245.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Ohio Parks and Natural Resources Fund (Fund 031) that are not otherwise appropriated:

			Reappropriations
	DNR DEPARTMENT OF NATURAL RESOURCES		
	STATEWIDE AND LOCAL PROJECTS		
CAP-012	Land Acquisition	\$	1,708,039
CAP-024	Statewide Boundary and Miscellaneous Surveying	\$	43,895
CAP-702	Upgrade Underground Fuel Storage Tanks	\$	520,050
CAP-703	Cap Abandoned Water Wells	\$	69,123
CAP-748	Local Parks Projects - Statewide	\$	2,091,973
CAP-750	Quilter CCC Camp	\$	46,400

CAP-751	City of Portsmouth Launch Ramp	\$	1,800
CAP-753	Project Planning	\$	1,791,151
CAP-766	South Fork Licking Watershed Study	\$	2,469
CAP-768	Grand River Wildlife Area	\$	2,700
CAP-817	Riffe CCC Camp	\$	1,709
CAP-834	Appraisal Fees - Statewide	\$	79,615
CAP-835	Civilian Conservation Facilities	\$	346,280
CAP-844	Put-In-Bay Township Port Authority	\$	79,784
CAP-868	New Philadelphia Office Relocation	\$	1,500,000
CAP-874	Lake Erie Access	\$	5,070
CAP-876	Statewide Trails Program	\$	963
CAP-881	Dam Rehabilitation	\$	18,554,846
CAP-928	Handicapped Accessibility	\$	77,950
CAP-929	Hazardous Waste/Asbestos Abatement	\$	57,361
CAP-931	Wastewater/Water Systems Upgrades	\$	5,406,599
CAP-934	Operations Facilities Development	\$	354,291
CAP-995	Boundary Protection	\$	32,426
CAP-999	Geographic Information Management System	\$	62,650
	Total Statewide and Local Projects	\$	32,837,144

DIVISION OF FORESTRY

CAP-021	Mohican State Forest	\$	1,200
CAP-030	Shawnee State Forest	\$	1,300
CAP-071	Statewide Forestry Facility Improvements	\$	277,620
CAP-073	Brush Creek State Forest	\$	5,850
CAP-129	Zanesville Nursery	\$	9,500
CAP-841	Operations and Maintenance Facility Development and Renovation	\$	450,548
	Total Division of Forestry	\$	746,018

DIVISION OF NATURAL AREAS AND PRESERVES

CAP-006	Little Beaver Creek Nature Preserve	\$	1,500
CAP-826	Natural Areas and Preserves Maintenance/Facility Development	\$	482,556
CAP-831	Lake Katherine	\$	17,299
CAP-980	Old Woman Creek	\$	2,969
	Total Division of Natural Areas	\$	504,324

DIVISION OF PARKS AND RECREATION

CAP-003	Barkcamp State Park	\$	3,025
CAP-004	Burr Oak State Park	\$	7,400
CAP-005	Cowan Lake State Park	\$	9,337
CAP-010	East Harbor State Park	\$	38,129
CAP-016	Hueston Woods State Park	\$	7,300
CAP-017	Indian Lake State Park	\$	2,569
CAP-019	Lake Hope State Park	\$	22,695
CAP-022	Muskingum River Lock #2	\$	20,000
CAP-025	Punderson Lake State Park	\$	5,997
CAP-027	Rocky Fork State Park	\$	28,212
CAP-029	Salt Fork State Park	\$	1,017
CAP-032	West Branch State Park	\$	3,243
CAP-051	Buck Creek State Park	\$	25,500
CAP-060	East Fork State Park	\$	51,942
CAP-064	Geneva State Park	\$	5,838
CAP-068	Kennedy Stone House	\$	15,000
CAP-069	Hocking Hills State Park	\$	11,725

CAP-081	Jackson Lake State Park	\$	19,416
CAP-083	John Bryan State Park Shelter Construction	\$	30,000
CAP-084	Findley State Park General Improvements	\$	12,500
CAP-089	Mosquito Lake State Park	\$	28,000
CAP-093	Portage Lakes State Park	\$	129,944
CAP-114	Beaver Creek State Park	\$	12,000
CAP-222	Wolf Run State Park	\$	21,787
CAP-234	State Parks, Campgrounds, Lodges, and Cabins	\$	1,666,051
CAP-305	Maumee Bay State Park	\$	900
CAP-331	Park Boating Facilities	\$	5,226,013
CAP-390	State Park Maintenance/Facility Development	\$	1,484,882
CAP-716	Muskingum River Parkway Locks	\$	7,116
CAP-815	Mary Jane Thurston State Park	\$	2,200
CAP-825	Marblehead Lighthouse State Park	\$	564
CAP-829	Sycamore State Park	\$	500
CAP-836	State Park Renovations/Upgrading	\$	709,026
CAP-851	Cleveland Lakefront	\$	146,371
CAP-916	Lake Milton State Park	\$	5,882
CAP-949	Muskingum Lock #3	\$	3,700
CAP-954	Muskingum Lock #4	\$	93,942
Total Division of Parks and Recreation		\$	9,859,723
DIVISION OF SOIL AND WATER CONSERVATION			
CAP-086	Scippo Creek Conservation	\$	75,000
Total Division of Soil and Water Conservation		\$	75,000
DIVISION OF WATER			
CAP-705	Rehabilitate Canals, Hydraulic Works, and Support Facilities	\$	2,867,787
CAP-730	Miami and Erie Canal	\$	700
CAP-819	Rehabilitate/Automate - Ohio Ground Water Observation Well Network	\$	68,383
CAP-820	Automated Stream, Lake, and Ground Water Data Collection	\$	509,396
CAP-828	Ohio and Erie Canal Rehabilitation	\$	205,572
CAP-848	Hazardous Dam Repair - Statewide	\$	220,000
Total Division of Water		\$	3,871,838
TOTAL Department of Natural Resources		\$	47,894,047
TOTAL OHIO PARKS AND NATURAL RESOURCES FUND		\$	47,894,047

SECTION 245.20. MOSQUITO LAKE STATE PARK

The amount reappropriated for the foregoing appropriation item CAP-089, Mosquito Lake State Park, is the unencumbered and unallotted balance, as of June 30, 2006, in appropriation item CAP-089, Mosquito Lake State Park, plus \$25,000 of the unencumbered and unallotted balance, as of June 30, 2006, in appropriation item CAP-063, Robins Theatre Renovations, in the Cultural and Sports Facilities Building Fund (Fund 030).

Of the foregoing appropriation item CAP-089, Mosquito Lake State Park, up to \$25,000 shall be used to conduct a state park lodge feasibility study.

LOCAL PARKS PROJECTS - STATEWIDE

The amount reappropriated for the foregoing appropriation item CAP-748, Local Parks Projects - Statewide, is \$1,573,564 plus the unencumbered and unallotted balance as of June 30, 2006, in item CAP-748, Local Parks Projects - Statewide, plus the unencumbered and unallotted balance as of June 30, 2006, in item CAP-862, Goll Wood Homestead in the Cultural and Sports Facilities Building Fund (Fund 030). The \$1,573,564 represents amounts that were previously appropriated, allocated to counties pursuant to division (D) of section 1557.06 of the Revised Code, and encumbered for local project grants. The encumbrances for these local projects in the various counties shall be canceled by the Director of Natural Resources or the Director of Budget and Management. The Director of Natural Resources shall allocate the \$1,573,564 to the same counties the moneys were originally allocated to, in the amount of the canceled encumbrances.

GOLL WOOD HOMESTEAD

Of the foregoing appropriation item CAP-748, Local Parks Projects - Statewide, \$50,000 shall be used for the Goll Wood Homestead.

DAM REHABILITATION

Of the foregoing appropriation item CAP-881, Dam Rehabilitation, up to \$970,000 shall be used to rehabilitate the Muskingum River Locks and Dams.

SECTION 245.30. For the projects appropriated in Section 245.10 of this act, the Ohio Department of Natural Resources shall periodically prepare and submit to the Director of Budget and Management the estimated design, planning, and engineering costs of capital-related work to be done by the Department of Natural Resources for each project. Based on the estimates, the Director of Budget and Management may release appropriations from the foregoing appropriation item CAP-753, Project Planning, within the Ohio Parks and Natural Resources Fund (Fund 031) to pay for design, planning, and engineering costs incurred by the Department of Natural Resources for such projects. Upon release of the appropriations by the Director of Budget and Management, the Department of Natural Resources shall pay for these expenses from Fund 4S9, Capital Expenses, and be reimbursed by the Ohio Parks and Natural Resources Fund (Fund 031) using an intrastate voucher.

SECTION 247.10. All items set forth in this section are hereby

appropriated out of any moneys in the state treasury to the credit of the School Building Program Assistance Fund (Fund 032) that are not otherwise appropriated:

		Reappropriations
SFC SCHOOL FACILITIES COMMISSION		
CAP-770	School Building Program Assistance	\$ 183,784,236
CAP-779	Exceptional Needs	\$ 5,846,594
CAP-785	Vocation Facilities Assistance Program	\$ 574,722
Total School Facilities Commission		\$ 190,205,552
TOTAL School Building Program Assistance Fund		\$ 190,205,552

SECTION 249.10. All items set forth in Sections 249.20 to 249.40 of this act are hereby appropriated out of any moneys in the state treasury to the credit of the Mental Health Facilities Improvement Fund (Fund 033) that are not otherwise appropriated:

		Reappropriations
SECTION 249.20. ADA DEPARTMENT OF ALCOHOL AND DRUG ADDICTION SERVICES		
CAP-002	Community Assistance Projects	\$ 3,088,902
Total Department of Alcohol and Drug Addiction Services		\$ 3,088,902

COMMUNITY ASSISTANCE PROJECTS

Of the foregoing appropriation item CAP-002, Community Assistance Projects, \$207,624 shall be used to continue renovations for the Oak House Women's Residential Treatment Facility.

		Reappropriations
SECTION 249.30. DMH DEPARTMENT OF MENTAL HEALTH STATEWIDE AND CENTRAL OFFICE PROJECTS		
CAP-092	Hazardous Materials Abatement	\$ 382,281
CAP-479	Community Assistance Projects	\$ 4,726,308
CAP-906	Campus Consolidation - Automation	\$ 2,668,974
CAP-943	Dietary Delivery Systems	\$ 6,534
CAP-946	Demolition	\$ 263,542
CAP-976	Life Safety/Critical Plant Renovations	\$ 69,354
CAP-977	Patient Care/Environment Improvement	\$ 1,605,463
CAP-978	Infrastructure Renovations	\$ 7,444,890
CAP-981	Emergency Improvements	\$ 2,843,566
CAP-984	Patient Environment Improvement Consolidation	\$ 176,853
Total Department of Mental Health		\$ 20,187,765

Reappropriations

SECTION 249.40. DMR DEPARTMENT OF MENTAL
RETARDATION AND DEVELOPMENTAL DISABILITIES
STATEWIDE PROJECTS

CAP-001	Asbestos Abatement	\$	1,026,917
CAP-480	Community Assistance Projects	\$	13,020,936
CAP-901	Razing of Buildings	\$	80,013
CAP-912	Telecommunications Systems Improvement	\$	9,454
CAP-941	Emergency Generator Replacement	\$	140,580
CAP-955	Statewide Developmental Centers	\$	1,985,066
CAP-981	Emergency Improvements	\$	231,846
Total Statewide and Central Office Projects		\$	16,494,812

STATEWIDE DEVELOPMENTAL CENTERS

The amount reappropriated for the foregoing appropriation item CAP-955, Statewide Developmental Centers, is the unencumbered and unallotted balance as of June 30, 2006, plus the sum of the unencumbered and unallotted balances for appropriation item CAP-791, Jonathan Hall Renovation; CAP-795, Ruby Hall Renovation; and CAP-940, Sewage Treatment Plant Renovation as of June 30, 2006.

COMMUNITY ASSISTANCE PROJECTS

The foregoing appropriation item CAP-480, Community Assistance Projects, may be used to provide community assistance funds for the construction or renovation of facilities for day programs or residential programs that provide services to persons eligible for services from the Department of Mental Retardation and Developmental Disabilities or county boards of mental retardation and developmental disabilities. Any funds provided to nonprofit agencies for the construction or renovation of facilities for persons eligible for services from the Department of Mental Retardation and Developmental Disabilities and county boards of mental retardation and developmental disabilities are subject to the prevailing wage provisions in section 176.05 of the Revised Code.

The amount reappropriated for the foregoing appropriation item CAP-480, Community Assistance Projects, is the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-480, Community Assistance Projects, minus \$250,000.

STATEWIDE DEVELOPMENTAL CENTERS

CAMBRIDGE DEVELOPMENTAL CENTER

CAP-711	Residential Renovations - CAMDC	\$	41,981
CAP-910	HVAC Renovations - Residential Buildings	\$	1,000
CAP-913	Cambridge HVAC Upgrade - Activity Center	\$	3,538
CAP-969	Utility Upgrade Centerwide		5,960
Total Cambridge Developmental Center		\$	52,479

COLUMBUS DEVELOPMENTAL CENTER		
CAP-852	Fire Alarm System Improvements	\$ 5,500
CAP-958	Columbus Developmental Center	\$ 11,794
Total Columbus Developmental Center		\$ 17,294
GALLIPOLIS DEVELOPMENTAL CENTER		
CAP-723	HVAC Replacements	\$ 12,615
CAP-959	Gallipolis Developmental Center	\$ 35,244
Total Gallipolis Developmental Center		\$ 47,859
MONTGOMERY DEVELOPMENTAL CENTER		
CAP-960	Montgomery Developmental Center	\$ 2,159
Total Montgomery Developmental Center		\$ 2,159
MOUNT VERNON DEVELOPMENTAL CENTER		
CAP-080	Renovate Main Kitchen - Rian Hall	\$ 19,210
CAP-962	Mount Vernon Developmental Center	\$ 481,912
Total Mount Vernon Developmental Center		\$ 501,122
NORTHWEST OHIO DEVELOPMENTAL CENTER		
CAP-947	Replace Chiller	\$ 8,535
CAP-963	Northwest Ohio Developmental Center	\$ 79,096
Total Northwest Ohio Developmental Center		\$ 87,631
SOUTHWEST OHIO DEVELOPMENTAL CENTER		
CAP-863	Residential Renovation - HVAC Upgrade	\$ 139,189
CAP-964	Southwest Ohio Developmental Center	\$ 78,983
CAP-976	Renovation Program and Support Services Building	\$ 3,900
Total Southwest Ohio Developmental Center		\$ 222,072
TIFFIN DEVELOPMENTAL CENTER		
CAP-931	Roof and Exterior Renovations	\$ 19,666
CAP-966	Tiffin Developmental Center	\$ 27,175
Total Tiffin Developmental Center		\$ 46,841
WARRENSVILLE DEVELOPMENTAL CENTER		
CAP-867	Residential Renovations - WDC	\$ 5,057
CAP-900	Water Line Replacement - WDC	\$ 16,267
CAP-936	HVAC Renovations	\$ 4,873
CAP-950	ADA Compliance - WDC	\$ 3,628
CAP-967	Warrensville Developmental Center	\$ 48,032
Total Warrensville Developmental Center		\$ 77,857
YOUNGSTOWN DEVELOPMENTAL CENTER		
CAP-968	Youngstown Developmental Center	\$ 69,681
Total Youngstown Developmental Center		\$ 69,681
TOTAL Department of Mental Retardation and Developmental Disabilities		\$ 17,619,807
TOTAL Mental Health Facilities Improvement Fund		\$ 40,896,474

SECTION 249.50. The foregoing appropriations for the Department of Alcohol and Drug Addiction Services, CAP-002, Community Assistance Projects; Department of Mental Health, CAP-479, Community Assistance Projects; and Department of Mental Retardation and Developmental Disabilities, CAP-480, Community Assistance Projects, may be used on

facilities constructed or to be constructed pursuant to Chapter 340., 3793., 5119., 5123., or 5126. of the Revised Code or the authority granted by section 154.20 of the Revised Code and the rules adopted pursuant to those chapters and that section and shall be distributed by the Department of Alcohol and Drug Addiction Services, the Department of Mental Health, and the Department of Mental Retardation and Developmental Disabilities, subject to Controlling Board approval.

SECTION 249.60. (A) No capital improvement appropriations made in Sections 249.20 to 249.40 of this act shall be released for planning or for improvement, renovation, or construction or acquisition of capital facilities if a governmental agency, as defined in section 154.01 of the Revised Code, does not own the real property that constitutes the capital facilities or on which the capital facilities are or will be located. This restriction does not apply in any of the following circumstances:

(1) The governmental agency has a long-term (at least fifteen years) lease of, or other interest (such as an easement) in, the real property.

(2) In the case of an appropriation for capital facilities that, because of their unique nature or location, will be owned or be part of facilities owned by a separate nonprofit organization and made available to the governmental agency for its use, the nonprofit organization either owns or has a long-term (at least fifteen years) lease of the real property or other capital facility to be improved, renovated, constructed, or acquired and has entered into a joint or cooperative use agreement, approved by the Department of Mental Health, Department of Mental Retardation and Developmental Disabilities, or Department of Alcohol and Drug Addiction Services, whichever is applicable, with the governmental agency for that agency's use of and right to use the capital facilities to be financed and, if applicable, improved, the value of such use or right to use being, as determined by the parties, reasonably related to the amount of the appropriation.

(B) In the case of capital facilities referred to in division (A)(2) of this section, the joint or cooperative use agreement shall include, as a minimum, provisions that:

(1) Specify the extent and nature of that joint or cooperative use, extending for no fewer than fifteen years, with the value of such use or right to use to be, as determined by the parties and approved by the applicable department, reasonably related to the amount of the appropriation;

(2) Provide for pro rata reimbursement to the state should the

arrangement for joint or cooperative use by a governmental agency be terminated;

(3) Provide that procedures to be followed during the capital improvement process will comply with appropriate applicable state statutes and rules, including provisions of this act.

SECTION 251.10. All items set forth in Sections 251.20 to 256.80 of this act are hereby appropriated out of any moneys in the state treasury to the credit of the Higher Education Improvement Fund (Fund 034) that are not otherwise appropriated:

		Reappropriations
SECTION 251.20. ETC ETECH OHIO		
CAP-001	Educational Television and Radio Equipment	\$ 1,889,477
CAP-002	Educational Broadcasting Fiber Optic Network	\$ 51,748
Total eTech Ohio		\$ 1,941,225

EDUCATIONAL TELEVISION AND RADIO EQUIPMENT

The foregoing appropriation item CAP-001, Educational Television and Radio Equipment, shall be used to provide broadcasting, transmission, and production equipment to Ohio public radio and television stations, radio reading services, and the eTech Ohio Commission.

EDUCATIONAL BROADCASTING FIBER OPTIC NETWORK

The foregoing appropriation item CAP-002, Educational Broadcasting Fiber Optic Network, shall be used to link the Ohio public radio and television stations, radio reading services, and the Educational Telecommunications Network for the reception and transmission of digital communications through fiber optic cable or other technology.

		Reappropriations
SECTION 251.30. BOR BOARD OF REGENTS		
CAP-029	Ohio Library And Information Network	\$ 3,500,000
CAP-030	Supercomputer Center Expansion	\$ 228,599
CAP-032	Research Facility Investment Loans/Grants	\$ 2,401,427
CAP-061	Central State Rehabilitation	\$ 207,012
CAP-068	Third Frontier Project	\$ 50,000,001
CAP-071	Center for Transitional and Applied Genomics	\$ 500,000
CAP-072	Cleveland Clinic Heart Center Infrastructure	\$ 5,000,000
CAP-073	Technology Incubator for Market-Ready Applications	\$ 2,000,000
CAP-077	Center For Structural Biology	\$ 1,000,000
CAP-078	One Cleveland Broadband Network	\$ 500,000
CAP-079	Central Ohio Technology Corridor - Dublin	\$ 500,000
CAP-080	OSU Supercomputer Center Aerospace	\$ 50,000

CAP-081	Youngstown Market Ready Incubator	\$	750,000
	Total Board of Regents	\$	66,637,039

SECTION 251.40. RESEARCH FACILITY ACTION AND INVESTMENT FUNDS

The foregoing appropriation item CAP-032, Research Facility Investment Loans/Grants, shall be used for a program of grants to be administered by the Board of Regents to provide timely availability of capital facilities for research programs and research-oriented instructional programs at or involving state-supported and state-assisted institutions of higher education.

The Board of Regents shall adopt rules under Chapter 119. of the Revised Code relative to the application for and approval of projects funded from appropriation item CAP-032, Research Facility Investment Loans/Grants. The rules shall be reviewed and approved by the Legislative Committee on Education Oversight. The Board of Regents shall inform the President of the Senate and the Speaker of the House of Representatives of each project application for funding received. Each project receiving a commitment for funding by the Board of Regents under the rules shall be reported to the President of the Senate and the Speaker of the House of Representatives.

SECTION 251.50. REPAYMENT OF RESEARCH FACILITY INVESTMENT LOANS/GRANTS MONEYS

Notwithstanding any provision of law to the contrary, all repayments of Research Facility Investment Loans/Grants loans shall be made to the Bond Service Account in the Higher Education Bond Service Trust Fund.

Institutions of higher education shall make timely repayments of Research Facility Investment Loans/Grants loans, according to the schedule established by the Board of Regents. In the case of late payments, the Board of Regents may deduct from an institution's periodic subsidy distribution an amount equal to the amount of the overdue payment for that institution, transfer such amount to the Bond Service Trust Fund, and credit the appropriate institution for the repayment.

SECTION 251.60. THIRD FRONTIER PROJECT

The foregoing appropriation item CAP-068, Third Frontier Project, shall be used to acquire, renovate, or construct facilities and purchase equipment for research programs, technology development, product development, and

commercialization programs at or involving state-supported and state-assisted institutions of higher education. The funds shall be used to make grants awarded on a competitive basis, and shall be administered by the Third Frontier Commission. Expenditure of these funds shall comply with Section 2n of Article VIII, Ohio Constitution, and sections 151.01 and 151.04 of the Revised Code for the period beginning July 1, 2006, and ending June 30, 2008.

The Third Frontier Commission shall develop guidelines relative to the application for and selection of projects funded from appropriation item CAP-068, Third Frontier Project. The commission may develop these guidelines in consultation with other interested parties. The Board of Regents and all state-assisted and state-supported institutions of higher education shall take all actions necessary to implement grants awarded by the Third Frontier Commission.

The foregoing appropriation item CAP-068, Third Frontier Project, for which an appropriation is made from the Higher Education Improvement Fund (Fund 034), is determined to consist of capital improvements and capital facilities for state-supported and state-assisted institutions of higher education, and is designated for the capital facilities to which proceeds of obligations in the Higher Education Improvement Fund (Fund 034) are to be applied.

SECTION 251.80. REIMBURSEMENT FOR PROJECT COSTS

Appropriations made in Sections 251.30 to 256.80 of this act for purposes of the costs of capital facilities', the interim financing of which the particular institution has previously issued its own obligations anticipating the possibility of future state appropriations to pay all or a portion of such costs, as contemplated in division (B) of section 3345.12 of the Revised Code, shall be paid directly to the institution or the paying agent for those outstanding obligations in the full principal amount of those obligations then to be paid from the anticipated appropriation and shall be timely applied to the retirement of a like principal amount of the institution's obligations.

Appropriations made in Sections 251.30 to 256.80 of this act for purposes of the costs of capital facilities, all or a portion of which costs the particular institution has paid from the institution's moneys that were temporarily available and which expenditures were reasonably expected at the time of the advance by the institution and the state to be reimbursed from the proceeds of obligations issued by the state, shall be directly paid to the institution in the full amounts of those payments and shall be timely applied to the reimbursement of those temporarily available moneys. All

reimbursements are subject to review and approval through the capital release process.

			Reappropriations
SECTION 251.90. UAK UNIVERSITY OF AKRON			
CAP-008	Basic Renovations	\$	4,512,104
CAP-047	Polsky Building Renovation	\$	1,421,625
CAP-049	Basic Renovations - Wayne	\$	313,880
CAP-054	Auburn Science/Whitby Rehabilitation	\$	9,697,799
CAP-061	Asbestos Abatement	\$	47,861
CAP-063	Child Care Facility	\$	4,428
CAP-076	Supercritical Fluid Technology	\$	30,251
CAP-077	Leigh Hall Rehabilitation	\$	766,457
CAP-087	Global PVC Research Consortium	\$	7,144
CAP-091	Student Affairs Building	\$	53,082
CAP-097	Ohio NMR Consortium	\$	96,500
CAP-098	Guzzetta Hall Addition	\$	77,848
CAP-099	D Wing Expansion	\$	243,750
CAP-100	Classroom Office Addition - Design	\$	120,120
CAP-101	National Polymer Processing Center	\$	1,000,000
CAP-104	Nanoscale Polymers Manufacturing	\$	124,366
CAP-111	500 MHz NMR Spectrometer	\$	117,444
CAP-113	Student & Administrative Services Building - Phase 2	\$	362,196
CAP-114	Facility Enhancement Building H - Phase 2	\$	628,277
CAP-115	Medina County University Center	\$	1,000,000
CAP-116	Fir Hill Plaza Renovations	\$	1,249,743
CAP-117	Shrank Hall Renovation	\$	1,342,414
Total University of Akron			\$ 23,217,289

			Reappropriations
SECTION 252.10. BGU BOWLING GREEN STATE UNIVERSITY			
CAP-009	Basic Renovations	\$	7,386,239
CAP-060	Basic Renovations - Firelands	\$	459,399
CAP-074	Instructional and Data Processing Equipment	\$	1,426,543
CAP-078	Asbestos Abatement	\$	1,584
CAP-088	ADA Modifications	\$	19,544
CAP-091	Child Care Facility	\$	49,406
CAP-094	Materials Network	\$	90,981
CAP-102	Network Infrastructure - Phase 1	\$	244,131
CAP-108	Tunnel Upgrade - Phase 2	\$	98,820
CAP-110	Hannah Hall Rehabilitation	\$	2,005,522
CAP-112	Biology Lab Renovation	\$	12,533,708
CAP-113	Campus-Wide Paving/Sidewalk Upgrade	\$	352,700
CAP-114	Student Learning	\$	13,149
CAP-115	Video Teaching Network	\$	5,436
CAP-118	Kinetic Spectrometry Consortium	\$	77,671
CAP-119	Admissions Visitor Center	\$	3,000,000
CAP-120	Theatre/Performing Arts Complex	\$	8,750,000
CAP-121	University Hall Rehabilitation	\$	1,174,981
CAP-124	Administration Building Fire Alarm System	\$	83,986

CAP-125	Campus-Wide Carpet Upgrade	\$	329,700
CAP-126	Reroof East, West, and North Buildings	\$	600,000
CAP-127	Instructional Laboratory - Phase 1	\$	123,735
CAP-128	Perrysburg Heights Multipurpose Facility	\$	500,000
CAP-129	Wood County Senior Kitchen Project	\$	500,000
Total Bowling Green State University		\$	39,827,235

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-009, Basic Renovations, is the sum of the unencumbered and unallotted balances as of June 30, 2006, in appropriation items CAP-009, Basic Renovations; CAP-093, Pedestrian Mall Project; CAP-104, Jerome Library Renovations; CAP-105, Administration Building Elevators; and CAP-117, Administration Building Chiller.

Reappropriations**SECTION 252.20. CSU CENTRAL STATE UNIVERSITY**

CAP-022	Basic Renovations	\$	676,223
CAP-068	Instructional and Data Processing Replacement	\$	85,065
CAP-084	Academic Facility - Phase 1	\$	3,791,729
Total Central State University		\$	4,553,017

Reappropriations**SECTION 252.30. UCN UNIVERSITY OF CINCINNATI**

CAP-009	Basic Renovations	\$	512,716
CAP-018	Basic Renovations - Clermont	\$	298,701
CAP-054	Raymond Walters Renovations	\$	428,426
CAP-119	Instructional & Data Processing Equipment	\$	12,537
CAP-122	Infrastructure Assessment	\$	2,518
CAP-128	Science and Allied Health Building - Walters	\$	118,748
CAP-131	Convention Center	\$	2,500,000
CAP-137	MSB Otolaryngology	\$	1,228
CAP-141	ADA Modifications	\$	49,860
CAP-142	ADA Modifications - Clermont	\$	6,039
CAP-158	Molecular Components/Simulation Network	\$	16,817
CAP-171	Asbestos - Rieveschl Hall	\$	107,550
CAP-173	Surface Engineering	\$	24,503
CAP-174	Classroom/Teaching Lab Renovations	\$	89,236
CAP-176	Network Expansion	\$	19,000
CAP-180	Rapid Prototype Process	\$	41,626
CAP-187	MSB Small Group Learning Spaces	\$	1,125
CAP-193	Nano Particles	\$	1,103
CAP-194	Transgenic Core Capacity	\$	1,633
CAP-195	Thin Film Analysis	\$	110,452
CAP-196	Electronic Reconstruction	\$	1,784
CAP-197	Med Center Technology	\$	1,546
CAP-198	TC/Dyer Rehabilitation - Phase 1A	\$	8,532
CAP-203	Zimmer Plaza & Auditorium Rehabilitation	\$	5,919
CAP-205	Medical Science Building Rehabilitation	\$	3,626,342

CAP-206	One Stop Services Center	\$	97,535
CAP-207	Central Campus Infrastructure	\$	287,593
CAP-208	Security System Upgrade	\$	50,000
CAP-209	Library Renovations	\$	800,500
CAP-218	Creation of a P3 Facility	\$	500
CAP-223	Teachers College/Dyer Hall Rehabilitation - Phase 2	\$	986,560
CAP-224	Van Wormer Administrative Building Rehabilitation	\$	25,425
CAP-226	Holocaust Archives	\$	47,580
CAP-237	Biomedical Engineering	\$	17,145
CAP-250	Student Services	\$	111,750
CAP-262	Central Campus Renovations	\$	8,442
CAP-263	Swift Rehabilitation	\$	9,667
CAP-264	McMicken Window Replacement	\$	66,882
CAP-265	Rieveschl/Crosley Rehab/Expansion	\$	720,764
CAP-268	800 MHz Radio System	\$	15,000
CAP-270	CAS HVAC Upgrades	\$	4,005
CAP-273	Help Phones	\$	43,754
CAP-278	Structural Biology	\$	59,533
CAP-279	Developmental Neurobiology	\$	500,000
CAP-285	MSB Library Computer Lab Renovation	\$	13,519
CAP-286	CAS Fire Alarm Upgrade	\$	35,273
CAP-287	Classroom Security System	\$	39,827
CAP-290	Mainframe Computing Alliance	\$	16,351
CAP-291	Proteomics in the Post Genome Era	\$	30,860
CAP-292	Nanoscale Hybrid Materials	\$	79,677
CAP-293	Accelerated Maturation of Materials	\$	632
CAP-295	Edwards Corridors Tile	\$	1,178
CAP-304	GRI Building F240 Renovation	\$	5,393
CAP-305	Peters-Jones Building Restroom Upgrade	\$	1,943
CAP-311	Gas Turbine Spray Combustion	\$	150,000
CAP-314	Bridging the Skills Gap	\$	593,912
CAP-317	Gibson House Fire Alarm	\$	16,041
CAP-318	MSb Interim-FM Relocation	\$	14,673
CAP-319	Elevator Cylinder Replacements	\$	36,725
CAP-320	HPB G58 - Network Office Renovation	\$	2,414
CAP-327	Electronic Systems Emulation	\$	60,000
CAP-329	Uptown Consortium Renovations/Turner plc	\$	250,000
CAP-330	Blegen Windows	\$	72,778
CAP-331	West Campus GFCI Lab Upgrades	\$	8,125
CAP-332	Blegen ADA Upgrade	\$	9,973
CAP-334	Lindner Fire Alarm Upgrade	\$	279,138
CAP-335	People Working Cooperatively	\$	100,000
CAP-336	Advanced Oxidation Technologies	\$	62,262
CAP-337	CAS Electrical Upgrades	\$	36,821
CAP-338	Live Tissue Imaging	\$	77,319
CAP-340	Lean Product Development	\$	1,000,000
CAP-341	Clermont Snyder Masonry Restoration	\$	3,950
CAP-345	Proctor Elevator Improvements	\$	279,388
	Total University of Cincinnati	\$	15,118,748

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-009, Basic Renovations, is the sum of the unencumbered and unallotted balances as of June 30, 2006, in appropriation items CAP-009,

Basic Renovations; CAP-276, Health Professionals Building G44E Renovation; CAP-289, Medical Science Building Data Electronic RM Walls; CAP-296, Rieveschl HVAC & Safety Upgrades; CAP-322, Condensate Pump/Reheat; and CAP-323, Old Chemistry Window Replacement.

ADA MODIFICATIONS

The amount reappropriated for the foregoing appropriation item CAP-141, ADA Modifications, is the sum of the unencumbered and unallotted balances as of June 30, 2006, in appropriation items CAP-141, ADA Modifications and CAP-307, Lindner ADA Upgrades.

CLASSROOM/TEACHING LAB RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-174, Classroom/Teaching Lab Renovations, is the sum of the unencumbered and unallotted balances as of June 30, 2006, in appropriation items CAP-174, Classroom/Teaching Lab Renovations; CAP-201, WC Faculty Media Center; and CAP-228, Medical Science Building Level G, 1 & 2 Lab Upgrades.

CRITICAL BUILDING COMPONENT RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-177, Critical Building Component Renovations, is the sum of the unencumbered and unallotted balances as of June 30, 2006, in appropriation items CAP-177, Critical Building Component Renovations; CAP-188, HPB/Wherry Service Entrances; and CAP-202, Baldwin Hall Rehabilitation - Phase 1.

ONE STOP SERVICES CENTER

The amount reappropriated for the foregoing appropriation item CAP-206, One Stop Services Center, is the sum of the unencumbered and unallotted balances as of June 30, 2006, in appropriation items CAP-206, One Stop Services Center, plus \$102,568.

Reappropriations

SECTION 252.40. CLS CLEVELAND STATE UNIVERSITY

CAP-023	Basic Renovations	\$	5,058,958
CAP-067	17th - 18th Street Block	\$	222,280
CAP-084	Neighborhood Centers Renovations	\$	500,000
CAP-088	Asbestos Abatement	\$	870,077
CAP-092	Handicapped Requirements	\$	572
CAP-112	Land Acquisitions	\$	9,264
CAP-114	Geographic Information Systems	\$	41,067
CAP-125	College of Education Building	\$	17,235,047
CAP-126	Electrical System Upgrades - Phase 2	\$	773,658
CAP-127	Fire Alarm System Upgrade	\$	400,000

CAP-128	Property Acquisition	\$	1,120,237
CAP-138	Student Services	\$	59,333
CAP-139	Landscape, Sidewalk Replacement	\$	5,845
CAP-142	Rhodes Tower Library Roof Replacement	\$	178,169
CAP-144	Rhodes Tower Plaza Renovation - Phase 2	\$	690
CAP-148	Cleveland Institute of Art	\$	1,000,000
CAP-150	Campus Fire Alarm Upgrade	\$	762,085
CAP-151	Plant Growth Facility	\$	60,000
CAP-152	Rhodes Tower Data Center Relocation	\$	920,131
CAP-153	University Annex-Vacate and Demolition	\$	49,390
CAP-154	Main Classroom Stair Tower & Entry	\$	1,500,000
CAP-157	Child Care Matching Grant	\$	221,987
CAP-158	Utility Upgrade Southwest Campus	\$	473,931
Total Cleveland State University		\$	31,462,721

NEIGHBORHOOD CENTERS RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-084, Neighborhood Centers Renovations, is the total of the unencumbered and unallotted balances, of as June 30, 2006, in appropriations items CAP-856, Friendly Inn Settlement House Historic Site, and CAP-857, Merrick House Historic Site, in the Cultural and Sports Facilities Building Fund (Fund 030).

Of the foregoing appropriation item CAP-084, Neighborhood Centers Renovations, \$250,000 shall be used for renovations to the Friendly Inn Settlement House and \$250,000 shall be used for renovations to the Merrick House.

CLEVELAND INSTITUTE OF ART

The amount reappropriated for the foregoing appropriation item CAP-148, Cleveland Institute of Art, is the unencumbered and unallotted balance, as of June 30, 2006, in appropriation item CAP-069, Cleveland Institute of Art, in the Cultural and Sports Facilities Building Fund (Fund 030).

Reappropriations

SECTION 252.50. KSU KENT STATE UNIVERSITY

CAP-022	Basic Renovations	\$	4,092,258
CAP-098	Trumbull Branch Addition	\$	13,972
CAP-105	Basic Renovations - East Liverpool	\$	234,847
CAP-106	Basic Renovations - Geauga	\$	45,607
CAP-107	Basic Renovations - Salem	\$	126,662
CAP-108	Basic Renovations - Stark	\$	325,358
CAP-110	Basic Renovations - Ashtabula	\$	426,827
CAP-111	Basic Renovations - Trumbull	\$	613,808
CAP-112	Basic Renovations - Tuscarawas	\$	171,699
CAP-122	Faculty Office Addition - Salem	\$	12,072
CAP-126	HVAC Renovations - Ashtabula	\$	5,545
CAP-128	Roof Renovations - Ashtabula	\$	1,435

CAP-137	LCI/Materials Science Building	\$	6,025
CAP-140	Road Improvements - Trumbull	\$	12,282
CAP-143	Liquid Crystals	\$	114,319
CAP-144	Instruction and Data Processing Equipment	\$	1,994,905
CAP-154	Separation Science	\$	1,497
CAP-156	Boiler Plant Controls and Building Alterations	\$	6,738
CAP-159	Electrical Substation/Fiber Optic Network	\$	6,526
CAP-162	Science and Technology Building - Trumbull	\$	125,374
CAP-164	ADA Modifications - Ashtabula	\$	6,772
CAP-167	ADA Modifications - Salem	\$	5,312
CAP-173	Child Care Facility	\$	18,650
CAP-176	Midway Drive Utilities Tunnel - II	\$	1,522
CAP-184	Distributed Computation/Visualization	\$	33,833
CAP-188	Child Care Funds - East Liverpool	\$	90,000
CAP-189	Child Care Funds - Tuscarawas	\$	19,847
CAP-190	Child Care Funds - Ashtabula	\$	12,500
CAP-194	Child Care - Salem	\$	100,000
CAP-195	Child Care - Geauga	\$	20,666
CAP-196	Technology Improvements - Ashtabula	\$	216,911
CAP-198	Technology Improvements - Salem	\$	5,648
CAP-199	Technology Improvements - Trumbull	\$	69,205
CAP-200	Technology Improvements - Tuscarawas	\$	18,638
CAP-206	Child Care Facility	\$	2,637
CAP-207	Kent Hall Planning and Addition	\$	156,000
CAP-210	Rooftop Air Handler	\$	600
CAP-212	Technology Building and Parking	\$	2,406,053
CAP-220	Campus Steam System Evaluation & Upgrade	\$	58,034
CAP-226	GIS Technology	\$	1,637
CAP-227	3D Microscopy Imaging	\$	81,194
CAP-228	Exterior Site Improvements	\$	2,159
CAP-232	Ohio NMR Consortium	\$	80,800
CAP-233	Environmental Technology Consortium	\$	56,850
CAP-234	Terrace Drive Heating Plant Rehabilitation I	\$	12,161
CAP-235	Rehabilitation of Franklin Hall - Planning	\$	11,887,383
CAP-237	Classroom Building Interior Renovation - Tuscarawas	\$	21,923
CAP-239	Classroom Building Roof, Copping, Fascia Restoration	\$	581,919
CAP-241	Main Hall Selective Interior Renovations - Phase 1	\$	1,338
CAP-243	Classroom Building Interior Renovations - East Liverpool	\$	113,456
CAP-246	Tuscarawas Wing C Penthouse Roof Replacement	\$	83,560
CAP-248	Mary Patterson Building Boiler Replacement	\$	3,473
CAP-252	Ohio Organic Semiconductor	\$	73,412
CAP-254	Theoretical Liquid Crystal Physics	\$	500,000
CAP-255	Music & Speech - HVAC/Chiller Replacement	\$	27,264
CAP-256	Stockdale Electrical System Upgrade	\$	814
CAP-258	Business Administration Air Handling Unit and Roof Replacement	\$	8,687
CAP-260	Land Acquisitions & Improvements - East Liverpool	\$	638,419
CAP-261	Addition/Renovation Classrooms - Geauga	\$	246,878
CAP-262	Gym Renovation Planning - Salem	\$	490,213
CAP-265	Science Lab Addition - Trumbull	\$	991,786
CAP-266	Fine & Performing Arts Center - Tuscarawas	\$	844,655
CAP-267	Columbiana County Port Authority	\$	13,125
CAP-268	Canton Convention Center	\$	735,000

CAP-269	Blossom Music Center	\$	2,512,500
CAP-270	Geauga Science Laboratories	\$	36,880
Total Kent State University		\$	31,628,070

REHABILITATION OF FRANKLIN HALL

The amount reappropriated for the foregoing appropriation item CAP-235, Rehabilitation of Franklin Hall - Planning, is the unencumbered and unallotted balance as of June 30, 2006, appropriation item CAP-235, Rehabilitation of Franklin Hall - Planning, plus \$38,917.

Reappropriations**SECTION 252.60. MUN MIAMI UNIVERSITY**

CAP-018	Basic Renovations	\$	4,616,362
CAP-066	Basic Renovations - Hamilton	\$	514,779
CAP-069	Basic Renovations - Middletown	\$	683,071
CAP-081	Cooperative Regional Library Depository SW	\$	2,546
CAP-083	Campus Avenue Building Renovation	\$	26,794
CAP-085	Alumni Hall Rehabilitation - Phase I	\$	972
CAP-088	Hoyt Hall Rehabilitation	\$	7,339
CAP-089	High Voltage Electric	\$	351,155
CAP-096	McGuffey Hall Rehabilitation	\$	52,271
CAP-098	Computer Network Installation	\$	17,589
CAP-099	King Library Rehabilitation	\$	1,865
CAP-103	ADA Modifications - Middletown	\$	2,798
CAP-105	Plant Response/Environmental Stress	\$	72,641
CAP-109	Molecular Microbial Biology	\$	67,500
CAP-110	Micromachining Technology	\$	507,540
CAP-112	Chilled Water Loop Phase I - Hamilton	\$	5,954
CAP-113	Special Academic/Administrative Projects - Hamilton	\$	663,199
CAP-115	Special Academic/Administrative Projects - Middletown	\$	735,287
CAP-121	Southwestern Book Depository	\$	150,820
CAP-123	Phillips Hall Rehabilitation	\$	127,297
CAP-127	Campus Steam Distribution - Phase I	\$	1,820,046
CAP-130	MacMillan Rehabilitation/Multicultural Center	\$	1,500
CAP-131	Miami University Learning Center	\$	1,001,515
CAP-132	Mass Spectrum Consortium	\$	14,590
CAP-143	Warfield Hall Rehabilitation	\$	61,104
CAP-145	Campus Chilled Water Efficiency	\$	816,587
CAP-146	Information Technology System Upgrade	\$	1,363,490
CAP-149	Parrish Auditorium Rehabilitation	\$	625,000
CAP-155	Protein Solution Structural Analysis	\$	500,000
CAP-156	Terahertz Spectroscopy system	\$	100,000
CAP-157	Presser Hall Rehabilitation	\$	3,015,740
CAP-159	DNA Sequencing	\$	93,552
Total Miami University		\$	18,020,903

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-018, Basic Renovations, is the sum of the unencumbered and unallotted balances as of June 30, 2006, in appropriation items CAP-018,

Basic Renovations; CAP-111, Roudebush Hall Rehabilitation; and CAP-117, North Campus Refrigeration/Chilled Water.

SECTION 252.70. OSU OHIO STATE UNIVERSITY		Reappropriations
CAP-074	Basic Renovations	\$ 19,255,664
CAP-149	Basic Renovations - Regional Campuses	\$ 2,083,163
CAP-198	Brown Hall Annex Replacement	\$ 6,213
CAP-254	Basic Renovations - ATI	\$ 127,444
CAP-255	Supplemental Renovations - OARDC	\$ 2,826,343
CAP-256	Supplemental Renovations - Regional	\$ 191,955
CAP-258	Dreese Lab Addition	\$ 12,340
CAP-261	Bioscience/Parks Hall Addition	\$ 12,584
CAP-269	Greenhouse Modernization	\$ 40,982
CAP-271	Horticulture/Entomology Greenhouse - OARDC	\$ 15,344
CAP-292	Life Sciences Research Building	\$ 202,898
CAP-302	Food Science & Technology Building	\$ 89,990
CAP-306	Heart & Lung Institute	\$ 32,437
CAP-311	Superconducting Radiation	\$ 65,094
CAP-313	Brain Tumor Research Center	\$ 6,001
CAP-314	Engineering Center Net Shape Manufacturing	\$ 20,730
CAP-315	Membrane Protein Typology	\$ 8,835
CAP-316	Instructional and Data Processing Equipment	\$ 198,844
CAP-321	Fine Particle Technologies	\$ 157,936
CAP-323	Advanced Plasma Engineering	\$ 22,379
CAP-324	Plasma Ramparts	\$ 1,150
CAP-326	IN-SITU AL-BE Composites	\$ 1,733
CAP-335	Jay Cooke Residence - Roof and Windows	\$ 86,668
CAP-347	Asbestos Abatement	\$ 5,325
CAP-349	Materials Network	\$ 91,983
CAP-350	Bio-Technology Consortium	\$ 42,378
CAP-352	Analytical Electron Microscope	\$ 375,000
CAP-353	High Temp Alloys & Alluminoids	\$ 220,000
CAP-357	Supplemental Renovations - ATI	\$ 33,969
CAP-361	Maintenance, Receiving, and Storage Facility - Marion	\$ 58,646
CAP-362	McPherson Lab Rehabilitation	\$ 10,278
CAP-368	Heart and Lung Institute	\$ 101,808
CAP-374	ADA Modifications	\$ 178,870
CAP-375	ADA Modifications - ATI	\$ 41,936
CAP-376	ADA Modifications - Lima	\$ 95,538
CAP-377	ADA Modifications - Mansfield	\$ 15,253
CAP-387	Titanium Alloys	\$ 54,912
CAP-394	ATI/OARDC Roof Replacements	\$ 13,913
CAP-398	Advanced Manufacturing	\$ 38,579
CAP-399	Manufacturing Processes/Materials	\$ 62,574
CAP-401	Terhertz Studies	\$ 35,294
CAP-406	Marion Park/Road/Sidewalk/Lights	\$ 2,750
CAP-413	Pomerene Lighting/Wiring	\$ 249,584
CAP-419	NMR Consortium	\$ 75,116
CAP-420	Versatile Film Facility	\$ 62,872
CAP-421	OCARNET	\$ 5,916

CAP-422	Bioprocessing Research	\$	1,905
CAP-423	Localized Corrosion Research	\$	6,128
CAP-424	ATM Testbed	\$	3,633
CAP-425	Physical Sciences Building	\$	27,748
CAP-427	Morrill Hall Remodeling - Vacated Library Space - Marion	\$	1,347,191
CAP-431	Sisson Hall Replacement	\$	5,571
CAP-436	Machinery Acoustics	\$	3,804
CAP-439	Sensors and Measurements	\$	15,115
CAP-440	Polymer Magnets	\$	1,099
CAP-458	A1 Alloy Corrosion	\$	14,292
CAP-484	Page Hall Planning	\$	7,210
CAP-485	Botany & Zoology Building Planning	\$	207,932
CAP-486	Larkins Hall Addition/Renovation Planning	\$	26,206
CAP-487	Robinson Laboratory Planning	\$	149,100
CAP-488	Don Scott Field Replacement Barns	\$	1,495,619
CAP-489	Galvin Hall 3rd Floor Renovation - Lima	\$	22,135
CAP-491	Horticultural Operations Center - ATI	\$	1,474,400
CAP-492	OARDC Feed Mill	\$	5,598,644
CAP-499	Biological Sciences Cooling Tower	\$	6,930
CAP-509	Mount Hall HVAC Modifications	\$	40,982
CAP-519	Ohio Biomedical Consortium on Medical Therapeutic Micro Devices	\$	49,275
CAP-520	Plant and Microbe Functional Genomics Facilities	\$	16,259
CAP-523	Consortium for Novem Microfabrications Methods of Medical Devices in Non-Silicon Materials	\$	193,886
CAP-524	Bone & Mineral Metabolism Research Lab	\$	5,845
CAP-531	Animal & Plant Biology Level 3	\$	8,133,780
CAP-534	Main Library Rehabilitation	\$	9,320,846
CAP-535	Psychology Building	\$	2,128,529
CAP-536	Thorne Hall and Gowley Hall Renovations - Phase 3	\$	199,799
CAP-539	Nanosecond Infrared Measurement	\$	2,588
CAP-550	Millimeter/Submillimeter Instrument	\$	5,919
CAP-552	X-Ray Powder Diffractometer	\$	558
CAP-554	Deconvolution Microscope	\$	1,101
CAP-556	Heart/Lung Institute Animal Facility	\$	13,140
CAP-564	Denney Hall Renovation - Phase I	\$	18,495
CAP-565	Ion Mass Spectrometry	\$	6,594
CAP-568	Role of Molecular Interfaces	\$	17,554
CAP-572	New Millimeter Spectrometer	\$	714
CAP-574	Noncredit Job Training - Marion	\$	2,933
CAP-576	1224 Kinnear Road - Bale	\$	11,722
CAP-577	Non-Silicon Micromachining	\$	73,991
CAP-579	Veterinary Hospital Auditorium Renovation	\$	7,736
CAP-586	Electroscience Lab Renovation	\$	5,853
CAP-587	OARDC Boiler Replacement	\$	622,757
CAP-590	Supercomputer Center Expansion	\$	6,804,275
CAP-596	Information Literacy	\$	135,574
CAP-597	Online Business Major	\$	5,768
CAP-599	Renovation of Graves Hall	\$	68,196
CAP-602	OARDC Wooster Phone System Replacement	\$	467,398
CAP-605	Utility - North Tunnel Steamline Upgrade	\$	111,981
CAP-608	Dual Beam Characterization	\$	150,000
CAP-616	Environmental Technology Consortium	\$	11,297

CAP-617	Campbell, University, and Evans Hall	\$	87,439
CAP-620	School of Music - Planning	\$	1,500
CAP-622	Western Branch Headquarters & Machinery Building	\$	779,525
CAP-624	Muck Crops Branch/Shop Building Replacement	\$	756,336
CAP-625	Hazardous Waste Handling/Storage Building	\$	1,103,062
CAP-626	Agriculture/Engineering Building Renovation & Addition	\$	200,000
CAP-628	Wood County Center for Agriculture	\$	1,000,000
CAP-629	Community Heritage Art Gallery - Lima	\$	100,000
CAP-631	Health Psychology	\$	250,000
CAP-632	Nanotechnology Molecular Assembly	\$	500,000
CAP-633	Networking and Communication	\$	500,000
CAP-634	Planetary Gear	\$	125,000
CAP-635	X-Ray Fluorescence Spectrometer	\$	2,283
CAP-636	Precision Navigation	\$	85,000
CAP-637	Welding & Metal Working	\$	200,000
CAP-638	Spin Driven Electronics	\$	6,436
CAP-639	Inductively Coupled Plasma Etching	\$	126,729
CAP-641	Accelerated Metals	\$	1,020,331
CAP-642	Mathematical Biosciences Institute	\$	54,863
CAP-646	Mershon Auditorium HVAC System Improvements	\$	2,098
CAP-647	Molecular Microdevices	\$	14,033
CAP-648	Research Center HVAC System Improvements	\$	17,088
CAP-649	Infrared Absorption Measurements	\$	2,899
CAP-650	Dark Fiber	\$	3,983,440
CAP-651	Shared Data Backup System	\$	20,922
CAP-653	Third Frontier Network Testbed	\$	280,564
CAP-654	Distributed Learning Workshop	\$	270,000
CAP-656	Accelerated Maturation of Materials	\$	209,702
CAP-657	Nanoscale Polymers Manufacturing	\$	629,699
CAP-658	Hydrogen Production and Storage	\$	32,396
CAP-659	Ohio Organic Semiconductor	\$	367,587
CAP-663	Comprehensive Cancer - Chiller Replacement	\$	42,687
CAP-664	Kottman Hall - 103 Central Classroom	\$	19,285
CAP-668	West Campus Chilled Water & Scott Hall	\$	16,139
CAP-669	McCracken Power Plant Spill Control	\$	268,508
CAP-670	Glacial Assessment	\$	22,764
CAP-672	Chemical Vapor Deposition	\$	13,500
CAP-674	Parks Hall Chiller Replacement	\$	135,360
CAP-675	Hybrid Electric Vehicle Modeling	\$	504,536
CAP-676	Computational Nanotechnology	\$	500,000
CAP-677	Townshend Hall - Roof Replacement	\$	328,772
CAP-678	Center For Materials Design	\$	1,037
CAP-681	Vet Hospital Roof Replacement Phase II	\$	85,645
CAP-682	Hopkins Hall Phase II Priorities I, II	\$	108,052
CAP-683	Bioscience 6th Floor Renovation - Priority	\$	983,186
CAP-684	Ohio Commons For Digital Education	\$	118,924
CAP-685	Postle Hall Fire Alarm Replacement	\$	116,441
CAP-686	NonCredit Job Education & Training	\$	21,104
CAP-687	Campus South Dorms Renovation/Improvements	\$	950,000
CAP-688	Bricker Hall Roof Replacement	\$	23,123
CAP-694	Neuroscience Center Core	\$	193,991
CAP-696	Campus Grounds-Exterior Lighting - Phase VIII	\$	33,814
CAP-697	930 Kinnear Road Renovations	\$	773,303

CAP-698	Waterman Lab & Don Scott Field	\$	652,752
CAP-699	Lincoln Tower Renovations - Phase 1	\$	477,626
CAP-700	Coe Corrosion Coop	\$	58,750
CAP-701	OSU Cancer Program Expansion	\$	2,000,000
CAP-702	Smith Laboratory Rehabilitation	\$	2,800,000
CAP-704	Warner Library and Student Center	\$	1,789,324
CAP-705	Hopewell Hall Science Suite	\$	508,408
CAP-706	Atomic Force Microscopy	\$	180,000
CAP-707	Interactive Applications	\$	463,018
CAP-712	OSU Mansfield - Third Street Project	\$	234,000
CAP-714	Health Psychology	\$	150,000
CAP-716	Ohio Bioproducts Innovation Center	\$	9,689,847
CAP-717	Center for Materials Design	\$	602,615
CAP-718	Specialized Planetary Gears	\$	150,000
CAP-719	OSU Agricultural Building	\$	1,500,000
CAP-720	Automated Afm System	\$	180,000
CAP-721	Integrated Wireless Communication	\$	141,000
Total Ohio State University		\$	105,955,671

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-074, Basic Renovations, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-074, Basic Renovations, plus \$6,927.

OARDC THORNE & GOURLEY HALL

The amount reappropriated for the foregoing appropriation item CAP-274, OARDC Thorne & Gourley Hall shall be \$1,007.

WOOD COUNTY CENTER FOR AGRICULTURE

Of the foregoing appropriation item CAP-628, Wood County Center for Agriculture, up to \$300,000 shall be used for building renovations to the OSU Extension Office/Ag Business Enhancement Center.

Reappropriations

SECTION 252.80. OHU OHIO UNIVERSITY

CAP-020	Basic Renovations	\$	3,869,311
CAP-021	Conservancy District Assessment	\$	8,807
CAP-086	Memorial Auditorium Rehabilitation	\$	10,033
CAP-095	Basic Renovations - Eastern	\$	492,525
CAP-099	Basic Renovations - Zanesville	\$	164,438
CAP-113	Basic Renovations - Chillicothe	\$	393,668
CAP-114	Basic Renovations - Ironton	\$	209,359
CAP-115	Bennett Hall HVAC/Lab - Chillicothe	\$	214,952
CAP-117	Porter Hall Rehabilitation	\$	26,531
CAP-119	Biomedical Research Center	\$	10,120
CAP-120	Ridges Auditorium Rehabilitation	\$	1,177
CAP-136	Gymnasium Development - Eastern	\$	89,067
CAP-141	College of Health and Human Services	\$	8,693
CAP-142	Health Professions Labs - Phase I	\$	66,354
CAP-145	Asbestos Abatement	\$	5,094

CAP-148	RTVC Building Asbestos Abatement	\$	1,037
CAP-152	Gordy Hall Addition and Rehabilitation	\$	940
CAP-155	Brasee Hall Rehabilitation - Lancaster	\$	73,635
CAP-157	ADA Modifications	\$	13,425
CAP-160	ADA Modifications - Ironton	\$	9,113
CAP-161	ADA Modifications - Lancaster	\$	20,345
CAP-164	Southeast Library Warehouse	\$	85,367
CAP-172	Elson Hall Rehabilitation - Zanesville	\$	359,572
CAP-183	Central Classroom Building	\$	36,595
CAP-186	Ellis Hall Partial Renovation	\$	7,080
CAP-189	Conference Center Planning - Lancaster	\$	500,358
CAP-190	Center for Public Policy	\$	29,589
CAP-191	District Water Cooling	\$	17,030
CAP-192	Plant and Microbe Functional Genomics Facilities	\$	38,358
CAP-200	Building Acquisition/Renovation - Eastern	\$	373,182
CAP-202	Putnam Hall Rehabilitation	\$	3,507
CAP-206	Human Resources Training Center	\$	1,116
CAP-208	Student Services	\$	15,278
CAP-209	Creativity Through Technology	\$	147,891
CAP-212	Exterior Site Improvement	\$	23,436
CAP-213	Daycare Center	\$	447,950
CAP-214	Science/Fine Arts Renovation - Phase 2	\$	874,713
CAP-215	Land-Use Plan/Future Development	\$	5,100
CAP-219	Mainframe Computing Alliance	\$	10,000
CAP-221	Tunnel 5 Rehabilitation	\$	68,344
CAP-222	Clippinger Lab Planning	\$	112,709
CAP-223	Alden Library Planning	\$	150,000
CAP-224	University Center Replacement	\$	113,900
CAP-225	Lausche Heating Plant	\$	1,580,338
CAP-226	New Grounds Maintenance Building	\$	259,064
CAP-227	Chillicothe Parking & Roadway	\$	480,000
CAP-228	Shoemaker Center Air Conditioning	\$	271,000
CAP-230	Kettering Medical Center - Nixon	\$	450,000
CAP-232	Child Care Matching Grant	\$	221,987
Total Ohio University		\$	12,372,088

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-020, Basic Renovations, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-020, Basic Renovations, plus \$25,204.

HEALTH PROFESSIONAL LABS - PHASE 1

The amount reappropriated for the foregoing appropriation item CAP-142, Health Professions Labs - Phase 1, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-142, Health Professions LABS - Phase 1, plus \$33,046.

GORDY HALL ADDITION & REHABILITATION

The amount reappropriated for the foregoing appropriation item CAP-152, Gordy Hall Addition & Rehabilitation, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation

item CAP-152, Gordy Hall Addition & Rehabilitation, plus \$12,650.

CENTER FOR PUBLIC POLICY

The amount reappropriated for the foregoing appropriation item CAP-190, Center for Public Policy, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-190, Center for Public Policy, plus \$3,255.

PUTNAM HALL REHABILITATION

The amount reappropriated for the foregoing appropriation item CAP-202, Putnam Hall Rehabilitation, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-202, Putnam Hall Rehabilitation, plus \$5,482.

Reappropriations

SECTION 252.90. SSC SHAWNEE STATE UNIVERSITY

CAP-004	Basic Renovations	\$	612,759
CAP-008	Massie Hall Renovation	\$	33,186
CAP-010	Land Acquisition	\$	56,267
CAP-016	Library Building	\$	10,777
CAP-017	Math/Science Building	\$	10,065
CAP-029	Fine Arts Class and Lab Building	\$	108,704
CAP-030	Utilities and Landscaping	\$	4,679
CAP-037	ADA Modifications	\$	53,188
CAP-039	Central Heating Plant Replacement	\$	7,665
CAP-040	Chiller Replacement	\$	12,054
CAP-041	Kricker Hall Renovation	\$	1,932
CAP-042	Sidewalk/Plaza Replacement	\$	250,276
CAP-043	Communication/Data Upgrade	\$	23,079
CAP-044	Land Acquisition	\$	571,511
CAP-045	Rehabilitation of Health Sciences Building - Phase I	\$	122,189
CAP-046	Digital Infrastructure	\$	55,803
CAP-047	Natatorium Rehabilitation	\$	21,987
CAP-048	Facilities Building Renovation	\$	223,120
CAP-051	Rhodes Center Rehabilitation	\$	1,315,586
Total Shawnee State University		\$	3,494,827

LAND ACQUISITION

The amount reappropriated for the foregoing appropriation item CAP-010, Land Acquisition, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-010, Land Acquisition, plus \$1,150.

PLAZA/ROAD/LANDSCAPING

The amount reappropriated for the foregoing appropriation item CAP-035, Plaza/Road/Landscaping, shall be \$24,522.

Reappropriations

SECTION 253.10. UTO UNIVERSITY OF TOLEDO

CAP-010	Basic Renovations	\$	6,069,480
CAP-073	ADA Modifications	\$	2,434
CAP-077	Tribology	\$	192,296
CAP-083	Bowman-Oddy Rehabilitation - Phase 2	\$	32,196
CAP-091	Greenhouse Improvements	\$	11,675
CAP-094	Plant Operations Renovation	\$	450,000
CAP-096	Health & Human Services Rehabilitation - Phase I	\$	327,288
CAP-105	Gillham Hall Rehabilitation	\$	2,999,373
CAP-109	Student Services	\$	70,929
CAP-110	Distributed Learning Courses	\$	858
CAP-112	Campus Signage Improvements	\$	185,572
CAP-115	Palmer Hall - 3rd Floor Classroom Renovations	\$	4,879
CAP-116	Bowman-Oddy-North Wing Renovations	\$	695,909
CAP-121	Emergency Phone System Upgrades	\$	29,895
CAP-122	Bowman-Oddy Instructional Labs	\$	1,080,000
CAP-125	University Computer Center Roof Replacement	\$	19,000
CAP-126	Health & Human Services South Roof Replacement	\$	11,481
CAP-127	Westwood Building Rehabilitation	\$	4,107,000
CAP-128	Rocket Hall Renovation	\$	813,000
CAP-129	Science - Lab Building	\$	3,006,304
CAP-130	Rehabilitate/Expand Classroom Building	\$	2,200,000
Total University of Toledo		\$	22,309,569

HEALTH AND HUMAN SERVICES REHABILITATION - PHASE I

The amount reappropriated for the foregoing appropriation item CAP-096, Health & Human Services Rehabilitation - Phase I, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-096, Health & Human Services Rehabilitation - Phase I, plus \$19,808.11.

Reappropriations

SECTION 253.20. WSU WRIGHT STATE UNIVERSITY

CAP-015	Basic Renovations	\$	2,646,778
CAP-064	Basic Renovations - Lake	\$	98,582
CAP-080	Library Access Consolidation System	\$	4,400,080
CAP-093	Information Technology Center	\$	23,860
CAP-102	Specialized Communication	\$	7,791
CAP-114	Environmental Technology Consortium	\$	6,298
CAP-116	Rike Hall Renovation - Planning	\$	2,200,000
CAP-117	Electrical Infrastructure - Phase 1	\$	305,296
CAP-119	Science Lab Renovations - Planning	\$	5,898,819
CAP-120	Lake Campus University Center	\$	2,007,909
CAP-122	Accelerated Maturation of Materials	\$	26,621
CAP-124	Video Analysis Content Extraction	\$	81,834
CAP-127	Rehabilitate Festival Playhouse	\$	440,000
CAP-128	Glenn Helen Preserve Eco Art Classroom	\$	25,000
CAP-130	Creative Arts HVAC Upgrade	\$	5,300
CAP-131	Advanced Data Manager	\$	250,000
CAP-132	Montgomery County Port Authority	\$	1,000,000
Total Wright State University		\$	19,424,168

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-015, Basic Renovations, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation items CAP-015, Basic Renovations; and CAP-071, New Academic Building.

LIBRARY ACCESS CONSOLIDATION SYSTEM

The amount reappropriated for the foregoing appropriation item CAP-080, Library Access Consolidation System, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-080, Library Access Consolidation System, plus \$81,413.

		Reappropriations
SECTION 253.30. YSU YOUNGSTOWN STATE UNIVERSITY		
CAP-014	Basic Renovations	\$ 2,921,385
CAP-066	Asbestos Abatement	\$ 48,154
CAP-099	Todd Hall Renovations	\$ 146,979
CAP-108	Electronic Campus Infrastructure/Technology	\$ 2,722
CAP-112	Beeghly Center Rehabilitation	\$ 13,429
CAP-113	Campus Development	\$ 1,430,337
CAP-114	Chiller and Steamline Replacement - Phase 3	\$ 92,003
CAP-117	Ward Beecher/HVAC Upgrade	\$ 133,987
CAP-124	Classroom Updates	\$ 155,948
CAP-125	Campus - Wide Building System Upgrades	\$ 858,349
CAP-126	Technology Upgrades	\$ 962,153
CAP-130	Residential Technology Integration	\$ 34,072
CAP-131	Masonry Restoration	\$ 111,580
CAP-132	Youngstown Convocation Center	\$ 2,000,000
	Total Youngstown State University	\$ 8,911,098

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-014, Basic Renovations, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-014, Basic Renovations, plus \$33,680.

		Reappropriations
SECTION 253.40. MCO MEDICAL UNIVERSITY OF OHIO		
CAP-049	Center for Classrooms of the Future	\$ 5,169
CAP-053	ADA Modifications	\$ 1,531
CAP-062	Waterproofing	\$ 3,381
CAP-066	Core Research Facility	\$ 3,739,440
CAP-076	Supplemental Renovations	\$ 990,789
CAP-078	Clinical Academic Renovation	\$ 536,150
CAP-080	2005 Campus Waterproof/Roof Replacements	\$ 3,834
	Total Medical University of Ohio	\$ 5,280,294

		Reappropriations
SECTION 253.50. NEM NORTHEASTERN OHIO UNIVERSITIES		
COLLEGE OF MEDICINE		
CAP-018	Basic Renovations	\$ 407,517
CAP-022	Cooperating Regional Library Depository	\$ 452,200
CAP-042	Outdoor Athletic Facilities	\$ 15,450
CAP-048	Rehabilitation of Multidisciplinary Labs	\$ 1,346,879
CAP-049	Renovation of Liebelt and Olson Halls	\$ 34,325
Total Northeastern Ohio Universities College of Medicine		\$ 2,256,371

REHAB OF MULTIDISCIPLINARY LABS

The amount reappropriated for the foregoing appropriation item CAP-048, Rehabilitation of Multidisciplinary Labs, is the sum of the unencumbered and unallotted balances as of June 30, 2006, in appropriation items CAP-048, Rehabilitation of Multidisciplinary Labs and CAP-034, ADA Modifications, plus \$928.

		Reappropriations
SECTION 253.60. CWR CASE WESTERN RESERVE UNIVERSITY		
CAP-005	Northeast Ohio Biomedical Research Consortium	\$ 33,750
CAP-013	Ohio MEMSnet	\$ 17,579
CAP-016	Ohio Pharmacological Sciences Consortium	\$ 9,892
CAP-022	Developing and Improving Institutional Animal Resources	\$ 64,144
CAP-028	Ohio MicroMD: The Ohio BioMEMS Consortium on Medical Therapeutic Microdevices	\$ 11,002
CAP-029	Consortium for Novel Microfabrication Methods of Mesoscale Devices in Non-Silicon Materials	\$ 10,612
CAP-031	Research in Propulsion Systems for Future Vehicles	\$ 31,738
CAP-032	Center for Fire & Explosion Science & Technology	\$ 32,749
CAP-036	Ohio Eminent Scholar for Fuel Cells	\$ 105,000
CAP-039	Ohio Organic Semiconductor Consortium	\$ 67,749
CAP-042	Nanoscale Hybrid Materials: Novel Synthesis, Characterization and Applications	\$ 1,080
CAP-043	Ohio Organic Semiconductor Consortium	\$ 500
CAP-044	Stem Cell and Regenerative Medicine	\$ 500,000
CAP-047	Condensed Matter Physics	\$ 500,000
CAP-048	Center for Chemical Dynamics	\$ 159,076
Total Case Western Reserve University		\$ 1,544,871

		Reappropriations
SECTION 253.70. CTC CINCINNATI STATE TECHNICAL AND COMMUNITY COLLEGE		
CAP-008	Interior Renovations	\$ 2,258
CAP-013	Basic Renovations	\$ 1,161,143
CAP-016	Health Professions Building Planning	\$ 1,468

CAP-017	Instructional and Data Processing Equipment	\$	361,277
CAP-030	Student Life/Education Building	\$	2,865,422
CAP-032	Child Care Facility	\$	63,235
CAP-035	Install Kiosks	\$	150,450
CAP-037	Classroom Technology Enhancements	\$	792,372
Total Cincinnati State Community College		\$	5,397,625

Reappropriations

SECTION 253.80. CLT CLARK STATE COMMUNITY COLLEGE

CAP-006	Basic Renovations	\$	1,099,828
CAP-034	ADA Modifications	\$	28,451
CAP-041	Student Technology Center	\$	1,270,607
CAP-044	Child Care Matching Grant	\$	130,000
Total Clark State Community College		\$	2,528,886

Reappropriations

SECTION 253.90. CTI COLUMBUS STATE COMMUNITY COLLEGE

CAP-006	Basic Renovations	\$	2,219,129
CAP-033	Child Care Facility	\$	89,510
CAP-040	Building "D" Planning	\$	2,285,557
CAP-043	Building "E" Planning	\$	1,022,862
CAP-053	Childcare Matching Grant	\$	75,000
Total Columbus State Community College		\$	5,692,058

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-006, Basic Renovations, is the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-006, Basic Renovations, plus \$3,662.

BUILDING "D" PLANNING

The amount reappropriated for the foregoing appropriation item CAP-040, Building "D" Planning, is the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-040, Building "D" Planning, plus \$9,582.

BUILDING "E" PLANNING

The amount reappropriated for the foregoing appropriation item CAP-043, Building "E" Planning, is the sum of the unencumbered and unallotted balances as of June 30, 2006, in appropriation items CAP-043, Building "E" Planning, and CAP-037, Academic Center "C."

Reappropriations

SECTION 254.10. CCC CUYAHOGA COMMUNITY COLLEGE

CAP-031	Basic Renovations	\$	2,907,779
CAP-064	Technology Learning Center - Western	\$	43,096

CAP-073	Noncredit Job Training	\$	7,177
CAP-076	Distance Learning	\$	139,287
CAP-079	Cleveland Art Museum - Improvements	\$	3,000,000
CAP-084	Literacy Initiative	\$	202,020
CAP-090	Building A Expansion Module - Western	\$	5,689,241
CAP-093	Corporate College East	\$	57,750
CAP-094	College-Wide Wayfinding Signage System	\$	1,067,510
CAP-095	College-Wide Asset Protection & Building	\$	1,491,522
CAP-096	Healthcare Technology Building - Eastern	\$	6,050,264
CAP-097	WVIZ Technical Center/Play House Square	\$	750,000
Total Cuyahoga Community College		\$	21,405,646

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-031, Basic Renovations, is the sum of the unencumbered and unallotted balances as of June 30, 2006, in appropriation items CAP-031, Basic Renovations; CAP-087, Center for Nursing and Health Careers; CAP-088, Corporate College; and CAP-089, East I Renovations Phase 2 - Eastern.

Reappropriations**SECTION 254.20. ESC EDISON STATE COMMUNITY COLLEGE**

CAP-006	Basic Renovations	\$	649,311
CAP-011	Roadway Construction	\$	16,696
CAP-014	Student Activities Area	\$	13,398
CAP-018	Master Plan Update	\$	15,243
CAP-021	Student Services	\$	13,683
Total Edison State Community College		\$	708,331

Reappropriations**SECTION 254.30. JTC JEFFERSON COMMUNITY COLLEGE**

CAP-022	Basic Renovations	\$	210,806
CAP-031	Law Enforcement/Engineering Lab Renovations	\$	56,172
CAP-041	Campus Master Plan	\$	189,442
Total Jefferson Community College		\$	456,420

Reappropriations**SECTION 254.40. LCC LAKELAND COMMUNITY COLLEGE**

CAP-006	Basic Renovations	\$	1,148,687
CAP-036	Noncredit Job Training	\$	172,170
CAP-037	Building East End Project	\$	985,000
CAP-038	HVAC Upgrades/Rehabilitation	\$	960,300
CAP-040	Roadway and Drainage Improvements	\$	77,084
CAP-043	Mooreland Educational Center Rehabilitation	\$	65,150
CAP-044	Industrial Skills Training Program	\$	178,200
CAP-045	Instructional Use Building	\$	2,433,264
Total Lakeland Community College		\$	6,019,855

Reappropriations

SECTION 254.50. LOR LORAIN COUNTY COMMUNITY COLLEGE

CAP-005	Basic Renovations	\$	909,693
CAP-042	Virtual Lab Courses	\$	84,970
CAP-043	Great Lakes Business Growth Center	\$	435,000
CAP-044	Learning Technology Center	\$	8,857,919
Total Lorain County Community College		\$	10,287,582

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-005, Basic Renovation, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-005, Basic Renovations, plus \$23,600.

Reappropriations

SECTION 254.60. NTC NORTHWEST STATE COMMUNITY COLLEGE

CAP-003	Basic Renovations	\$	525,209
CAP-013	Classroom & Engineering Building	\$	9,917
CAP-022	Branch Campus Facility	\$	400,000
Total Northwest State Community College		\$	935,126

Reappropriations

SECTION 254.70. OTC OWENS COMMUNITY COLLEGE

CAP-019	Basic Renovations	\$	1,490,497
CAP-037	Education Center	\$	5,463
CAP-039	Services Building Phase 2 - Finley	\$	3,160,268
Total Owens Community College		\$	4,656,228

Reappropriations

SECTION 254.80. RGC RIO GRANDE COMMUNITY COLLEGE

CAP-005	Basic Renovations	\$	1,027,918
CAP-012	Instructional and Data Processing Equipment	\$	72,035
CAP-013	College of Business	\$	998
CAP-022	Child Care Facility	\$	35,000
CAP-025	Student and Community Center	\$	125,000
CAP-026	Supplemental Renovations	\$	200,000
Total Rio Grande Community College		\$	1,460,951

Reappropriations

SECTION 254.90. SCC SINCLAIR COMMUNITY COLLEGE

CAP-007	Basic Renovations	\$	1,691,235
CAP-034	Advanced Educational Applications Center - Phase I	\$	40,000

CAP-042	Autolab/Fire Science Facility	\$	3,500
CAP-055	Distance Learning	\$	1,870
CAP-056	Information Literacy	\$	300,053
CAP-061	Accelerated Product Development	\$	500,000
Total Sinclair Community College		\$	2,536,658

Reappropriations

SECTION 255.10. SOC SOUTHERN STATE COMMUNITY COLLEGE

CAP-010	Basic Renovations	\$	81,365
CAP-011	Supplemental Renovations	\$	100,000
Total Southern State Community College		\$	181,365

Reappropriations

SECTION 255.20. TTC TERRA STATE COMMUNITY COLLEGE

CAP-009	Basic Renovations	\$	294,222
CAP-015	Child Care Facility	\$	166,148
CAP-018	Nursing Online	\$	3,873
CAP-020	New Health and Science Building	\$	2,967,947
Total Terra State Community College		\$	3,432,190

Reappropriations

SECTION 255.30. WTC WASHINGTON STATE COMMUNITY COLLEGE

CAP-006	Basic Renovations	\$	231,224
CAP-009	Instructional and Data Processing Equipment	\$	92,363
CAP-012	ADA Modifications	\$	14,575
CAP-019	Industrial Certifications	\$	4,000
CAP-020	Child Care Matching Grant	\$	43,000
Total Washington State Community College		\$	385,162

Reappropriations

SECTION 255.40. BTC BELMONT TECHNICAL COLLEGE

CAP-008	Basic Renovations	\$	813,671
CAP-014	Main Building Renovation - Phase 3	\$	49,137
CAP-016	Industrial and Data Processing Equipment	\$	85,628
CAP-019	ADA Modifications	\$	49,915
Total Belmont Technical College		\$	998,351

Reappropriations

SECTION 255.50. COT CENTRAL OHIO TECHNICAL COLLEGE

CAP-003	Basic Renovations	\$	9,857
CAP-013	Hopewell Hall Science Suite	\$	354,765
CAP-014	Founders Hopewell Halls	\$	5,158
Total Central Ohio Technical College		\$	369,780

Reappropriations

SECTION 255.60. HTC HOCKING TECHNICAL COLLEGE

CAP-019	Basic Renovations	\$	638,185
CAP-024	Building Addition	\$	5,270
CAP-027	Instructional and Data Processing Equipment	\$	288,546
CAP-028	College Hall Rehabilitation	\$	3,769
CAP-032	Public Safety Service	\$	57,065
CAP-033	Light and Oakley Halls	\$	41,129
CAP-039	Student Services	\$	9,752
CAP-041	Flexible Manufacturing Center	\$	205,000
CAP-042	McClenaghan Center Expansion	\$	1,283,437
CAP-044	Hocking College Fire and Emergency Training Center	\$	250,000
Total Hocking Technical College		\$	2,782,153

Reappropriations

SECTION 255.70. LTC JAMES RHODES STATE COLLEGE

CAP-004	Basic Renovations	\$	1,123,167
CAP-006	Building Renovations	\$	5,000
CAP-007	Training and Education Facility	\$	79,934
CAP-008	Instructional and Data Processing Equipment	\$	290,732
CAP-009	Life and Physical Sciences	\$	10,133
Total James Rhodes State College		\$	1,508,965

Reappropriations

SECTION 255.80. MAT ZANE STATE COLLEGE

CAP-007	Basic Renovations	\$	498,234
CAP-017	Basic Capacity Grant	\$	1,390,645
CAP-021	Lighting/HVAC Replacement	\$	175,000
Total Zane State College		\$	2,063,879

Reappropriations

SECTION 255.90. MTC MARION TECHNICAL COLLEGE

CAP-004	Basic Renovations	\$	103,485
CAP-006	Instructional and Data Processing Equipment	\$	71,786
CAP-012	Technical Education Center	\$	38,622
Total Marion Technical College		\$	213,893

Reappropriations

SECTION 256.10. NCC NORTH CENTRAL TECHNICAL COLLEGE

CAP-003	Basic Renovations	\$	586,030
CAP-009	ADA Modifications	\$	25,000
CAP-013	Engineering Center Renovation	\$	6,272
CAP-014	Kee Hall Roof Replacement	\$	509,000
CAP-015	Richland/Braintree Incubator	\$	250,000

CAP-018	Fallerius Center Rehabilitation	\$	482,406
Total North Central Technical College		\$	1,858,708

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-003, Basic Renovations, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-003, Basic Renovations, plus \$5,563.

FALLERIUS CENTER REHABILITATION

The amount reappropriated for the foregoing appropriation item CAP-018, Fallerius Center Rehabilitation, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-018, Fallerius Center Phase II Rehabilitation, plus \$7,797.

Reappropriations

SECTION 256.20. STC STARK TECHNICAL COLLEGE

CAP-004	Basic Renovations	\$	496,210
CAP-027	Information Technology Learning Center	\$	921
CAP-037	Fuel Cell Initiative	\$	2,862
CAP-038	General Study Faculty Offices	\$	1,378,892
Total Stark Technical College		\$	1,878,885
TOTAL HIGHER EDUCATION IMPROVEMENT FUND		\$	491,713,902

SECTION 256.30. For all of the foregoing appropriation items from the Higher Education Improvement Fund (Fund 034) that require local funds to be contributed by any state-supported or state-assisted institution of higher education, the Board of Regents shall not recommend that any funds be released until the recipient institution demonstrates to the Board of Regents and the Office of Budget and Management that the local funds contribution requirement has been secured or satisfied. The local funds shall be in addition to the foregoing appropriations.

SECTION 256.40. None of the foregoing capital improvements appropriations for state-supported or state-assisted institutions of higher education shall be expended until the particular appropriation has been recommended for release by the Board of Regents and released by the Director of Budget and Management or the Controlling Board. Either the institution concerned, or the Board of Regents with the concurrence of the institution concerned, may initiate the request to the Director of Budget and Management or the Controlling Board for the release of the particular appropriations.

SECTION 256.50. (A) No capital improvement appropriations made in Sections 251.30 to 256.80, 289.10, 289.20, 291.10, and 291.20 of this act shall be released for planning or for improvement, renovation, construction, or acquisition of capital facilities if the institution of higher education or the state does not own the real property on which the capital facilities are or will be located. This restriction does not apply in any of the following circumstances:

(1) The institution has a long-term (at least fifteen years) lease of, or other interest (such as an easement) in, the real property.

(2) The Board of Regents certifies to the Controlling Board that undue delay will occur if planning does not proceed while the property or property interest acquisition process continues. In this case, funds may be released upon approval of the Controlling Board to pay for planning through the development of schematic drawings only.

(3) In the case of an appropriation for capital facilities that, because of their unique nature or location, will be owned or will be part of facilities owned by a separate nonprofit organization or public body and made available to the institution of higher education for its use, the nonprofit organization or public body either owns or has a long-term (at least fifteen years) lease of the real property or other capital facility to be improved, renovated, constructed, or acquired and has entered into a joint or cooperative use agreement, approved by the Board of Regents, with the institution of higher education that meets the requirements of division (C) of this section.

(B) Any foregoing appropriations which require cooperation between a technical college and a branch campus of a university may be released by the Controlling Board upon recommendation by the Board of Regents that the facilities proposed by the institutions are:

(1) The result of a joint planning effort by the university and the technical college, satisfactory to the Board of Regents;

(2) Facilities that will meet the needs of the region in terms of technical and general education, taking into consideration the totality of facilities which will be available after the completion of these projects;

(3) Planned to permit maximum joint use by the university and technical college of the totality of facilities which will be available upon their completion;

(4) To be located on or adjacent to the branch campus of the university.

(C) In the case of capital facilities referred to in division (A)(3) of this section, the joint or cooperative use agreements shall include, as a

minimum, provisions that:

(1) Specify the extent and nature of that joint or cooperative use, extending for not fewer than fifteen years, with the value of such use or right to use to be, as determined by the parties and approved by the Board of Regents, reasonably related to the amount of the appropriations;

(2) Provide for pro rata reimbursement to the state should the arrangement for joint or cooperative use be terminated;

(3) Provide that procedures to be followed during the capital improvement process will comply with appropriate applicable state laws and rules, including provisions of this act;

(4) Provide for payment or reimbursement to the institution of its administrative costs incurred as a result of the facilities project, not to exceed 1.5 per cent of the appropriated amount.

(D) Upon the recommendation of the Board of Regents, the Controlling Board may approve the transfer of appropriations for projects requiring cooperation between institutions from one institution to another institution, with the approval of both institutions.

(E) Notwithstanding section 127.14 of the Revised Code, the Controlling Board, upon the recommendation of the Board of Regents, may transfer amounts appropriated to the Board of Regents to accounts of state-supported or state-assisted institutions created for that same purpose.

SECTION 256.60. The requirements of Chapters 123. and 153. of the Revised Code, with respect to the powers and duties of the Director of Administrative Services in the procedure for and award of contracts for capital improvement projects, and the requirements of section 127.16 of the Revised Code, with respect to the Controlling Board, do not apply to projects of community college districts and technical college districts.

SECTION 256.70. Those institutions locally administering capital improvement projects pursuant to sections 3345.50 and 3345.51 of the Revised Code may:

(A) Establish charges for recovering costs directly related to project administration as defined by the Director of Administrative Services. The Department of Administrative Services shall review and approve these administrative charges when such charges are in excess of 1.5 per cent of the total construction budget.

(B) Seek reimbursement from state capital appropriations to the institution for the in-house design services performed by the institution for

such capital projects. Acceptable charges shall be limited to design document preparation work that is done by the institution. These reimbursable design costs shall be shown as "A/E fees" within the project's budget that is submitted to the Controlling Board or the Director of Budget and Management as part of a request for release of funds. The reimbursement for in-house design may not exceed seven per cent of the estimated construction cost.

SECTION 256.80. The Board of Regents shall adopt rules regarding the release of moneys from all the foregoing appropriations for capital facilities for all state-supported and state-assisted institutions of higher education.

SECTION 259.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Parks and Recreation Improvement Fund (Fund 035) that are not otherwise appropriated:

		Reappropriations
DNR DEPARTMENT OF NATURAL RESOURCES		
CAP-004	Burr Oak State Park	\$ 177,314
CAP-005	Cowan Lake State Park	\$ 3,680
CAP-011	Findley State Park	\$ 22,856
CAP-012	Land Acquisition	\$ 243,663
CAP-016	Hueston Woods State Park	\$ 5,733
CAP-017	Indian Lake State Park	\$ 15,388
CAP-019	Lake Hope State Park	\$ 7,276
CAP-025	Punderson State Park	\$ 6,263
CAP-029	Salt Fork State Park	\$ 799
CAP-045	Mary J. Thurston State Park Marina/Dock	\$ 301,000
CAP-051	Buck Creek State Park	\$ 750
CAP-064	Geneva State Park	\$ 24,592
CAP-069	Hocking Hills State Park	\$ 525
CAP-093	Portage Lakes State Park	\$ 143,310
CAP-113	East Harbor State Park Shoreline Stabilization	\$ 850,000
CAP-162	Shawnee State Park	\$ 760
CAP-205	Deer Creek State Park	\$ 128,551
CAP-234	State Parks Campgrounds, Lodges, and Cabins	\$ 4,169,570
CAP-331	Park Boating Facilities	\$ 9,195,011
CAP-390	State Park Maintenance Facility Development	\$ 737,751
CAP-701	Buckeye Lake Dam Rehabilitation	\$ 4,000,000
CAP-702	Upgrade Underground Storage Tanks	\$ 247,976
CAP-703	Cap Abandoned Water Wells	\$ 1,495
CAP-716	Muskingum River Lock and Dam	\$ 180,000
CAP-718	Grand Lake St. Mary's State Park	\$ 451,882
CAP-719	Indian Lake State Park	\$ 16,480
CAP-727	Riverfront Improvements	\$ 1,005,000
CAP-744	Multi-Agency Radio Communication Equipment	\$ 425,000

CAP-748	Local Parks Projects	\$	1,228,825
CAP-787	Scioto Riverfront Improvements	\$	33,861
CAP-790	Paint Creek State Park Campground Electricity	\$	2,300
CAP-821	State Park Dredging and Shoreline Protection	\$	14,000
CAP-827	Cuyahoga Valley Scenic Railroad	\$	1,000,000
CAP-845	Caesar Creek State Park	\$	109,575
CAP-848	Hazardous Dam Repair/Statewide	\$	1,325,000
CAP-876	Statewide Trails Program	\$	1,889,848
CAP-927	Mohican State Park	\$	72,470
CAP-928	Handicapped Accessibility	\$	50,000
CAP-929	Hazardous Waste/Asbestos Abatement	\$	49,383
CAP-931	Wastewater/Water Systems Upgrade	\$	3,604,700
	Total Department of Natural Resources	\$	31,742,587
	TOTAL Parks and Recreation Improvement Fund	\$	31,742,587

SECTION 259.20. RIVERFRONT IMPROVEMENTS

Of the foregoing reappropriation item CAP-727, Riverfront Improvements, \$1,000,000 shall be used for the Riverfront West Park Development - Cincinnati Park Board, Hamilton County.

LOCAL PARKS PROJECTS

The following projects shall be funded from the foregoing reappropriation item CAP-748, Local Parks Projects: \$50,000 for Liberty Township Playground project; \$25,000 for the Cleveland Police and Firefighters Memorial Park project; \$750,000 for the Banks Park project; \$25,000 for the Early Hill Park project; \$10,000 for the Wellington Soccer Field Park project; and \$10,000 for the Greenwich Township Baseball Field Park Improvements project.

STATEWIDE TRAILS PROGRAM

Of the foregoing reappropriation item CAP-876, Statewide Trails Program, \$16,500 shall be used for the South Milford Road Bike Trail Project.

FEDERAL REIMBURSEMENT

All reimbursements received from the federal government for any expenditures made pursuant to Sections 259.10 and 259.20 of this act shall be deposited in the state treasury to the credit of the Parks and Recreation Improvement Fund.

SECTION 259.30. For the appropriations in Section 259.10 of this act, the Department of Natural Resources shall periodically prepare and submit to the Director of Budget and Management the estimated design, planning, and engineering costs of capital-related work to be done by the Department of Natural Resources for each project. Based on the estimates, the Director of

Budget and Management may release appropriations from the foregoing appropriation item CAP-753, Project Planning, within the Parks and Recreation Improvement Fund (Fund 035), to pay for design, planning, and engineering costs incurred by the Department of Natural Resources for the projects. Upon release of the appropriations by the Director of Budget and Management, the Department of Natural Resources shall pay for these expenses from the Parks Capital Expenses Fund (Fund 227), and be reimbursed by the Parks and Recreation Improvement Fund (Fund 035) using an intrastate voucher.

SECTION 259.40. (A) No capital improvement appropriations made in Sections 249.20 to 249.40 of this act shall be released for planning or for improvement, renovation, construction, or acquisition of capital facilities if a governmental agency, as defined in section 154.01 of the Revised Code, does not own the real property that constitutes the capital facilities or on which the capital facilities are or will be located. This restriction does not apply in any of the following circumstances:

(1) The governmental agency has a long-term (at least fifteen years) lease of, or other interest (such as an easement) in, the real property.

(2) In the case of an appropriation for capital facilities for parks and recreation that, because of their unique nature or location, will be owned or will be part of facilities owned by a separate nonprofit organization and made available to the governmental agency for its use, the nonprofit organization either owns or has a long-term (at least fifteen years) lease of the real property or other capital facility to be improved, renovated, constructed, or acquired and has entered into a joint or cooperative use agreement, approved by the Department of Natural Resources, with the governmental agency for that agency's use of and right to use the capital facilities to be financed and, if applicable, improved, the value of such use or right to use being, as determined by the parties, reasonably related to the amount of the appropriation.

(B) In the case of capital facilities referred to in division (A)(2) of this section, the joint or cooperative use agreement shall include, as a minimum, provisions that:

(1) Specify the extent and nature of that joint or cooperative use, extending for not fewer than fifteen years, with the value of such use or right to use to be, as determined by the parties and approved by the applicable department, reasonably related to the amount of the appropriation;

(2) Provide for pro rata reimbursement to the state should the arrangement for joint or cooperative use by a governmental agency be terminated; and

(3) Provide that procedures to be followed during the capital improvement process will comply with appropriate applicable state laws and rules, including provisions of this act.

SECTION 263.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the State Capital Improvements Fund (Fund 038) that are not otherwise appropriated:

Reappropriations

PWC PUBLIC WORKS COMMISSION

Ohio Small Government Capital Improvement Commission

CAP-150	Local Public Infrastructure	\$	6,650,225
CIF-000	Ohio Small Government Capital Improvement	\$	25,422,212
CIF-001	Infrastructure - District 1	\$	31,170,885
CIF-002	Infrastructure - District 2	\$	12,243,374
CIF-003	Infrastructure - District 3	\$	21,652,949
CIF-004	Infrastructure - District 4	\$	11,447,335
CIF-005	Infrastructure - District 5	\$	8,542,288
CIF-006	Infrastructure - District 6	\$	10,958,857
CIF-007	Infrastructure - District 7	\$	12,155,980
CIF-008	Infrastructure - District 8	\$	12,272,116
CIF-009	Infrastructure - District 9	\$	7,541,982
CIF-010	Infrastructure - District 10	\$	20,352,120
CIF-011	Infrastructure - District 11	\$	11,000,253
CIF-012	Infrastructure - District 12	\$	9,703,960
CIF-013	Infrastructure - District 13	\$	6,051,165
CIF-014	Infrastructure - District 14	\$	5,871,489
CIF-015	Infrastructure - District 15	\$	8,298,905
CIF-016	Infrastructure - District 16	\$	11,218,488
CIF-017	Infrastructure - District 17	\$	8,580,458
CIF-018	Infrastructure - District 18	\$	7,050,617
CIF-019	Infrastructure - District 19	\$	9,556,745
CIF-020	Emergency Set Aside	\$	4,616,381
CIF-021	Small Counties Program	\$	381,676
	Total Public Works Commission	\$	262,740,460
	TOTAL State Capital Improvement Fund	\$	262,740,460

The appropriations in this section shall be used in accordance with sections 164.01 to 164.12 of the Revised Code. All expenditures made from these appropriations shall be approved by the Director of the Public Works Commission. The Director of the Public Works Commission shall not allocate funds in amounts greater than those amounts appropriated by the General Assembly.

SECTION 265.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the State Capital Improvements Revolving Loan Fund (Fund 040) and derived from repayments of loans made to local subdivisions for capital improvements, investment earnings on moneys in the fund, and moneys obtained from federal or private grants or from other sources for the purpose of making loans for the purpose of financing or assisting in the financing of the cost of capital improvement projects of local subdivisions:

		Reappropriations
PWC PUBLIC WORKS COMMISSION		
CAP-151	Revolving Loan	\$ 509,862
RLF-001	Revolving Loan Fund-District 1	\$ 8,126,096
RLF-002	Revolving Loan Fund-District 2	\$ 5,380,729
RLF-003	Revolving Loan Fund-District 3	\$ 8,530,418
RLF-004	Revolving Loan Fund-District 4	\$ 4,146,430
RLF-005	Revolving Loan Fund-District 5	\$ 2,409,654
RLF-006	Revolving Loan Fund-District 6	\$ 2,262,865
RLF-007	Revolving Loan Fund-District 7	\$ 2,979,413
RLF-008	Revolving Loan Fund-District 8	\$ 2,284,775
RLF-009	Revolving Loan Fund-District 9	\$ 2,373,304
RLF-010	Revolving Loan Fund-District 10	\$ 3,934,237
RLF-011	Revolving Loan Fund-District 11	\$ 2,606,192
RLF-012	Revolving Loan Fund-District 12	\$ 3,766,538
RLF-013	Revolving Loan Fund-District 13	\$ 1,194,287
RLF-014	Revolving Loan Fund-District 14	\$ 1,811,638
RLF-015	Revolving Loan Fund-District 15	\$ 1,483,685
RLF-016	Revolving Loan Fund-District 16	\$ 2,576,025
RLF-017	Revolving Loan Fund-District 17	\$ 2,410,368
RLF-018	Revolving Loan Fund-District 18	\$ 2,692,408
RLF-019	Revolving Loan Fund-District 19	\$ 1,984,226
RLF-020	Small Government Program	\$ 2,030,053
RLF-021	Emergency Program	\$ 153,272
Total Public Works Commission		\$ 65,646,475
TOTAL State Capital Improvements Revolving Loan Fund		\$ 65,646,475

The appropriations in this section shall be used in accordance with sections 164.01 to 164.12 of the Revised Code. All expenditures made from these appropriations shall be approved by the Director of the Public Works Commission. The Director of the Public Works Commission shall not allocate funds in amounts greater than those amounts appropriated by the General Assembly.

SECTION 265.20. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Clean Ohio Conservation Fund (Fund 056) that are not otherwise

appropriated:

		Reappropriations
PWC PUBLIC WORKS COMMISSION		
COF-001	Clean Ohio-District 1	\$ 4,283,924
COF-002	Clean Ohio-District 2	\$ 2,156,940
COF-003	Clean Ohio-District 3	\$ 4,871,620
COF-004	Clean Ohio-District 4	\$ 1,883,778
COF-005	Clean Ohio-District 5	\$ 2,526,379
COF-006	Clean Ohio-District 6	\$ 1,814,066
COF-007	Clean Ohio-District 7	\$ 477,005
COF-008	Clean Ohio-District 8	\$ 1,654,808
COF-009	Clean Ohio-District 9	\$ 101,338
COF-010	Clean Ohio-District 10	\$ 2,158,673
COF-011	Clean Ohio-District 11	\$ 2,601,882
COF-012	Clean Ohio-District 12	\$ 884,124
COF-013	Clean Ohio-District 13	\$ 2,746,579
COF-014	Clean Ohio-District 14	\$ 4,056,729
COF-015	Clean Ohio-District 15	\$ 1,987,710
COF-016	Clean Ohio-District 16	\$ 2,772,449
COF-017	Clean Ohio-District 17	\$ 2,862,321
COF-018	Clean Ohio-District 18	\$ 3,096,644
COF-019	Clean Ohio-District 19	\$ 379,417
	Total Public Works Commission	\$ 43,316,386
	TOTAL Clean Ohio Conservation Fund	\$ 43,316,386

SECTION 267.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Clean Ohio Agricultural Easement Fund (Fund 057) that are not otherwise appropriated:

		Reappropriations
AGR DEPARTMENT OF AGRICULTURE		
CAP-047	Clean Ohio Agricultural Easement	\$ 5,892,856
	Total Department of Agriculture	\$ 5,892,856
	TOTAL Clean Ohio Agricultural Easement Fund	\$ 5,892,856

AGRICULTURAL EASEMENT PURCHASE

The foregoing appropriation item CAP-047, Clean Ohio Agricultural Easement, shall be used in accordance with sections 901.21, 901.22, and 5301.67 to 5301.70 of the Revised Code.

SECTION 269.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Clean Ohio Trail Fund (Fund 061) that are not otherwise appropriated:

Reappropriations

DNR DEPARTMENT OF NATURAL RESOURCES

CAP-014	Clean Ohio Trail Fund	\$	6,344,000
Total Department of Natural Resources		\$	6,344,000
TOTAL Clean Ohio Trail Fund		\$	6,344,000

SECTION 269.20. CLEAN OHIO TRAIL

The amount reappropriated for the foregoing appropriation item CAP-014, Clean Ohio Trail, is \$700,000 plus the unencumbered and unallotted balance as of June 30, 2006, in item CAP-014, Clean Ohio Trail. The \$700,000 represents amounts that were previously appropriated, allocated to nonprofit organizations and local political subdivisions pursuant to division (C) of section 1519.05 of the Revised Code, and encumbered for local project grants. The encumbrances for these local projects shall be cancelled by the Director of Natural Resources or the Director of Budget and Management. The Director of Natural Resources shall allocate the \$700,000 to new local project grants meeting the requirements of section 1519.05 of the Revised Code.

SECTION 271.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Clean Ohio Revitalization Fund (Fund 003) that are not otherwise appropriated:

		Appropriations	
DEV DEPARTMENT OF DEVELOPMENT			
CAP-001	Clean Ohio Revitalization	\$	43,000,000
CAP-002	Clean Ohio Assistance	\$	10,000,000
Total Department of Development		\$	53,000,000
TOTAL Clean Ohio Assistance Fund		\$	53,000,000

SECTION 271.20. CLEAN OHIO REVITALIZATION

The Treasurer of State is hereby authorized to issue and sell, in accordance with Section 20 of Article VIII, Ohio Constitution, and pursuant to sections 151.01 and 151.40 of the Revised Code, original obligations in an aggregate principal amount not to exceed \$50,000,000, in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the Clean Ohio Revitalization Fund (Fund 003) to pay costs of revitalization projects.

SECTION 273.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Job Ready Sites Fund (Fund 012) that are not otherwise appropriated:

		Appropriations
DEV DEPARTMENT OF DEVELOPMENT		
CAP-003	Job Ready Sites	\$ 30,000,000
Total Department of Development		\$ 30,000,000
TOTAL Job Ready Sites Fund		\$ 30,000,000

SECTION 273.20. JOB READY SITES DEVELOPMENT

The Ohio Public Facilities Commission, upon request of the Department of Development, is hereby authorized to issue and sell, in accordance with Section 2p of Article VIII, Ohio Constitution, and pursuant to sections 151.01 and 151.11 of the Revised Code, original obligations of the State of Ohio in an aggregate amount not to exceed \$30,000,000 in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the Job Ready Sites Fund (Fund 012) to pay costs of sites and facilities.

SECTION 275.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Public School Building Fund (Fund 021) that are not otherwise appropriated:

		Appropriations
SFC SCHOOL FACILITIES COMMISSION		
CAP-622	Public School Building	\$ 80,000,000
Total School Facilities Commission		\$ 80,000,000
TOTAL Public School Building Fund		\$ 80,000,000

SECTION 277.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Administrative Building Fund (Fund 026) that are not otherwise appropriated:

		Appropriations
CSR CAPITOL SQUARE REVIEW AND ADVISORY BOARD		
CAP-020	Cupola Gutters and Ancillary Roof Improvements	\$ 380,000
CAP-021	Exterior Walkway Plaza Repairs	\$ 1,159,000

CAP-023	ADA Specific Sidewalk Ramp Replacement	\$	71,500
	Total Capitol Square Review and Advisory Board	\$	1,610,500
			Appropriations

EXP EXPOSITIONS COMMISSION

CAP-073	Asset Procurement	\$	500,000
	Total Expositions Commission	\$	500,000
			Appropriations

DNR DEPARTMENT OF NATURAL RESOURCES

CAP-744	MARCS Equipment	\$	1,000,000
	Total Department of Natural Resources	\$	1,000,000
	TOTAL Administrative Building Fund	\$	3,110,500

SECTION 277.20. ADMINISTRATIVE BUILDINGS

The Ohio Building Authority is hereby authorized to issue and sell, in accordance with Section 2i of Article VIII, Ohio Constitution, and Chapter 152. and other applicable sections of the Revised Code, original obligations in an aggregate principal amount not to exceed \$4,000,000 in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the Administrative Building Fund (Fund 026) to pay costs of authorized capital facilities.

SECTION 279.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Adult Correctional Building Fund (Fund 027) that are not otherwise appropriated:

			Appropriations
DRC DEPARTMENT OF REHABILITATION AND CORRECTION			
CAP-008	Powerhouse/Utility Improvements	\$	1,147,237
CAP-009	Water System/Plant Improvements	\$	3,510,000
CAP-017	Security Improvements - Statewide	\$	7,191,750
CAP-111	General Building Renovations	\$	16,176,003
CAP-238	Electric System Upgrade	\$	2,000,000
	Total Department of Rehabilitation and Correction	\$	30,024,990
	TOTAL Adult Correctional Building Fund	\$	30,024,990

SECTION 279.20. DRC - ADULT CORRECTION BUILDINGS

The Ohio Building Authority is hereby authorized to issue and sell, in accordance with Section 2i of Article VIII, Ohio Constitution, and Chapter 152. and section 307.021 of the Revised Code, original obligations in an

aggregate principal amount not to exceed \$20,000,000 in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the Adult Correctional Building Fund (Fund 027) to pay costs of rehabilitation and correction related capital facilities.

SECTION 281.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Juvenile Correctional Building Fund (Fund 028) that are not otherwise appropriated:

		Appropriations
DYS DEPARTMENT OF YOUTH SERVICES		
CAP-801	Fire Suppression/Safety/Security	\$ 1,750,000
Total Department of Youth Services		\$ 1,750,000
TOTAL Juvenile Correctional Building Fund		\$ 1,750,000

SECTION 281.20. DYS - JUVENILE CORRECTION BUILDINGS

The Ohio Building Authority is hereby authorized to issue and sell, in accordance with Section 2i of Article VIII, Ohio Constitution, and Chapter 152. and other applicable sections of the Revised Code, original obligations in an aggregate principal amount not to exceed \$2,000,000 in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the Juvenile Correctional Building Fund (Fund 028) to pay costs of juvenile correction related capital facilities.

SECTION 283.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Ohio Parks and Natural Resources Fund (Fund 031) that are not otherwise appropriated:

		Appropriations
DNR DEPARTMENT OF NATURAL RESOURCES		
CAP-753	Project Planning	\$ 1,050,000
CAP-881	DAM Rehabilitation	\$ 4,000,000
Total Department of Natural Resources		\$ 5,050,000
TOTAL Ohio Parks and Natural Resources Fund		\$ 5,050,000

SECTION 283.20. DNR - NATUREWORKS

The Ohio Public Facilities Commission is hereby authorized to issue and sell, in accordance with Section 2l of Article VIII, Ohio Constitution, and pursuant to sections 151.01 and 151.05 of the Revised Code, original obligations of the State of Ohio in an aggregate amount not to exceed \$5,000,000 in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the Ohio Parks and Natural Resources Fund (Fund 031) to pay costs of natural resources capital improvements.

SECTION 285.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the School Building Program Assistance Fund (Fund 032) that are not otherwise appropriated:

		Appropriations	
SFC SCHOOL FACILITIES COMMISSION			
CAP-770	School Facilities Program Assistance	\$	585,000,000
Total School Facilities Commission		\$	585,000,000
TOTAL School Building Program Assistance Fund		\$	585,000,000

SECTION 285.20. PUBLIC SCHOOL BUILDING ASSISTANCE

The Ohio Public Facilities Commission is hereby authorized to issue and sell, in accordance with Section 2n of Article VIII, Ohio Constitution, and pursuant to sections 151.01 and 151.03 of the Revised Code, original obligations of the State of Ohio in an aggregate amount not to exceed \$580,000,000 in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the School Building Program Assistance Fund (Fund 032) to pay the State's share of the costs of capital facilities for a system of common schools throughout the State.

SECTION 287.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the

Mental Health Facilities Improvement Fund (Fund 033) that are not otherwise appropriated:

		Appropriations
DMH DEPARTMENT OF MENTAL HEALTH		
CAP-986	Campus Consolidation	\$ 5,500,000
Total Department of Mental Health		\$ 5,500,000
TOTAL Mental Health Facilities Improvement Fund		\$ 5,500,000

SECTION 287.20. DMH/DMR - MENTAL HEALTH FACILITY IMPROVEMENT FUND 033

The Treasurer of State is hereby authorized to issue and sell, in accordance with Section 2i of Article VIII, Ohio Constitution, Chapter 154, and particularly section 154.20 of the Revised Code, original obligations in an aggregate principal amount not to exceed \$5,000,000, in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the Mental Health Facilities Improvement Fund (Fund 033) to pay costs of capital facilities for mental hygiene and retardation.

SECTION 289.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Higher Education Improvement Fund (Fund 034) that are not otherwise appropriated. The appropriations made in this act are in addition to any other capital appropriations made for the 2007-2008 biennium.

		Appropriations
BOR BOARD OF REGENTS		
Higher Education Improvement Fund		
CAP-029	Ohio Library and Information Network	\$ 3,500,000
CAP-068	Third Frontier Project	\$ 50,000,000
Total Board of Regents		\$ 53,500,000
TOTAL Higher Education Improvement Fund		\$ 53,500,000

SECTION 289.20. BOR - HIGHER EDUCATION IMPROVEMENT

The Ohio Public Facilities Commission is hereby authorized to issue and sell, in accordance with Section 2n of Article VIII, Ohio Constitution, and pursuant to sections 151.01 and 151.04 of the Revised Code, original

obligations of the State of Ohio in an aggregate amount not to exceed \$54,000,000 in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the Higher Education Improvement Fund (Fund 034) to pay costs of capital facilities for state-supported and state-assisted institutions of higher education.

SECTION 291.10. THIRD FRONTIER PROJECT

The foregoing appropriation item CAP-068, Third Frontier Project, shall be used to acquire, renovate, or construct facilities and purchase equipment for research programs, technology development, product development, and commercialization programs at or involving state-supported and state-assisted institutions of higher education. The funds shall be used to make grants awarded on a competitive basis, and shall be administered by the Third Frontier Commission. Expenditure of the funds shall comply with Section 2n of Article VIII, Ohio Constitution, and sections 151.01 and 151.04 of the Revised Code for the period beginning July 1, 2006, and ending June 30, 2008.

The Third Frontier Commission shall develop guidelines relative to the application for and selection of projects funded from appropriation item CAP-068, Third Frontier Project. The commission may develop the guidelines in consultation with other interested parties. The Board of Regents and all state-assisted and state-supported institutions of higher education shall take all actions necessary to implement grants awarded by the Third Frontier Commission.

The foregoing appropriation item CAP-068, Third Frontier Project, for which an appropriation is made from the Higher Education Improvement Fund (Fund 034), is determined to consist of capital improvements and capital facilities for state-supported and state-assisted institutions of higher education, and is designated for the capital facilities to which proceeds of obligations in the Higher Education Improvement Fund (Fund 034) are to be applied.

SECTION 291.20. The appropriations made in Section 289.10 are subject to Sections 256.30, 256.40, 256.50, 256.60, 256.70, and 256.80 of this act.

SECTION 293.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Parks and Recreation Improvement Fund (Fund 035) that are not otherwise appropriated:

		Appropriations
DNR DEPARTMENT OF NATURAL RESOURCES		
CAP-099	South Bass Island State Park	\$ 1,500,000
Total Department of Natural Resources		\$ 1,500,000
TOTAL Parks and Recreation Improvement Fund		\$ 1,500,000

SECTION 293.20. DNR - PARKS AND RECREATION IMPROVEMENT

The Treasurer of State is hereby authorized to issue and sell, in accordance with Section 2i of Article VIII, Ohio Constitution, Chapter 154. and particularly section 154.22 of the Revised Code, original obligations in an aggregate principal amount not to exceed \$2,000,000, in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the Parks and Recreation Improvement Fund (Fund 035) to pay costs of capital facilities for parks and recreation.

SECTION 295.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the State Capital Improvements Fund (Fund 038) that are not otherwise appropriated:

		Appropriations
PWC PUBLIC WORKS COMMISSION		
CAP-150	Local Public Infrastructure	\$ 120,000,000
Total Public Works Commission		\$ 120,000,000
TOTAL State Capital Improvements Fund		\$ 120,000,000

The foregoing appropriation item CAP-150, Local Public Infrastructure, shall be used in accordance with sections 164.01 to 164.12 of the Revised Code. The Director of the Public Works Commission may certify to the Director of Budget and Management that a need exists to appropriate investment earnings to be used in accordance with sections 164.01 to 164.12 of the Revised Code. If the Director of Budget and Management determines pursuant to division (D) of section 164.08 and section 164.12 of the Revised Code that investment earnings are available to support additional

appropriations, such amounts are hereby appropriated.

SECTION 295.20. The Ohio Public Facilities Commission is hereby authorized to issue and sell, in accordance with Section 2m of Article VIII, Ohio Constitution, and pursuant to sections 151.01 and 151.08 of the Revised Code, original obligations of the state, in an aggregate principal amount not to exceed \$120,000,000, in addition to the original obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the State Capital Improvements Fund (Fund 038) to pay costs of the state in financing or assisting in the financing of local subdivision capital improvement projects.

SECTION 297.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the State Capital Improvements Revolving Loan Fund (Fund 040). Revenues to the State Capital Improvements Revolving Loan Fund shall consist of all repayments of loans made to local subdivisions for capital improvements, investment earnings on moneys in the fund, and moneys obtained from federal or private grants or from other sources for the purpose of making loans for the purpose of financing or assisting in the financing of the cost of capital improvement projects of local subdivisions.

		Appropriations
PWC PUBLIC WORKS COMMISSION		
CAP-151	Revolving Loan	\$ 24,100,000
Total Public Works Commission		\$ 24,100,000
TOTAL State Capital Improvements Revolving Loan Fund		\$ 24,100,000

The foregoing appropriation item CAP-151, Revolving Loan, shall be used in accordance with sections 164.01 to 164.12 of the Revised Code.

SECTION 299.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Clean Ohio Conservation Fund (Fund 056) that are not otherwise appropriated:

		Appropriations
PWC PUBLIC WORKS COMMISSION		
CAP-152	Clean Ohio Conservation	\$ 37,500,000
Total Public Works Commission		\$ 37,500,000

TOTAL Clean Ohio Conservation Fund \$ 37,500,000

The foregoing appropriation item CAP-152, Clean Ohio Conservation, shall be used in accordance with sections 164.20 to 164.27 of the Revised Code. If the Public Works Commission receives refunds due to project overpayments that are discovered during the post-project audit, the Director of the Public Works Commission may certify to the Director of Budget and Management that refunds have been received. If the Director of Budget and Management determines that the project refunds are available to support additional appropriations, such amounts are hereby appropriated.

SECTION 301.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Clean Ohio Agricultural Easement Fund (Fund 057) that are not otherwise appropriated:

		Appropriations
AGR DEPARTMENT OF AGRICULTURE		
CAP-047	Clean Ohio Agricultural Easement	\$ 6,250,000
Total Department of Agriculture		\$ 6,250,000
TOTAL Clean Ohio Agricultural Easement Fund		\$ 6,250,000

SECTION 301.20. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Clean Ohio Trail Fund (Fund 061) that are not otherwise appropriated:

		Appropriations
DNR DEPARTMENT OF NATURAL RESOURCES		
CAP-014	Clean Ohio Trail	\$ 6,250,000
Total Department of Natural Resources		\$ 6,250,000
TOTAL Clean Ohio Trail Fund		\$ 6,250,000

SECTION 301.30. The Ohio Public Facilities Commission is hereby authorized to issue and sell, in accordance with Section 2o of Article VIII, Ohio Constitution, and pursuant to sections 151.01 and 151.09 of the Revised Code, original obligations of the state in an aggregate amount not to exceed \$50,000,000 in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the Clean Ohio Conservation Fund (Fund 056), the Clean Ohio Agricultural Easement Fund (Fund 057), and the Clean Ohio Trail Fund (Fund 061) to pay costs of conservation projects.

SECTION 303.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the State Fire Marshal Fund (Fund 546) that are not otherwise appropriated:

		Appropriations
COM DEPARTMENT OF COMMERCE		
CAP-114	Office and Dorm Addition	\$ 1,908,000
Total Department of Commerce		\$ 1,908,000
TOTAL State Fire Marshal Fund		\$ 1,908,000

SECTION 305.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Veterans' Home Improvement Fund (Fund 604) that are not otherwise appropriated:

		Appropriations
OVH OHIO VETERANS' HOME		
CAP-781	Secrest/Veterans' Hall Roof Replacement	\$ 552,500
Total Ohio Veterans' Home		\$ 552,500
TOTAL Veterans' Home Improvement Fund		\$ 552,500

SECTION 401.10. CERTIFICATION OF AVAILABILITY OF MONEYS

No moneys that require release shall be expended from any appropriation contained in this act without certification of the Director of Budget and Management that there are sufficient moneys in the state treasury in the fund from which the appropriation is made. Such certification made by the Office of Budget and Management shall be based on estimates of revenue, receipts, and expenses. Nothing herein shall be construed as a limitation on the authority of the Director of Budget and Management as granted in section 126.07 of the Revised Code.

SECTION 401.20. LIMITATION ON USE OF CAPITAL APPROPRIATIONS

The appropriations made in this act, excluding those made to the State Capital Improvement Fund (Fund 038) and the State Capital Improvements Revolving Loan Fund (Fund 040) for buildings or structures, including remodeling and renovations, are limited to:

- (A) Acquisition of real property or interest in real property;
- (B) Buildings and structures, which includes construction, demolition,

complete heating, lighting, and lighting fixtures, and all necessary utilities, ventilating, plumbing, sprinkling, and sewer systems, when such systems are authorized or necessary;

(C) Architectural, engineering, and professional services expenses directly related to the projects;

(D) Machinery that is a part of structures at the time of initial acquisition or construction;

(E) Acquisition, development, and deployment of new computer systems, including the redevelopment or integration of existing and new computer systems, but excluding regular or ongoing maintenance or support agreements;

(F) Equipment that meets all the following criteria:

(1) The equipment is essential in bringing the facility up to its intended use.

(2) The unit cost of the equipment, and not the individual parts of a unit, is about \$100 or more.

(3) The equipment has a useful life of five years or more.

(4) The equipment is necessary for the functioning of the particular facility or project.

No equipment shall be paid for from these appropriations that is not an integral part of or directly related to the basic purpose or function of a project for which moneys are appropriated. This paragraph does not apply to appropriation line items for equipment.

SECTION 401.30. CONTINGENCY RESERVE REQUIREMENT

Any request for release of capital appropriations by the Director of Budget and Management or the Controlling Board of capital appropriations for projects, the contracts for which are awarded by the Department of Administrative Services, shall contain a contingency reserve, the amount of which shall be determined by the Department of Administrative Services, for payment of unanticipated project expenses. Any amount deducted from the encumbrance for a contractor's contract as an assessment for liquidated damages shall be added to the encumbrance for the contingency reserve. Contingency reserve funds shall be used to pay costs resulting from unanticipated job conditions, to comply with rulings regarding building and other codes, to pay costs related to errors or omissions in contract documents, to pay costs associated with changes in the scope of work, and to pay the cost of settlements and judgments related to the project.

Any funds remaining upon completion of a project, may, upon approval of the Controlling Board, be released for the use of the institution to which

the appropriation was made for another capital facilities project or projects.

SECTION 401.40. AGENCY ADMINISTRATION OF CAPITAL FACILITIES PROJECTS

Notwithstanding sections 123.01 and 123.15 of the Revised Code, the Director of Administrative Services may authorize the Departments of Mental Health, Mental Retardation and Developmental Disabilities, Alcohol and Drug Addiction Services, Agriculture, Jobs and Family Services, Rehabilitation and Correction, Youth Services, Public Safety, Transportation, the Ohio Veterans' Home, and the Rehabilitation Services Commission to administer any capital facilities projects when the estimated cost, including design fees, construction, equipment, and contingency amounts, is less than \$1,500,000. Requests for authorization to administer capital facilities projects shall be made in writing to the Director of Administrative Services by the respective state agency within sixty days after the effective date of the act in which the General Assembly initially makes an appropriation for the project. Upon the release of funds for such projects by the Controlling Board or the Director of Budget and Management, the agency may administer the capital project or projects for which agency administration has been authorized without the supervision, control, or approval of the Director of Administrative Services.

The state agency authorized by the Director of Administrative Services to administer capital facilities projects pursuant to this section shall comply with the applicable procedures and guidelines established in Chapter 153. of the Revised Code.

SECTION 401.50. SATISFACTION OF JUDGMENTS AND SETTLEMENTS AGAINST THE STATE

Except as otherwise provided in this section, an appropriation contained in this act or any other act may be used for the purpose of satisfying judgments, settlements, or administrative awards ordered or approved by the Court of Claims or by any other court of competent jurisdiction in connection with civil actions against the state. This authorization shall not apply to appropriations to be applied to or used for payment of guarantees by or on behalf of the state or for payments under lease agreements relating to or debt service on bonds, notes, or other obligations of the state. Notwithstanding any other section of law to the contrary, this authorization includes appropriations from funds into which proceeds or direct obligations of the state are deposited only to the extent that the judgment, settlement, or

administrative award is for or represents capital costs for which the appropriation may otherwise be used and is consistent with the purpose for which any related obligations were issued or entered into. Nothing contained in this section is intended to subject the state to suit in any forum in which it is not otherwise subject to suit, nor is it intended to waive or compromise any defense or right available to the state in any suit against it.

SECTION 401.60. CAPITAL RELEASES BY THE DIRECTOR OF BUDGET AND MANAGEMENT

Notwithstanding section 126.14 of the Revised Code, appropriations for appropriation items CAP-002, Local Jails, and CAP-003, Community-Based Correctional Facilities, appropriated from the Adult Correctional Building Fund (Fund 027) to the Department of Rehabilitation and Correction shall be released upon the written approval of the Director of Budget and Management. The appropriations from the Public School Building Fund (Fund 021), the Education Facilities Trust Fund (Fund N87), and the School Building Program Assistance Fund (Fund 032) to the School Facilities Commission, from the Transportation Building Fund (Fund 029) to the Department of Transportation, from the Clean Ohio Conservation Fund (Fund 056) to the Public Works Commission, and appropriations from the State Capital Improvement Fund (Fund 038) and the State Capital Improvements Revolving Loan Fund (Fund 040) to the Public Works Commission shall be released upon presentation of a request to release the funds, by the agency to which the appropriation has been made, to the Director of Budget and Management.

SECTION 401.70. PREVAILING WAGE REQUIREMENT

Except as provided in section 4115.04 of the Revised Code, no moneys appropriated or reappropriated by the 126th General Assembly shall be used for the construction of public improvements, as defined in section 4115.03 of the Revised Code, unless the mechanics, laborers, or workers engaged therein are paid the prevailing rate of wages as prescribed in section 4115.04 of the Revised Code. Nothing in this section shall affect the wages and salaries established for state employees under the provisions of Chapter 124. of the Revised Code, or collective bargaining agreements entered into by the state pursuant to Chapter 4117. of the Revised Code, while engaged on force account work, nor shall this section interfere with the use of inmate and patient labor by the state.

SECTION 401.80. CAPITAL FACILITIES LEASES

Capital facilities for which appropriations are made from the Highway Safety Building Fund (Fund 025), the Administrative Building Fund (Fund 026), the Adult Correctional Building Fund (Fund 027), and the Juvenile Correctional Building Fund (Fund 028) may be leased by the Ohio Building Authority to the Department of Public Safety, the Department of Youth Services, the Department of Administrative Services, and the Department of Rehabilitation and Correction, and other agreements may be made by the Ohio Building Authority and the departments with respect to the use or purchase of such capital facilities, or subject to the approval of the director of the department or the commission, the Ohio Building Authority may lease such capital facilities to, and make other agreements with respect to the use or purchase thereof with, any governmental agency or nonprofit corporation having authority under law to own, lease, or operate such capital facilities. The director of the department or the commission may sublease such capital facilities to, and make other agreements with respect to the use or purchase thereof with, any such governmental agency or nonprofit corporation, which may include provisions for transmittal of receipts of that agency or nonprofit corporation of any charges for the use of such facilities, all upon such terms and conditions as the parties may agree upon and any other provision of law affecting the leasing, acquisition, or disposition of capital facilities by such parties.

SECTION 401.90. AUTHORIZATION OF THE DIRECTOR OF BUDGET AND MANAGEMENT

The Director of Budget and Management shall authorize both of the following:

(A) The initial release of moneys for projects from the funds into which proceeds of direct obligations of the state are deposited.

(B) The expenditure or encumbrance of moneys from funds into which proceeds of direct obligations are deposited, only after determining to the director's satisfaction that either of the following apply:

(1) The application of such moneys to the particular project will not negatively affect any exemption or exclusion from federal income tax of the interest or interest equivalent on obligations, issued to provide moneys to the particular fund.

(2) Moneys for the project will come from the proceeds of obligations, the interest on which is not so excluded or exempt and which have been

authorized as "taxable obligations" by the issuing authority.

The director shall report any nonrelease of moneys pursuant to this section to the Governor, the presiding officer of each house of the General Assembly, and the agency for the use of which the project is intended.

SECTION 403.10. OHIO ADMINISTRATIVE KNOWLEDGE SYSTEM PROJECT

The Ohio Administrative Knowledge System (OAKS) shall be an enterprise resource planning system that replaces the state's central services infrastructure systems, including, but not limited to, the central accounting system, the human resources/payroll system, the capital improvements projects tracking system, the fixed assets management system, and the procurement system. The Department of Administrative Services, in conjunction with the Office of Budget and Management, may acquire the system, including, but not limited to, the enterprise resource planning software and installation and implementation thereof pursuant to Chapter 125. of the Revised Code. Any lease-purchase arrangement utilized under Chapter 125. of the Revised Code, including any fractionalized interest therein as defined in division (N) of section 133.01 of the Revised Code, shall provide at the end of the lease periods that OAKS becomes the property of the state.

SECTION 403.20. SCHOOL FACILITIES ENCUMBRANCES AND REAPPROPRIATION

At the request of the Executive Director of the Ohio School Facilities Commission, the Director of Budget and Management may cancel encumbrances for school district projects from a previous biennium if the district has not raised its local share of project costs within one year of receiving Controlling Board approval in accordance with section 3318.05 of the Revised Code. The Executive Director of the Ohio School Facilities Commission shall certify the amounts of these canceled encumbrances to the Director of Budget and Management on a quarterly basis. The amounts of the canceled encumbrances are hereby appropriated.

SECTION 403.30. REAPPROPRIATION OF UNEXPENDED ENCUMBERED BALANCES OF CAPITAL APPROPRIATIONS

(A) An unexpended balance of a capital appropriation or reappropriation that a state agency has lawfully encumbered prior to the close of a capital

biennium is hereby reappropriated for the following capital biennium from the fund from which it was originally appropriated or was reappropriated and shall be used only for the purpose of discharging the encumbrance in the following capital biennium. For those encumbered appropriations or reappropriations, any Controlling Board approval previously granted and referenced by the encumbering document remains in effect until the encumbrance is discharged in the following capital biennium or until the encumbrance expires at the end of the following capital biennium.

(B) At the end of the reappropriation period provided for by division (A) of this section, an unexpended balance of a capital appropriation or reappropriation that remains encumbered at the end of that period is hereby reappropriated for the next capital biennium from the fund from which it was originally appropriated or was reappropriated and shall be used only for the purpose of discharging the encumbrance in the next capital biennium. For those encumbered appropriations or reappropriations, any Controlling Board approval previously granted and referenced by the encumbering document remains in effect until the encumbrance is discharged in the next capital biennium or until the encumbrance expires at the end of the next capital biennium.

(C) At the end of the reappropriation period provided for by division (B) of this section, a reappropriation made pursuant to division (B) of this section shall lapse, and the encumbrance shall expire.

(D) If an encumbrance expired pursuant to division (C) of this section, the Director of Budget and Management may re-establish the encumbrance as provided in this division. If a reappropriation for a project is made by the General Assembly for the biennium immediately following the biennium in which an encumbrance for that project expired, the Director of Budget and Management may re-establish the encumbrance in an amount not to exceed the amount of the expired encumbrance, in the name of the contractor named in the expired encumbrance, and for the same purpose specified in the expired encumbrance. The encumbrance amount shall be in addition to the amount of the reappropriation and is hereby reappropriated. The amount re-encumbered shall be used only for the purpose of discharging the encumbrance in the capital biennium for which the reappropriation was made. For those re-encumbered reappropriations, any Controlling Board approval previously granted and referenced by the expired encumbering document remains in effect until the encumbrance is discharged or expires at the end of the capital biennium for which the reappropriation was made. If any portion of the amount re-encumbered by the Director of Budget and Management under this division is not expended prior to the close of the

capital biennium for which the reappropriation was made, that amount is hereby reappropriated for the following capital biennium as provided for in division (A) of this section and subject to the provisions of division (A) of this section.

SECTION 403.40. Capital reappropriations in this act that have been released by the Controlling Board or the Director of Budget and Management between June 30, 2004, and July 1, 2006, do not require further approval or release prior to being encumbered. Funds reappropriated in excess of such prior releases shall be released in accordance with applicable provisions of this act.

SECTION 403.50. Unless otherwise specified, the reappropriations made in this act represent the unencumbered and unallotted balances of prior years' capital improvements appropriations estimated to be available on June 30, 2006. The actual balances on June 30, 2006, for the appropriation items in this act are hereby reappropriated. Additionally, there is hereby reappropriated the unencumbered and unallotted balances on June 30, 2006, of any appropriation items either reappropriated in Am. Sub. S.B. 189 of the 125th General Assembly or appropriated in Am. Sub. H.B. 16 of the 126th General Assembly, or created by the Controlling Board pursuant to section 127.15 of the Revised Code from appropriation items in Am. Sub. S.B. 189 of the 125th General Assembly and Am. Sub. H.B. 16 of the 126th General Assembly, and this act, if the Director of Budget and Management determines that such balances are needed to complete the projects for which they were reappropriated or appropriated. The appropriation items and amounts that are reappropriated by this act shall be reported to the Controlling Board within 30 days after the effective date of this section.

SECTION 403.60. No appropriation for a health care facility authorized under this act may be released until the requirements of sections 3702.51 to 3702.68 of the Revised Code have been met.

SECTION 403.70. All proceeds received by the state as a result of litigation, judgments, settlements, or claims, filed by or on behalf of any state agency as defined by section 1.60 of the Revised Code or any state-supported or state-assisted institution of higher education, for damages or costs resulting from the use, removal, or hazard abatement of asbestos

materials shall be deposited in the Asbestos Abatement Distribution Fund (Fund 674). All funds deposited into the Asbestos Abatement Distribution Fund are hereby appropriated to the Attorney General. To the extent practicable, the proceeds placed in the Asbestos Abatement Distribution Fund shall be divided among the state agencies and state-supported or state-assisted institutions of higher education in accordance with the general provisions of the litigation regarding the percentage of recovery. Distribution of the proceeds to each state agency or state-supported or state-assisted institution of higher education shall be made in accordance with the Asbestos Abatement Distribution Plan to be developed by the Attorney General, the Division of Public Works within the Department of Administrative Services, and the Office of Budget and Management.

In those circumstances where asbestos litigation proceeds are for reimbursement of expenditures made with funds outside the state treasury or damages to buildings not constructed with state appropriations, direct payments shall be made to the affected institutions of higher education. Any proceeds received for reimbursement of expenditures made with funds within the state treasury or damages to buildings occupied by state agencies shall be distributed to the affected agencies with an intrastate transfer voucher to the funds identified in the Asbestos Abatement Distribution Plan.

Such proceeds shall be used for additional asbestos abatement or encapsulation projects, or for other capital improvements, except that proceeds distributed to the General Revenue Fund and other funds that are not bond improvement funds may be used for any purpose. The Controlling Board may, for bond improvement funds, create appropriation items or increase appropriation authority in existing appropriation items equaling the amount of such proceeds. Such amounts approved by the Controlling Board are hereby appropriated. Such proceeds deposited in bond improvement funds shall not be expended until released by the Controlling Board, which shall require certification by the Director of Budget and Management that such proceeds are sufficient and available to fund the additional anticipated expenditures.

SECTION 403.80. OBLIGATIONS ISSUED UNDER CHAPTER 151.
OF THE REVISED CODE

The capital improvements for which appropriations are made in this act from the Ohio Parks and Natural Resources Fund (Fund 031), the School Building Program Assistance Fund (Fund 032), the Higher Education

Improvement Fund (Fund 034), the State Capital Improvements Fund (Fund 038), the Clean Ohio Conservation Fund (Fund 056), the Clean Ohio Agricultural Easement Fund (Fund 057), and the Clean Ohio Trail Fund (Fund 061) are determined to be capital improvements and capital facilities for natural resources, a statewide system of common schools, state-supported and state-assisted institutions of higher education, local subdivision capital improvement projects, and conservation purposes (under the Clean Ohio Program) and are designated as capital facilities to which proceeds of obligations issued under Chapter 151. of the Revised Code are to be applied.

SECTION 403.90. OBLIGATIONS ISSUED UNDER CHAPTER 152.
OF THE REVISED CODE

The capital improvements for which appropriations are made in this act from the Highway Safety Building Fund (Fund 025), the Administrative Building Fund (Fund 026), the Adult Correctional Building Fund (Fund 027), the Juvenile Correctional Building Fund (Fund 028), and the Transportation Building Fund (Fund 029) are determined to be capital improvements and capital facilities for housing state agencies and branches of state government and are designated as capital facilities to which proceeds of obligations issued under Chapter 152. of the Revised Code are to be applied.

SECTION 405.10. OBLIGATIONS ISSUED UNDER CHAPTER 154.
OF THE REVISED CODE

The capital improvements for which appropriations are made in this act from the Cultural and Sports Facilities Building Fund (Fund 030), the Mental Health Facilities Improvement Fund (Fund 033), and the Parks and Recreation Improvement Fund (Fund 035) are determined to be capital improvements and capital facilities for housing state agencies and branches of government, mental hygiene and retardation, and parks and recreation and are designated as capital facilities to which proceeds of obligations issued under Chapter 154. of the Revised Code are to be applied.

SECTION 405.20. Upon the request of the agency to which a capital project appropriation item is appropriated, the Director of Budget and Management may transfer open encumbrance amounts between separate encumbrances for the project appropriation item to the extent that any

reductions in encumbrances are agreed to by the contracting vendor and the agency.

SECTION 405.30. Any proceeds received by the state as the result of litigation or a settlement agreement related to any liability for the planning, design, engineering, construction, or constructed management of such facilities operated by the Department of Administrative Services shall be deposited into the Administrative Building Fund (Fund 026).

SECTION 405.40. Sections 203.10 to 405.30 of this act shall remain in full force and effect commencing on July 1, 2006, and terminating on June 30, 2008, for the purpose of drawing money from the state treasury in payment of liabilities lawfully incurred hereunder, and on June 30, 2008, and not before, the moneys hereby appropriated shall lapse into the funds from which they are severally appropriated. If, under Section 1c of Article II, Ohio Constitution, Section 1c, Sections 203.10 to 405.30 of this act do not take effect until after July 1, 2006, Sections 203.10 to 405.30 of this act shall be and remain in full force and effect commencing on that later effective date.

SECTION 405.50. TRANSFERS TO THE SCHOOL DISTRICT SOLVENCY ASSISTANCE FUND (FUND 5H3)

Notwithstanding any provision of law to the contrary, upon the request of the Superintendent of Public Instruction, the Director of Budget and Management may make transfers of cash to the School District Solvency Assistance Fund (Fund 5H3) from any Department of Education administered fund or the General Revenue Fund to maintain sufficient cash balances in the School District Solvency Assistance Fund (Fund 5H3) in fiscal years 2006 and 2007 for providing assistance and grants to school districts to enable them to remain solvent and to pay unforeseeable expenses of a temporary or emergency nature that they are unable to pay from existing resources. The Director of Budget and Management shall notify the members of the Controlling Board of any such transfers.

This section is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, this section goes into immediate effect when this act becomes law.

SECTION 405.60. The amendment of section 6301.03 of the Revised Code by Am. Sub. S.B. 189 of the 125th General Assembly applies on and after July 1, 2004. Local areas and sub-recipients of a local area may continue to use the public assistance fund to facilitate close out of workforce development activities conducted pursuant to the "Workforce Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2801, as amended, or Chapter 6301. of the Revised Code that occurred prior to July 1, 2004.

SECTION 506.03. (A) If money deposited into an escrow account under section 153.63 of the Revised Code by the Department of Administrative Services has not been released pursuant to that section due to the failure of the contractor, within three years, to give notice requesting release, the money shall be released pursuant to division (B) of this section to the Director of Administrative Services, who shall deposit it to the credit of the State Architect's Fund created under section 123.10 of the Revised Code.

(B) Notwithstanding section 153.63 of the Revised Code, the escrow agent in charge of the money described in division (A) of this section shall release the money to the Director if all of the following occur:

(1) The Director notifies the contractor of the existence of the escrowed amount in writing, sent by certified mail to the contractor's last known address and to the last known address of the contractor's statutory agent, if such agent exists;

(2) In the event a mechanics lien has been filed against the contractor pursuant to sections 1311.25 to 1311.32 of the Revised Code for labor performed or materials supplied in connection with the project, the Director notifies the lien claimant of the existence of the escrowed amount in writing, sent by certified mail to the lien claimant's last known address and to the last known address of the lien claimant's statutory agent, if such agent exists;

(3) The contractor or statutory agent and, if applicable, the lien claimant or statutory agent fail to respond to the notice by the date that is sixty days after the date the notice is sent.

(C) Money released to the Director pursuant to this section shall be considered an additional fee related to the administration of the contract for which the escrow deposit was made.

SECTION 512.03. CASH TRANSFER TO DEPARTMENT OF HEALTH'S GENERAL OBLIGATIONS FUND

Not later than 30 days after the effective date of this section, the Director of Budget and Management shall transfer \$103,981.68 cash from the Adjutant General's Department's Camp Perry Clubhouse and Rental Fund (Fund 536) to the Department of Health's General Obligations Fund (Fund 392).

SECTION 512.03.03. DEPARTMENT OF EDUCATION
APPROPRIATION TRANSFERS

The Director of Budget and Management, in consultation with the Superintendent of Public Instruction, may transfer up to \$200,000 in fiscal year 2006 and up to \$300,000 in fiscal year 2007 of unspent and unencumbered balances of General Revenue Fund appropriation items within the Department of Education to GRF appropriation item 200-421, Alternative Education Programs. The funds transferred shall be used for the administration of the Educational Choice Scholarship Pilot Program. All funds transferred under this section are hereby appropriated.

SECTION 512.06. TRANSFERS TO STATE NEED-BASED
FINANCIAL AID PROGRAMS

In fiscal year 2006, if the Chancellor of the Board of Regents determines that additional funds are needed to support the distribution of state need-based financial aid in accordance with section 3333.12 of the Revised Code, the Chancellor shall recommend the reallocation of unencumbered and unobligated appropriation balances of General Revenue Fund appropriation items within the Board of Regents to GRF appropriation item 235-503, Ohio Instructional Grants. If the Director of Budget and Management determines that such a reallocation is required, the Director may transfer those identified unencumbered and unobligated funds within the Board of Regents as necessary to GRF appropriation item 235-503, Ohio Instructional Grants. The amounts transferred to appropriation item 235-503, Ohio Instructional Grants, are hereby appropriated. If those unencumbered and unobligated funds are not sufficient to support the distribution of state need-based financial aid in accordance with section 3333.12 of the Revised Code in fiscal year 2006, the Director of Budget and Management may increase the appropriation from the General Revenue Fund of appropriation item 235-503, Ohio Instructional Grants, in fiscal year 2006 by up to \$30,000,000.

In fiscal year 2007, if the Chancellor of the Board of Regents determines that additional funds are needed to support the distribution of

state need-based financial aid in accordance with sections 3333.12 and 3333.122 of the Revised Code, the Chancellor shall recommend the reallocation of unencumbered and unobligated appropriation balances of General Revenue Fund appropriation items within the Board of Regents to GRF appropriation items 235-503, Ohio Instructional Grants, and 235-563, Ohio College Opportunity Grant. If the Director of Budget and Management determines that such a reallocation is required, the Director may transfer those identified unencumbered and unobligated funds within the Board of Regents as necessary to GRF appropriation items 235-503, Ohio Instructional Grants, and 235-563, Ohio College Opportunity Grant. The amounts transferred to appropriation items 235-503, Ohio Instructional Grants, and 235-563, Ohio College Opportunity Grant, are hereby appropriated. If those unencumbered and unobligated funds are not sufficient to support the distribution of state need-based financial aid in accordance with sections 3333.12 and 3333.122 of the Revised Code in fiscal year 2007, the Director of Budget and Management may increase the appropriation from the General Revenue Fund of appropriation items 235-503, Ohio Instructional Grants, and 235-563, Ohio College Opportunity Grant, in fiscal year 2007. The combined increase to appropriation items 235-503, Ohio Instructional Grants, and 235-563, Ohio College Opportunity Grant, authorized under this section shall not exceed \$30,000,000 in fiscal year 2007.

SECTION 512.12. DEPARTMENT OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

By June 30, 2006, or as soon as possible thereafter, the Director of Budget and Management shall, to fulfill the requirement of section 5123.23 of the Revised Code, transfer \$4,163.90 cash from the Miscellaneous Revenue Fund (Fund 152 in the Department of Mental Retardation and Developmental Disabilities) to the General Revenue Fund.

SECTION 512.15. TRANSFER TO DEPARTMENT OF JOB AND FAMILY SERVICES FOR PACE PAYMENTS

The Director of Job and Family Services and the Director of Aging may certify on a quarterly basis to the Director of Budget and Management the nonfederal amount paid to PACE providers for Medicaid services. On receipt of the certification, the Director of Budget and Management may:

(1) Transfer appropriations equal to the amount certified from GRF appropriation item 490-421, PACE, to GRF appropriation item 600-525,

Health Care/Medicaid;

(2) Increase the appropriation of GRF appropriation item 600-525, Health Care/Medicaid, by the corresponding federal share; and

(3) Decrease the appropriation in appropriation item 490-621, PACE-Federal, (Fund 3C4) by the corresponding federal share.

SECTION 512.18. TRANSFER TO THE DEPARTMENT OF JOB AND FAMILY SERVICES FROM THE DEPARTMENT OF EDUCATION

Transfers from the Department of Education to the Department of Job and Family Services pursuant to section 3317.023 of the Revised Code are hereby appropriated to appropriation item 600-671, Medicaid Program Support. Federal funds generated by expenditure of the transfers are hereby appropriated to appropriation item 600-623, Health Care Federal. Within seven days after initiating the transfer, the Director of Job and Family Services shall notify the Director of Budget and Management of the transfer.

SECTION 515.03. (A) The Director of Budget and Management shall, on the effective date of this section, supersede and replace the Auditor of State in all matters relating to the drawing of warrants for the payment or transfer of money from the state treasury (referred to in this section as "the payment function"). With respect to the payment function, the Director shall succeed to and perform all of the duties, powers, and obligations of the Auditor of State provided for by law.

(B) Any aspect of the payment function commenced but not completed by the Auditor of State on the effective date of this section shall be completed by the Director or the staff of the Office of Budget and Management in the same manner, and with the same effect, as if completed by the Auditor of State or the staff of the Auditor of State. Any validation, cure, right, privilege, remedy, obligation, or liability related to the payment function is not lost or impaired by reason of the transfer required by this section and shall be administered by the Office of Budget and Management. All of the rules, orders, and determinations of the Auditor of State in relation to the payment function continue in effect as rules, orders, and determinations of the Director of Budget and Management until modified or rescinded by the Director. At the request of the Auditor of State and if necessary to ensure the integrity of the numbering of the Administrative Code, the Director of the Legislative Service Commission shall renumber rules of the Auditor of State in relation to the payment function to reflect the transfer to the Director of Budget and Management.

(C) Subject to the lay-off provisions of sections 124.321 to 124.328 of the Revised Code, the Auditor of State and the Director of Budget and Management shall identify the employees of the Auditor of State assigned to or responsible for the payment function who shall be transferred to the Office of Budget and Management. The transfer shall take effect on July 1, 2007, or as soon as possible thereafter.

(D) Whenever the Auditor of State in relation to the payment function is referred to in any law, contract, or other document, the reference shall be deemed to refer to the Director of Budget and Management.

(E) Any action or proceeding that is related to the payment function and is pending on the effective date of this section is not affected by the transfer and shall be prosecuted or defended in the name of the Director of Budget and Management or the Office of Budget and Management. In all such actions and proceedings the Director or the Office, upon application to the court, shall be substituted as a party.

SECTION 515.06. (A) The Director of Administrative Services, the Director of Agriculture, the Director of Health, and the Director of Environmental Protection shall enter into a memorandum of understanding concerning the co-location at the Department of Agriculture's campus in Reynoldsburg of the Department of Agriculture, Department of Health, and Ohio Environmental Protection Agency laboratory and related office and storage facilities. The memorandum shall include the agreed upon obligations and responsibilities of the agencies relative to the facilities, and it and any later revision shall not take effect unless approved by the Director of Budget and Management.

(B) Notwithstanding division (A)(12) of section 123.01 of the Revised Code, and as shall be specified in the memorandum, the Department of Agriculture shall be responsible for the maintenance and care of the co-located facilities, the cost of which care shall be itemized and proportionately allocated among the Department of Agriculture, the Department of Health, and the Ohio Environmental Protection Agency. Except for this requirement, nothing in this section affects the authority of the Department of Administrative Services under section 123.01 of the Revised Code.

(C) If required, the Office of Budget and Management and Department of Administrative Services shall assist in addressing issues regarding the memorandum's implementation.

SECTION 606.05. That Section 3 of Sub. H.B. 11 of the 126th General Assembly be amended to read as follows:

Sec. 3. (A) Notwithstanding anything to the contrary in division ~~(E)~~(D) of section 3317.024 of the Revised Code, in section 3317.07 of the Revised Code or in rules adopted under that section, or in Section 206.09.21 of Am. Sub. H.B. 66 of the 126th General Assembly, during fiscal year 2006 only, upon receipt of a waiver granted by the Superintendent of Public Instruction a school district, educational service center, or county MR/DD board may use the portion of the funds paid under appropriation item 200-503, Bus Purchase Allowance, as approved in the waiver for purchasing fuel for school buses.

(B) In the manner specified by the Superintendent of Public Instruction for purposes of this section, a school district, educational service center, or county MR/DD board may apply to the Superintendent for a waiver to use funds paid during fiscal year 2006 under appropriation item 200-503, Bus Purchase Allowance, to purchase fuel for school buses. The Superintendent shall require the school district, educational service center, or county MR/DD board to report to the Superintendent by December 31, 2005, its total expenditures for fuel for buses in fiscal year 2005 and its estimated expenditures for fuel for buses in fiscal year 2006. The Superintendent may grant a waiver to a school district, educational service center, or county MR/DD board only if the following conditions are met:

(1) The district, service center, or county MR/DD board demonstrates to the Superintendent's satisfaction that it has a sufficient supply of buses or contracted bus service to meet its pupil transportation obligations for fiscal year 2006 without spending all or part of its allocation of funds under appropriation item 200-503, Bus Purchase Allowance.

(2) The district's, service center's, or county MR/DD board's estimate of expenditures for fuel for buses in fiscal year 2006 is higher than its expenditures for fuel for buses in fiscal year 2005.

The Superintendent shall prescribe in the waiver the portion of those funds allocated to the school district, service center, or county MR/DD board under appropriation item 200-503, Bus Purchase Allowance, that may be used for purchasing fuel for buses, which portion shall not exceed the difference between the estimated expenditures for fuel for buses in fiscal year 2006 and the expenditures for fuel for buses in fiscal year 2005.

(C) Not later than July 31, 2006, each school district, educational service center, and county MR/DD board that receives a waiver under this section shall report to the Superintendent of Public Instruction its actual

expenditures to purchase fuel for school buses in fiscal year 2006. If the Superintendent determines that the district, service center, or county MR/DD board did not spend all of the funds from appropriation item 200-503, Bus Purchase Allowance, prescribed in the waiver to purchase fuel for buses, the district, service center, or county MR/DD board shall allocate the remainder of those funds for school bus purchases in fiscal year 2007.

(D) The Office of Pupil Transportation within the Department of Education may audit school districts, educational service centers, and county MR/DD boards that apply for waivers to ensure the accuracy of the data reported under this section. If the Office finds that a district, service center, or county MR/DD board has reported data inaccurately, the Department shall apply division (L) of section 3301.0714 of the Revised Code to that district, service center, or county MR/DD board.

SECTION 606.06. That existing Section 3 of Sub. H.B. 11 of the 126th General Assembly is hereby repealed.

SECTION 606.17. That Sections 203.09, 203.12, 203.12.12, 203.45, 203.51, 203.54, 203.66, 203.69, 203.84, 203.87, 203.99.01, 203.99.30, 203.99.48, 206.03, 206.09, 206.09.12, 206.09.15, 206.09.21, 206.09.27, 206.09.36, 206.09.39, 206.09.42, 206.09.61, 206.09.63, 206.09.66, 206.09.84, 206.16, 206.42, 206.42.09, 206.48, 206.66, 206.66.22, 206.66.23, 206.66.36, 206.66.64, 206.66.66, 206.66.84, 206.66.85, 206.66.91, 206.67.15, 206.67.21, 206.99, 209.04, 209.06.06, 209.06.09, 209.09.06, 209.09.18, 209.15, 209.18, 209.18.09, 209.24, 209.30, 209.33, 209.36, 209.45, 209.63, 209.63.42, 209.64.60, 209.72, 209.75, 209.78.03, 209.81, 209.90.06, 212.03, 212.24, 212.27, 212.30, 212.33, 557.12, and 612.36.03 of Am. Sub. H.B. 66 of the 126th General Assembly be amended to read as follows:

Sec. 203.09. ADJ ADJUTANT GENERAL

General Revenue Fund

GRF 745-401	Ohio Military Reserve	\$	15,188	\$	15,188
GRF 745-404	Air National Guard	\$	1,939,762	\$	1,939,762
GRF 745-407	National Guard Benefits	\$	1,400,000	\$	1,400,000
GRF 745-409	Central Administration	\$	3,949,590	\$	3,949,590
GRF 745-499	Army National Guard	\$	4,086,222	\$	4,086,222
GRF 745-502	Ohio National Guard Unit Fund	\$	102,973	\$	102,973
TOTAL GRF General Revenue Fund		\$	11,493,735	\$	11,493,735

General Services Fund Group

534	745-612	Armory Improvements	\$	534,304	\$	534,304
536	745-620	Camp Perry/Buckeye Inn	\$	1,094,970	\$	1,094,970

		Operations			
537	745-604	Ohio National Guard Facility	\$	219,826	\$ 219,826
		Maintenance			
		TOTAL GSF General Services Fund Group	\$	1,849,100	\$ 1,849,100
		Federal Special Revenue Fund Group			
3E8	745-628	Air National Guard Agreement	\$	12,174,760	\$ 12,174,760
3R8	745-603	Counter Drug Operations	\$	25,000	\$ 25,000
341	745-615	Air National Guard Base Security	\$	2,424,740	\$ 2,424,740
342	745-616	Army National Guard Agreement	\$	8,686,893	\$ 8,686,893
		TOTAL FED Federal Special Revenue Fund Group	\$	23,311,393	\$ 23,311,393
		State Special Revenue Fund Group			
5DN	745-618	Service Medal Production	\$	1,500	\$ 0
5U8	745-613	Community Match Armories	\$	90,000	\$ 91,800
528	745-605	Marksmanship Activities	\$	126,078	\$ 128,600
		TOTAL SSR State Special Revenue Fund Group	\$	216,078 217,578	\$ 220,400
		TOTAL ALL BUDGET FUND GROUPS	\$	36,870,306	\$ 36,874,628
				<u>36,871,806</u>	

NATIONAL GUARD BENEFITS

The foregoing appropriation item 745-407, National Guard Benefits, shall be used for purposes of sections 5919.31 and 5919.33 of the Revised Code, and for administrative costs of the associated programs.

For active duty members of the Ohio National Guard who died after October 7, 2001, while performing active duty, the death benefit, pursuant to section 5919.33 of the Revised Code, shall be paid to the beneficiary or beneficiaries designated on the member's Servicemembers' Group Life Insurance Policy.

STATE ACTIVE DUTY COSTS

Of the foregoing appropriation item 745-409, Central Administration, \$50,000 in each fiscal year shall be used for the purpose of paying expenses related to state active duty of members of the Ohio organized militia, in accordance with a proclamation of the Governor. Expenses include, but are not limited to, the cost of equipment, supplies, and services, as determined by the Adjutant General's Department.

NATIONAL GUARD SERVICE MEDAL PRODUCTION

The foregoing appropriation item 745-618, Service Medal Production, shall be used to cover costs of production of the Commemorative National Guard Service Medal pursuant to section 5919.19 of the Revised Code.

CASH TRANSFER TO NATIONAL GUARD SERVICE MEDAL FUND

At the request of the Adjutant General, the Director of Budget and

Management may transfer up to \$1,500 cash from the General Revenue Fund to the National Guard Service Medal Fund (Fund 5DN) in fiscal year 2006.

Sec. 203.12. DAS DEPARTMENT OF ADMINISTRATIVE SERVICES

General Revenue Fund

GRF 100-403	Public School Employee Benefits	\$	1,200,000	\$	1,500,000
GRF 100-404	CRP Procurement Program	\$	248,040	\$	268,040
GRF 100-405	Agency Audit Expenses	\$	329,000	\$	329,000
GRF 100-406	County & University Human Resources Services	\$	60,000 280,000	\$	60,000 940,000
GRF 100-410	Veterans' Records Conversion	\$	69,000	\$	48,600
GRF 100-418	Web Sites and Business Gateway	\$	3,275,280	\$	3,275,280
GRF 100-419	IT Security Infrastructure	\$	1,636,247	\$	1,636,247
GRF 100-421	OAKS Project Implementation	\$	484,000	\$	410,839
GRF 100-433	State of Ohio Computer Center	\$	4,991,719	\$	4,991,719
GRF 100-439	Equal Opportunity Certification Programs	\$	726,481	\$	728,384
GRF 100-447	OBA - Building Rent Payments	\$	115,740,400	\$	116,091,300
GRF 100-448	OBA - Building Operating Payments	\$	25,393,250	\$	25,647,183
GRF 100-449	DAS - Building Operating Payments	\$	4,160,383	\$	4,170,623
GRF 100-451	Minority Affairs	\$	47,000	\$	47,000
GRF 100-734	Major Maintenance - State Bldgs	\$	50,000	\$	50,000
GRF 102-321	Construction Compliance	\$	1,190,959	\$	1,206,779
GRF 130-321	State Agency Support Services	\$	2,693,788	\$	2,668,986
TOTAL GRF General Revenue Fund		\$	162,295,547	\$	163,129,980
			<u>162,515,547</u>		<u>164,009,980</u>

General Services Fund Group

112	100-616	DAS Administration	\$	5,221,393	\$	5,299,427
115	100-632	Central Service Agency	\$	466,517	\$	485,178 860,878
117	100-644	General Services Division - Operating	\$	6,834,247	\$	7,245,772
122	100-637	Fleet Management	\$	4,025,043	\$	4,032,968
125	100-622	Human Resources Division - Operating	\$	18,864,179	\$	19,220,614
127	100-627	Vehicle Liability Insurance	\$	3,344,644	\$	3,344,644
128	100-620	Collective Bargaining	\$	3,410,952	\$	3,410,952
130	100-606	Risk Management Reserve	\$	223,904	\$	223,904
131	100-639	State Architect's Office	\$	6,977,274	\$	7,047,427
132	100-631	DAS Building Management	\$	10,721,430	\$	11,066,228
133	100-607	IT Services Delivery	\$	81,418,432	\$	80,345,564
188	100-649	Equal Opportunity Division - Operating	\$	993,378	\$	1,010,256
201	100-653	General Services Resale Merchandise	\$	1,553,000	\$	1,553,000

210	100-612	State Printing	\$	5,931,421	\$	5,931,421
229	100-630	IT Governance	\$	18,531,812	\$	17,601,712
4N6	100-617	Major IT Purchases	\$	10,617,166	\$	10,617,166
4P3	100-603	DAS Information Services	\$	5,902,099	\$	6,117,004
427	100-602	Investment Recovery	\$	5,580,208	\$	5,683,564
5C2	100-605	MARCS Administration	\$	9,268,178	\$	9,268,178
5C3	100-608	Skilled Trades	\$	1,406,278	\$	1,434,982
5D7	100-621	Workforce Development	\$	12,000,000	\$	12,000,000
5L7	100-610	Professional Development	\$	2,700,000	\$	2,700,000
5V6	100-619	Employee Educational Development	\$	936,129	\$	936,129
TOTAL GSF General Services Fund Group			\$	216,927,684	\$	216,576,090 <u>216,951,790</u>
Federal Special Revenue Fund Group						
3AJ	100-623	Information Technology Grants	\$	82,048	\$	82,048
TOTAL FSR Federal Special Revenue Fund Group			\$	82,048	\$	82,048
Agency Fund Group						
124	100-629	Payroll Deductions	\$	2,050,000,000	\$	2,050,000,000
TOTAL AGY Agency Fund Group			\$	2,050,000,000	\$	2,050,000,000
Holding Account Redistribution Fund Group						
R08	100-646	General Services Refunds	\$	20,000	\$	20,000
TOTAL 090 Holding Account Redistribution Fund Group			\$	20,000	\$	20,000
TOTAL ALL BUDGET FUND GROUPS			\$	2,429,325,279 <u>2,429,545,279</u>	\$	2,429,808,118 <u>2,431,063,818</u>

Sec. 203.12.12. CENTRAL SERVICE AGENCY FUND

The Director of Budget and Management may transfer up to \$363,851 in fiscal year 2006 from the Occupational Licensing and Regulatory Fund (Fund 4K9) to the Central Service Agency Fund (Fund 115). The Director of Budget and Management may transfer up to \$45,184 in fiscal year 2006 from the State Medical Board Operating Fund (Fund 5C6) to the Central Service Agency Fund (Fund 115). The Director of Budget and Management may transfer up to \$625 in fiscal year 2006 from the Motor Vehicle Collision Repair Registration Fund (Fund 5H9) to the Central Service Agency Fund (Fund 115). The appropriation item 100-632, Central Service Agency, shall be used to purchase the necessary equipment, products, and services to maintain an automated application for the professional licensing boards, and to support their licensing functions in fiscal year 2006. The amount of the cash transfers is appropriated to appropriation item 100-632, Central Service Agency.

The Department of Administrative Services shall establish charges for recovering the costs of maintaining an automated application for the professional licensing boards and for the costs of supporting licensing functions in fiscal year 2007. In establishing these charges for fiscal year

2007 any changes from the method used to calculate fiscal year 2006 costs to be recovered via transfer of funds or any changes from the type of costs recovered through fiscal year 2006 transfers are subject to Controlling Board approval. The charges shall be billed to the professional licensing boards and deposited via intrastate transfer vouchers to the credit of the Central Service Agency Fund (Fund 115). Total Department of Administrative Services charges for the maintenance and support of the licensing system in fiscal year 2007 shall not exceed \$375,700.

Sec. 203.45. ATH ATHLETIC COMMISSION

General Services Fund Group

4K9 175-609	Operating Expenses	\$	248,150	\$	0	<u>255,850</u>
TOTAL GSF General Services Fund Group		\$	248,150	\$	0	<u>255,850</u>
TOTAL ALL BUDGET FUND GROUPS		\$	248,150	\$	0	<u>255,850</u>

Sec. 203.51. AUD AUDITOR OF STATE

General Revenue Fund

GRF 070-321	Operating Expenses	\$	29,014,425	\$	28,964,425	<u>29,144,425</u>
GRF 070-403	Fiscal Watch/Emergency Technical Assistance	\$	500,000	\$	500,000	
GRF 070-405	Electronic Data Processing - Auditing and Administration	\$	823,193	\$	823,193	
GRF 070-406	Uniform Accounting Network/Technology Improvements Fund	\$	1,588,538	\$	1,588,538	
TOTAL GRF General Revenue Fund		\$	31,926,156	\$	31,876,156	<u>32,246,156</u>

Auditor of State Fund Group

R06 070-604	Continuous Receipts	\$	35,000	\$	35,000	
109 070-601	Public Audit Expense - Intra-State	\$	9,300,000	\$	9,300,000	<u>12,000,000</u>
422 070-601	Public Audit Expense - Local Government	\$	31,104,840	\$	31,104,840	
584 070-603	Training Program	\$	131,250	\$	181,250	<u>181,250</u>
675 070-605	Uniform Accounting Network	\$	3,317,336	\$	3,317,336	
TOTAL AUS AUD Auditor of State Fund Group		\$	43,888,426	\$	43,888,426	<u>46,638,426</u>
TOTAL ALL BUDGET FUND GROUPS		\$	75,814,582	\$	75,764,582	<u>78,884,582</u>

BILLING PRACTICES PILOT REVIEW

Of the foregoing appropriation item 070-321, Operating Expenses, \$50,000 shall be used by the Auditor of State to conduct a pilot review of the billing practices of facilities licensed by the Department of Mental Health and the Department of Job and Family Services that serve children in a residential setting for whom mental health treatment services are provided. In conducting this review, the Auditor of State shall have access to any information, records, or other data that would otherwise be available to any

federal, state, or local public agency that provides funding to the facility.

The Auditor of State shall prepare a report on the conclusions of the pilot review, and shall furnish copies of the report to the Governor, the Speaker of the House of Representatives, and the President of the Senate, as well as to the majority and minority leaders of the House of Representatives and the Senate, by June 30, 2006.

FISCAL WATCH/EMERGENCY TECHNICAL ASSISTANCE

The foregoing appropriation item 070-403, Fiscal Watch/Emergency Technical Assistance, shall be used for all expenses incurred by the Office of the Auditor of State in its role relating to fiscal watch or fiscal emergency activities under Chapters 118. and 3316. of the Revised Code. Expenses include, but are not limited to, the following: duties related to the determination or termination of fiscal watch or fiscal emergency of municipal corporations, counties, or townships as outlined in Chapter 118. of the Revised Code and of school districts as outlined in Chapter 3316. of the Revised Code; development of preliminary accounting reports; performance of annual forecasts; provision of performance audits; and supervisory, accounting, or auditing services for the mentioned public entities and school districts. The unencumbered balance of appropriation item 070-403, Fiscal Watch/Emergency Technical Assistance, at the end of fiscal year 2006 is transferred to fiscal year 2007 for use under the same appropriation item.

ELECTRONIC DATA PROCESSING

The unencumbered balance of appropriation item 070-405, Electronic Data Processing - Auditing and Administration, at the end of fiscal year 2006 is transferred to fiscal year 2007 for use under the same appropriation item.

UNIFORM ACCOUNTING NETWORK/TECHNOLOGY IMPROVEMENTS FUND

The foregoing appropriation item 070-406, Uniform Accounting Network/Technology Improvements Fund, shall be used to pay the costs of developing and implementing the Uniform Accounting Network and technology improvements for the Office of the Auditor of State. The unencumbered balance of the appropriation at the end of fiscal year 2006 is transferred to fiscal year 2007 to pay the costs of developing and implementing the Uniform Accounting Network and technology improvements for the Office of the Auditor of State.

Sec. 203.54. BRB BOARD OF BARBER EXAMINERS

General Services Fund Group

4K9 877-609 Operating Expenses	\$	568,126	\$	0	<u>567,119</u>
TOTAL GSF General Services Fund					

Group	\$	568,126	\$	0	<u>567,119</u>
TOTAL ALL BUDGET FUND GROUPS	\$	568,126	\$	0	<u>567,119</u>

Sec. 203.66. CDP CHEMICAL DEPENDENCY PROFESSIONALS BOARD

General Services Fund Group

4K9 930-609 Operating Expenses	\$	452,976	\$	0	<u>452,729</u>
TOTAL GSF General Services Fund Group	\$	452,976	\$	0	<u>452,729</u>
TOTAL ALL BUDGET FUND GROUPS	\$	452,976	\$	0	<u>452,729</u>

Sec. 203.69. CHR STATE CHIROPRACTIC BOARD

General Services Fund Group

4K9 878-609 Operating Expenses	\$	605,278	\$	0	<u>621,621</u>
TOTAL GSF General Services Fund Group	\$	605,278	\$	0	<u>621,621</u>
TOTAL ALL BUDGET FUND GROUPS	\$	605,278	\$	0	<u>621,621</u>

Sec. 203.84. COS STATE BOARD OF COSMETOLOGY

General Services Fund Group

4K9 879-609 Operating Expenses	\$	2,929,630	\$	0	<u>2,951,179</u>
TOTAL GSF General Services Fund Group	\$	2,929,630	\$	0	<u>2,951,179</u>
TOTAL ALL BUDGET FUND GROUPS	\$	2,929,630	\$	0	<u>2,951,179</u>

Sec. 203.87. CSW COUNSELOR, SOCIAL WORKER, AND MARRIAGE AND FAMILY THERAPIST BOARD

General Services Fund Group

4K9 899-609 Operating Expenses	\$	1,058,445	\$	0	<u>1,057,519</u>
TOTAL GSF General Services Fund Group	\$	1,058,445	\$	0	<u>1,057,519</u>
TOTAL ALL BUDGET FUND GROUPS	\$	1,058,445	\$	0	<u>1,057,519</u>

Sec. 203.99.01. OPERATING EXPENSES

Of the foregoing appropriation item 195-321, Operating Expenses, \$50,000 in fiscal year 2006 and \$35,000 in fiscal year 2007 shall be used ~~for~~ by Crawford County ~~to hire an employee to act as a~~ for local economic development ~~coordinator for Crawford, Hancock, Richland, and Marion Counties purposes.~~

Sec. 203.99.30. TRAVEL AND TOURISM GRANTS

The foregoing appropriation item 195-507, Travel and Tourism Grants, shall be used to provide grants to local organizations to support various local travel and tourism events in Ohio.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$25,000 in each fiscal year shall be used for the Lorain County Visitors Bureau.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$25,000 in each fiscal year shall be used for the Sandusky/Erie County Visitors and Convention Bureau.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$25,000 in each fiscal year shall be used for the Ottawa County

Convention and Visitors Bureau.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$50,000 in each fiscal year shall be used for the Greene County Convention and Visitors Bureau.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$45,000 in each fiscal year shall be used for the Warren County Convention and Visitors Bureau.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$25,000 in each fiscal year shall be used for grants to the Wood County Economic Development Commission.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$50,000 in each fiscal year shall be used for the Wright Dunbar Historical Site.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, up to \$120,000 in each fiscal year may be used to support the outdoor dramas "Trumpet in the Land," "Blue Jacket," and "Tecumseh!".

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$40,000 in each fiscal year shall be used for the Cincinnati Film Commission and \$40,000 in each fiscal year shall be used for the Cleveland Film Commission.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$100,000 in each fiscal year shall be used for the Cleveland Institute of Art.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, up to \$500,000 in each fiscal year shall be used for grants to The International Center for the Preservation of Wild Animals.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$50,000 in each fiscal year shall be used for the Lake Shore Railway Association, Inc.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$50,000 in each fiscal year shall be used for the Ohio River Trails program.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$12,500 in each fiscal year shall be used for the Morgan County Community Improvement Corporation.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$25,000 in fiscal year 2006 shall be used for the Ohio Buckeye Junior Hereford Association.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$100,000 in fiscal year 2006 shall be used for grants to the NCR

U.S. Senior Open.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$5,000 in each fiscal year shall be used for the Canton Football Hall of Fame Festival.

Sec. 203.99.48. 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 \$1,800,000 in cash each fiscal year may be transferred from the Facilities Establishment Fund (Fund 037) to the Economic Development Financing Operating Fund (Fund 451). The transfer is subject to Controlling Board approval under division (B) of section 166.03 of the Revised Code.

Notwithstanding Chapter 166. of the Revised Code, up to \$5,000,000 in cash each fiscal year may be transferred from the Facilities Establishment Fund (Fund 037) to the Shovel Ready Sites Fund (Fund 5CA). The transfer is subject to Controlling Board approval under division (B) of section 166.03 of the Revised Code.

Notwithstanding Chapter 166. of the Revised Code, up to ~~\$10,950,000~~ \$16,425,000 in cash may be transferred during the biennium from the Facilities Establishment Fund (Fund 037) to the Urban Redevelopment Loans Fund (Fund 5D2) for the purpose of removing barriers to urban core redevelopment. The Director of Development shall develop program guidelines for the transfer and release of funds, including, but not limited to, the completion of all appropriate environmental assessments before state assistance is committed to a project.

Notwithstanding Chapter 166. of the Revised Code, up to \$3,000,000 each fiscal year in cash may be transferred from the Facilities Establishment Fund (Fund 037) to the Rural Industrial Park Loan Fund (Fund 4Z6). The transfer is subject to Controlling Board approval under section 166.03 of the Revised Code.

FAMILY FARM LOAN PROGRAM

Notwithstanding Chapter 166. of the Revised Code, up to \$1,000,000 in each fiscal year shall be transferred from moneys in the Facilities Establishment Fund (Fund 037) to the Family Farm Loan Guarantee Fund (Fund 5H1) in the Department of Development. The moneys shall be used for loan guarantees. The transfer is subject to Controlling Board approval.

Financial assistance from the Family Farm Loan Guarantee Fund (Fund 5H1) shall be repaid to Fund 5H1. This fund is established under sections 166.031, 901.80, 901.81, 901.82, and 901.83 of the Revised Code.

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

RURAL DEVELOPMENT INITIATIVE FUND

(A)(1) The Rural Development Initiative Fund (Fund 5S8) is entitled to receive moneys from the Facilities Establishment Fund (Fund 037). The Director of Development may make grants from the Rural Development Initiative Fund as specified in division (A)(2) of this section to eligible applicants in Appalachian counties and in rural counties in the state that are designated as distressed under section 122.25 of the Revised Code. Preference shall be given to eligible applicants located in Appalachian counties designated as distressed by the federal Appalachian Regional Commission. The Rural Development Initiative Fund (Fund 5S8) shall cease to exist after June 30, 2007. All moneys remaining in the Fund after that date shall revert to the Facilities Establishment Fund (Fund 037).

(2) The Director of Development shall make grants from the Rural Development Initiative Fund (Fund 5S8) only to eligible applicants who also qualify for and receive funding under the Rural Industrial Park Loan Program as specified in sections 122.23 to 122.27 of the Revised Code. Eligible applicants shall use the grants for the purposes specified in section 122.24 of the Revised Code. All projects supported by grants from the fund are subject to Chapter 4115. of the Revised Code as specified in division (E) of section 166.02 of the Revised Code. The Director shall develop program guidelines for the transfer and release of funds. The release of grant moneys to an eligible applicant is subject to Controlling Board approval.

(B) Notwithstanding Chapter 166. of the Revised Code, the Director of Budget and Management may transfer up to \$3,000,000 each fiscal year in cash on an as needed basis at the request of the Director of Development from the Facilities Establishment Fund (Fund 037) to the Rural Development Initiative Fund (Fund 5S8). The transfer is subject to Controlling Board approval under section 166.03 of the Revised Code.

CAPITAL ACCESS LOAN PROGRAM

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

Notwithstanding Chapter 166. of the Revised Code, the Director of

Budget and Management may transfer up to \$3,000,000 each fiscal year in cash on an as needed basis at the request of the Director of Development from the Facilities Establishment Fund (Fund 037) to the Capital Access Loan Program Fund (Fund 5S9). The transfer is subject to Controlling Board approval under section 166.03 of the Revised Code.

INNOVATION OHIO LOAN FUND

The foregoing appropriation item 195-664, Innovation Ohio, shall be used to provide for innovation Ohio purposes, including loan guarantees and loans under Chapter 166. and particularly sections 166.12 to 166.16 of the Revised Code.

RESEARCH AND DEVELOPMENT

The foregoing appropriation item 195-665, Research and Development, shall be used to provide for research and development purposes, including loans, under Chapter 166. and particularly sections 166.17 to 166.21 of the Revised Code.

Sec. 206.03. OBD OHIO BOARD OF DIETETICS

General Services Fund Group

4K9 860-609 Operating Expenses	\$	332,495	\$	0	<u>330,320</u>
TOTAL GSF General Services Fund Group	\$	332,495	\$	0	<u>330,320</u>
TOTAL ALL BUDGET FUND GROUPS	\$	332,495	\$	0	<u>330,320</u>

Sec. 206.09. EDU DEPARTMENT OF EDUCATION

General Revenue Fund

GRF 200-100 Personal Services	\$	9,880,406	\$	10,880,655
GRF 200-320 Maintenance and Equipment	\$	4,344,235	\$	4,344,235
GRF 200-408 Early Childhood Education	\$	19,002,195	\$	19,002,195
GRF 200-410 Educator Training	\$	19,302,057	\$	19,802,057
GRF 200-416 Career-Technical Education Match	\$	2,233,195	\$	2,233,195
GRF 200-420 Computer/Application/Network Development	\$	5,361,525	\$	5,361,525
GRF 200-421 Alternative Education Programs	\$	13,907,665	\$	13,732,665
GRF 200-422 School Management Assistance	\$	2,683,208	\$	2,710,572
GRF 200-424 Policy Analysis	\$	556,687	\$	556,687
GRF 200-425 Tech Prep Consortia Support	\$	2,069,217	\$	2,069,217
GRF 200-426 Ohio Educational Computer Network	\$	30,446,197	\$	30,446,197
GRF 200-427 Academic Standards	\$	11,607,753	\$	11,679,181
GRF 200-431 School Improvement Initiatives	\$	21,813,649	\$	23,842,828
GRF 200-433 Reading/Writing Improvement-Professional Development	\$	16,165,000	\$	16,165,000
GRF 200-437 Student Assessment	\$	54,445,234	\$	60,011,935
GRF 200-439 Accountability/Report Cards	\$	3,878,850	\$	7,457,290
GRF 200-442 Child Care Licensing	\$	1,302,495	\$	1,302,495

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GRF 200-445	OhioReads Volunteer Support	\$	3,905,000	\$	3,905,000	
GRF 200-446	Education Management Information System	\$	15,674,805	\$	15,674,805	
GRF 200-447	GED Testing	\$	1,544,360	\$	1,544,360	
GRF 200-448	Educator Preparation	\$	1,651,000	\$	1,651,000	
GRF 200-455	Community Schools	\$	2,942,094	\$	2,942,094	
GRF 200-502	Pupil Transportation	\$	412,330,728	\$	420,577,343	
GRF 200-503	Bus Purchase Allowance	\$	8,600,000	\$	14,000,000	
GRF 200-505	School Lunch Match	\$	8,998,025	\$	8,998,025	
GRF 200-509	Adult Literacy Education	\$	8,669,738	\$	8,669,738	
GRF 200-511	Auxiliary Services	\$	127,903,356	\$	127,903,356	
GRF 200-514	Postsecondary Adult Career-Technical Education	\$	19,481,875	\$	19,481,875	
GRF 200-521	Gifted Pupil Program	\$	46,910,068	\$	47,157,293	
GRF 200-532	Nonpublic Administrative Cost Reimbursement	\$	56,762,916	\$	58,068,463	
GRF 200-540	Special Education Enhancements	\$	134,169,606	\$	135,430,125	
GRF 200-545	Career-Technical Education Enhancements	\$	10,169,442	\$	9,225,569	
GRF 200-550	Foundation Funding	\$	5,579,031,663	\$	5,709,057,366	
GRF 200-558	Emergency Loan Interest Subsidy	\$	1,388,164	\$	651,404	
GRF 200-566	Reading/Writing Improvement-Classroom Grants	\$	12,062,336	\$	12,062,336	
GRF 200-578	Safe and Supportive Schools	\$	1,218,555	\$	1,218,555	
GRF 200-901	Property Tax Allocation - Education	\$	764,626,987	\$	728,793,318	
GRF 200-906	Tangible Tax Exemption - Education	\$	42,830,487	\$	32,122,865	
TOTAL GRF	General Revenue Fund	\$	7,479,870,773	\$	7,590,732,819	
General Services Fund Group						
138	200-606	Computer Services-Operational Support	\$	7,600,091	\$	7,600,091
4D1	200-602	Ohio Prevention/Education Resource Center	\$	832,000	\$	832,000
4L2	200-681	Teacher Certification and Licensure	\$	5,497,158	\$	5,628,332
452	200-638	Miscellaneous Educational Services	\$	400,000	\$	400,000
5H3	200-687	School District Solvency Assistance	\$	18,000,000	\$	18,000,000
596	200-656	Ohio Career Information System	\$	529,761	\$	529,761
TOTAL GSF	General Services Fund Group	\$	32,859,010	\$	32,990,184	
Federal Special Revenue Fund Group						
3AF	200-603	Schools Medicaid Administrative Claims	\$	1,000,000	\$	1,000,000
3C5	200-661	Early Childhood Education	\$	23,874,338	\$	23,874,338
3D1	200-664	Drug Free Schools	\$	13,347,966	\$	13,347,966
3D2	200-667	Honors Scholarship Program	\$	5,812,903	\$	5,833,965

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3H9	200-605	Head Start Collaboration Project	\$	275,000	\$	275,000
3L6	200-617	Federal School Lunch	\$	220,256,132	\$	227,583,653
3L7	200-618	Federal School Breakfast	\$	56,382,851	\$	58,405,608
3L8	200-619	Child/Adult Food Programs	\$	66,590,622	\$	67,915,843
3L9	200-621	Career-Technical Education Basic Grant	\$	48,029,701	\$	48,029,701
3M0	200-623	ESEA Title 1A	\$	440,260,178	\$	461,026,070
3M1	200-678	Innovative Education	\$	11,800,000	\$	11,800,000
3M2	200-680	Individuals with Disabilities Education Act	\$	513,058,569	\$	605,581,547
3S2	200-641	Education Technology	\$	20,800,000	\$	20,800,000
3T4	200-613	Public Charter Schools	\$	22,000,000	\$	22,000,000
3U2	200-662	Teacher Quality Enhancement Grants	\$	795,280	\$	795,280
3X5	200-684	School Renovation/IDEA	\$	2,200,000	\$	0
3Y2	200-688	21st Century Community Learning Centers	\$	30,681,554	\$	30,681,554
3Y4	200-632	Reading First	\$	50,775,637	\$	31,215,798
3Y5	200-634	Community Service Grants	\$	1,000,000	\$	0
3Y6	200-635	Improving Teacher Quality	\$	107,000,000	\$	107,000,000
3Y7	200-689	English Language Acquisition	\$	8,500,000	\$	9,000,000
3Y8	200-639	Rural and Low Income	\$	1,700,000	\$	1,700,000
3Z2	200-690	State Assessments	\$	12,681,031	\$	12,883,799
3Z3	200-645	Consolidated USDE Administration	\$	9,200,000	\$	9,200,000
309	200-601	Educationally Disadvantaged	\$	19,658,846	\$	19,658,846
366	200-604	Adult Basic Education	\$	18,500,000	\$	18,500,000
367	200-607	School Food Services	\$	11,383,637	\$	11,666,732
368	200-614	Veterans' Training	\$	672,961	\$	691,130
369	200-616	Career-Technical Education Federal Enhancement	\$	6,500,000	\$	6,500,000
370	200-624	Education of Exceptional Children	\$	2,386,610	\$	2,386,610
371	200-631	Immigrant Education Opportunities	\$	400,000	\$	400,000
374	200-647	Troops to Teachers	\$	1,600,000	\$	0
378	200-660	Learn and Serve	\$	1,200,000	\$	1,200,000
TOTAL FED Federal Special Revenue Fund Group			\$	1,730,323,816	\$	1,830,953,440
State Special Revenue Fund Group						
4R7	200-695	Indirect Operational Support	\$	5,382,864	\$	5,449,748
4V7	200-633	Interagency Operational Support	\$	500,000	\$	500,000
454	200-610	Guidance and Testing	\$	400,000	\$	400,000
455	200-608	Commodity Foods	\$	24,000,000	\$	24,000,000
5BB	200-696	State Action for Education Leadership	\$	1,200,000	\$	1,200,000
5BJ	200-626	Half-Mill Maintenance Equalization	\$	0	\$	10,700,000
5U2	200-685	National Education Statistics	\$	300,000	\$	300,000
5W2	200-663	Early Learning Initiative	\$	106,580,000	\$	127,456,000
598	200-659	Auxiliary Services Reimbursement	\$	1,328,910	\$	1,328,910

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620	200-615	Educational Improvement Grants	\$	1,000,000	\$	1,000,000
TOTAL SSR State Special Revenue Fund Group						
			\$	140,691,774	\$	172,334,658
Lottery Profits Education Fund Group						
017	200-612	Foundation Funding	\$	606,208,300	\$	606,296,800
017	200-682	Lease Rental Payment Reimbursement	\$	31,691,700	\$	31,603,200
TOTAL LPE Lottery Profits Education Fund Group						
			\$	637,900,000	\$	637,900,000
Revenue Distribution Fund Group						
047	200-909	School District Property Tax Replacement-Business	\$	<u>49,350,000</u>	\$	<u>369,054,000</u>
				<u>67,350,000</u>		<u>420,000,000</u>
053	200-900	School District Property Tax Replacement-Utility	\$	116,647,522	\$	101,647,522
TOTAL RDF Revenue Distribution Fund Group						
			\$	<u>165,997,522</u>	\$	<u>470,701,522</u>
				<u>183,997,522</u>		<u>521,647,522</u>
TOTAL ALL BUDGET FUND GROUPS						
			\$	<u>10,187,642,895</u>	\$	<u>10,735,612,623</u>
				<u>10,205,642,895</u>		<u>10,786,558,623</u>

Sec. 206.09.12. COMPUTER/APPLICATION/NETWORK DEVELOPMENT

The foregoing appropriation item 200-420, Computer/Application/Network Development, shall be used to support the development and implementation of information technology solutions designed to improve the performance and services of the Department of Education. Funds may be used for personnel, maintenance, and equipment costs related to the development and implementation of these technical system projects. Implementation of these systems shall allow the Department to provide greater levels of assistance to school districts and to provide more timely information to the public, including school districts, administrators, and legislators.

ALTERNATIVE EDUCATION PROGRAMS

There is hereby created the Alternative Education Advisory Council, which shall consist of one representative from each of the following agencies: the Ohio Department of Education; the Department of Youth Services; the Ohio Department of Alcohol and Drug Addiction Services; the Department of Mental Health; the Office of the Governor or, at the Governor's discretion, the Office of the Lieutenant Governor; the Office of the Attorney General; and the Office of the Auditor of State.

Of the foregoing appropriation item 200-421, Alternative Education Programs, up to \$6,227,310 in each fiscal year shall be used for the renewal of successful implementation grants and for competitive matching grants to the 21 urban school districts as defined in division (O) of section 3317.02 of the Revised Code as it existed prior to July 1, 1998, and up to ~~\$6,408,074~~

\$6,161,074 in each fiscal year shall be used for the renewal of successful implementation grants and for competitive matching grants to rural and suburban school districts for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services facility. Grants shall be awarded according to the criteria established by the Alternative Education Advisory Council in 1999. Grants shall be awarded only to programs in which the grant will not serve as the program's primary source of funding. These grants shall be administered by the Department of Education.

The Department of Education may waive compliance with any minimum education standard established under section 3301.07 of the Revised Code for any alternative school that receives a grant under this section on the grounds that the waiver will enable the program to more effectively educate students enrolled in the alternative school.

Of the foregoing appropriation item 200-421, Alternative Education Programs, up to \$422,281 in each fiscal year may be used for program administration, monitoring, technical assistance, support, research, and evaluation. Any unexpended balance may be used to provide additional matching grants to urban, suburban, or rural school districts as outlined above.

Of the foregoing appropriation item 200-421, Alternative Education Programs, \$247,000 in each fiscal year shall be used to contract with the Center for Learning Excellence at The Ohio State University to provide technical support for the project and the completion of formative and summative evaluation of the grants.

Of the foregoing appropriation item 200-421, Alternative Education Programs, up to \$675,000 in fiscal year 2006 and up to \$500,000 in fiscal year 2007 may be used by the Department of Education to administer the Educational Choice Scholarship Pilot Program established under section 3310.02 of the Revised Code.

Of the foregoing appropriation item 200-421, Alternative Education Programs, \$75,000 in each fiscal year shall be used to support the Toledo Tech Academy.

Of the foregoing appropriation item 200-421, Alternative Education Programs, \$100,000 in each fiscal year shall be used for the Youth Opportunities United, Inc.

SCHOOL MANAGEMENT ASSISTANCE

Of the foregoing appropriation item 200-422, School Management Assistance, up to \$1,315,000 in each fiscal year shall be used by the Auditor of State in consultation with the Department of Education for expenses incurred in the Auditor of State's role relating to fiscal caution, fiscal watch, and fiscal emergency activities as defined in Chapter 3316. of the Revised Code and may also be used to conduct performance audits consistent with the recommendations of the Governor's Blue Ribbon Task Force on Financing Student Success, with priority given to districts in fiscal distress. Expenses include duties related to the completion of performance audits for school districts that the Superintendent of Public Instruction determines are employing fiscal practices or experiencing budgetary conditions that could produce a state of fiscal watch or fiscal emergency.

The remainder of foregoing appropriation item 200-422, School Management Assistance, shall be used by the Department of Education to provide fiscal technical assistance and inservice education for school district management personnel and to administer, monitor, and implement the fiscal watch and fiscal emergency provisions under Chapter 3316. of the Revised Code.

POLICY ANALYSIS

The foregoing appropriation item 200-424, Policy Analysis, shall be used by the Department of Education to support a system of administrative, statistical, and legislative education information to be used for policy analysis. Staff supported by this appropriation shall administer the development of reports, analyses, and briefings to inform education policymakers of current trends in education practice, efficient and effective use of resources, and evaluation of programs to improve education results. The database shall be kept current at all times. These research efforts shall be used to supply information and analysis of data to the General Assembly and other state policymakers, including the Office of Budget and Management and the Legislative Service Commission.

The Department of Education may use funding from this appropriation item to purchase or contract for the development of software systems or contract for policy studies that will assist in the provision and analysis of policy-related information. Funding from this appropriation item also may be used to monitor and enhance quality assurance for research-based policy analysis and program evaluation to enhance the effective use of education information to inform education policymakers.

TECH PREP CONSORTIA SUPPORT

The foregoing appropriation item 200-425, Tech Prep Consortia

Support, shall be used by the Department of Education to support state-level activities designed to support, promote, and expand tech prep programs. Use of these funds shall include, but not be limited to, administration of grants, program evaluation, professional development, curriculum development, assessment development, program promotion, communications, and statewide coordination of tech prep consortia.

OHIO EDUCATIONAL COMPUTER NETWORK

The foregoing appropriation item 200-426, Ohio Educational Computer Network, shall be used by the Department of Education to maintain a system of information technology throughout Ohio and to provide technical assistance for such a system in support of the State Education Technology Plan under section 3301.07 of the Revised Code.

Of the foregoing appropriation item 200-426, Ohio Educational Computer Network, up to \$18,136,691 in each fiscal year shall be used by the Department of Education to support connection of all public school buildings and participating chartered nonpublic schools to the state's education network, to each other, and to the Internet. In each fiscal year the Department of Education shall use these funds to assist data acquisition sites or school districts with the operational costs associated with this connectivity. The Department of Education shall develop a formula and guidelines for the distribution of these funds to the data acquisition sites or individual school districts. As used in this section, "public school building" means a school building of any city, local, exempted village, or joint vocational school district, any community school established under Chapter 3314. of the Revised Code, any educational service center building used for instructional purposes, the Ohio School for the Deaf and the Ohio School for the Blind, or high schools chartered by the Ohio Department of Youth Services and high schools operated by Ohio Department of Rehabilitation and Corrections' Ohio Central School System.

Of the foregoing appropriation item 200-426, Ohio Educational Computer Network, up to \$1,700,000 in each fiscal year shall be used for the Union Catalog and InfOhio Network.

Of the foregoing appropriation item 200-426, Ohio Educational Computer Network, up to \$8,338,468 in each fiscal year shall be used, through a formula and guidelines devised by the department, to subsidize the activities of designated data acquisition sites, as defined by State Board of Education rules, to provide school districts and chartered nonpublic schools with computer-based student and teacher instructional and administrative information services, including approved computerized financial accounting, and to ensure the effective operation of local

automated administrative and instructional systems.

Of the foregoing appropriation item 200-426, Ohio Educational Computer Network, up to \$769,223 in each fiscal year shall be used for the INFOhio Network to support the provision of electronic resources with priority given to resources that support the teaching of state academic content standards to all public schools. Consideration shall be given by the Department of Education to coordinating the allocation of these moneys with the efforts of Libraries Connect Ohio, whose members include OhioLINK, the Ohio Public Information Network, and the State Library of Ohio.

The remainder of appropriation item 200-426, Ohio Educational Computer Network, shall be used to support development, maintenance, and operation of a network of uniform and compatible computer-based information and instructional systems. This technical assistance shall include, but not be restricted to, development and maintenance of adequate computer software systems to support network activities. In order to improve the efficiency of network activities, the Department and data acquisition sites may jointly purchase equipment, materials, and services from funds provided under this appropriation for use by the network and, when considered practical by the Department, may utilize the services of appropriate state purchasing agencies.

ACADEMIC STANDARDS

Of the foregoing appropriation item 200-427, Academic Standards, up to \$747,912 in each fiscal year shall be used to provide funds to school districts that have one or more teachers participating in the teachers-on-loan program.

Of the foregoing appropriation item 200-427, Academic Standards, \$150,000 in each fiscal year shall be used by the Department in combination with funding earmarked for this purpose in the Board of Regents' budget under appropriation item 235-321, Operating Expenses. Such funding shall be used to support Ohio's Partnership for Continued Learning at the direction of the Office of the Governor. Ohio's Partnership for Continued Learning replaces and broadens the former Joint Council of the Department of Education and the Board of Regents. The Partnership shall advise and make recommendations to promote collaboration among relevant state entities in an effort to help local communities develop coherent and successful "P-16" learning systems. The Governor, or the Governor's designee, shall serve as the chairperson.

Of the foregoing appropriation item 200-427, Academic Standards, \$1,000,000 in each fiscal year shall be used for Project Lead the Way

leadership and management oversight and initial and continuing support of Project Lead the Way workforce development programs in participating school districts. Project Lead the Way is a program that supports students interested in pursuing engineering professions and stimulates growth of career pathways that meet business and industry workforce needs.

Of the foregoing appropriation item 200-427, Academic Standards, up to \$2,600,000 in each fiscal year shall be used for intensive teacher professional development institutes that focus on classroom implementation of the mathematics standards.

Of the foregoing appropriation item 200-427, Academic Standards, \$200,000 in each fiscal year may be used to support the Ohio Resource Center for Math and Science.

Of the foregoing appropriation item 200-427, Academic Standards, up to \$282,000 in each fiscal year shall be used for the JASON Expedition project that provides statewide access to JASON Expedition content. Funds shall be used to provide professional development training for teachers participating in the project, statewide management, and a seventy-five per cent subsidy for statewide licensing of JASON Expedition content with priority given to content aligned with state academic content standards for approximately 90,000 middle school students statewide.

Of the foregoing appropriation item 200-427, Academic Standards, \$285,000 in each fiscal year shall be used for the Ohio Science Institute (OSCI).

The remainder of appropriation item 200-427, Academic Standards, shall be used by the Department of Education to develop and communicate to school districts academic content standards and curriculum models.

Sec. 206.09.15. SCHOOL IMPROVEMENT INITIATIVES

Of the foregoing appropriation item 200-431, School Improvement Initiatives, \$300,000 in fiscal year 2006 and \$450,000 in fiscal year 2007 shall be used for Ohio's Rural Appalachian Leadership Development Initiative.

Of the foregoing appropriation item 200-431, School Improvement Initiatives, up to \$601,165 in each fiscal year shall be used by the Department of Education to contract with educational media centers to provide Ohio public schools with instructional resources and services with priority given to resources and services aligned with state academic content standards.

Of the foregoing appropriation item 200-431, School Improvement Initiatives, up to \$13,972,949 in fiscal year 2006 and \$13,672,678 in fiscal year 2007 shall be used to provide technical assistance to school districts

that are declared to be in a state of academic watch or academic emergency under section 3302.03 of the Revised Code, to provide support to districts in the development and implementation of their continuous improvement plans as required in section 3302.04 of the Revised Code, to support a statewide comprehensive system of field relations that support local educators' abilities to foster academic achievement in the students they serve, and to provide technical assistance and support in accordance with Title I of the "No Child Left Behind Act of 2001," 115 Stat. 1425, 20 U.S.C. 6317. The field relations system shall include training that assists educators, school leadership, and technical assistance providers in understanding and implementing standards-based education, data analysis, and development of assessment systems for quality instruction.

Of the foregoing appropriation item 200-431, School Improvement Initiatives, up to \$315,000 in each fiscal year shall be used to reduce the dropout rate by addressing the academic and social problems of inner-city students through Project GRAD.

Of the foregoing appropriation item 200-431, School Improvement Initiatives, \$1,574,535 in fiscal year 2006 and \$2,753,985 in fiscal year 2007 shall be used in conjunction with funding provided in the Board of Regents' budget under appropriation item 235-434, College Readiness and Access, to create early college high schools, which are small, autonomous schools that blend high school and college into a coherent educational program. The funds shall be distributed according to guidelines established by the Department of Education and the Board of Regents.

Of the foregoing appropriation item 200-431, School Improvement Initiatives, up to \$2,935,000 in fiscal year 2006 and up to \$4,935,000 in fiscal year 2007 shall be used in partnership with nonprofit groups with expertise in converting existing large urban high schools into small, personalized high schools. Districts eligible for such funding include the Urban 21 high schools, as defined in division (O) of section 3317.02 of the Revised Code as it existed prior to July 1, 1998.

Of the foregoing appropriation item 200-431, School Improvement Initiatives, up to \$65,000 in each fiscal year shall be provided to Southern State Community College for the Pilot Post-Secondary Enrollment Options Program with Miami Trace High School.

Of the foregoing appropriation item 200-431, School Improvement Initiatives, \$1,000,000 in each fiscal year shall be used to support Jobs for Ohio Graduates (JOG). The Department of Education shall require a two-to-one match of local funding to state funding before releasing these funds to JOG.

Of the foregoing appropriation item 200-431, School Improvement Initiatives, \$50,000 in each fiscal year shall be used for the Big City Schools Program in Cincinnati.

Of the foregoing appropriation item 200-431, School Improvement Initiatives, \$1,000,000 shall be used in fiscal year 2006 to support Improved Solutions for Urban Students (ISUS) in Dayton.

READING/WRITING IMPROVEMENT-PROFESSIONAL DEVELOPMENT

Of the foregoing appropriation item 200-433, Reading/Writing Improvement-Professional Development, up to \$9,790,000 in each fiscal year shall be used for educator training in literacy for classroom teachers, administrators, and literacy specialists.

Of the foregoing appropriation item 200-433, Reading/Writing Improvement-Professional Development, up to \$5,000,000 in each fiscal year shall be used to support literacy professional development partnerships between the Department of Education, higher education institutions, literacy networks, and school districts.

Of the foregoing appropriation item 200-433, Reading/Writing Improvement-Professional Development, up to \$900,000 in each fiscal year shall be used by the Department of Education to fund the Reading Recovery Training Network, to cover the cost of release time for the teacher trainers, and to provide grants to districts to implement other reading improvement programs on a pilot basis. Funds from this set-aside also may be used to conduct evaluations of the impact and effectiveness of Reading Recovery and other reading improvement programs.

Of the foregoing appropriation item 200-433, Reading/Writing Improvement-Professional Development, up to \$250,000 in each fiscal year shall be used for the Waterford Early Reading Program.

The remainder of appropriation item 200-433, Reading/Writing Improvement-Professional Development, shall be used by the Department of Education to provide administrative support of literacy professional development programs.

STUDENT ASSESSMENT

The foregoing appropriation item 200-437, Student Assessment, shall be used to develop, field test, print, distribute, score, report results, and support other associated costs for the tests required under sections 3301.0710 and 3301.0711 of the Revised Code and for similar purposes as required by section 3301.27 of the Revised Code.

ACCOUNTABILITY/REPORT CARDS

Of the foregoing appropriation item 200-439, Accountability/Report

Cards, up to \$200,100 in fiscal year 2006 and up to \$3,778,540 in fiscal year 2007 shall be used by the Department of Education to incorporate a statewide pilot value-added progress dimension into performance ratings for school districts and to train regional specialists. This funding shall be used in consultation with a credible nonprofit organization with expertise in value-added progress dimensions.

The remainder of the appropriation item 200-439, Accountability/Report Cards, shall be used for the development of an accountability system that includes the preparation and distribution of school report cards under section 3302.03 of the Revised Code.

CHILD CARE LICENSING

The foregoing appropriation item 200-442, Child Care Licensing, shall be used by the Department of Education to license and to inspect preschool and school-age child care programs under sections 3301.52 to 3301.59 of the Revised Code.

OHIOREADS VOLUNTEER SUPPORT

The foregoing appropriation item 200-445, OhioReads Volunteer Support, may be allocated by the Department of Education for volunteer coordinators in public school buildings, for background checks for volunteers, to evaluate programs, and to develop, implement, and support literacy improvement activities and interventions for students in grades kindergarten through twelve.

Sec. 206.09.21. PUPIL TRANSPORTATION

Of the foregoing appropriation item 200-502, Pupil Transportation, up to \$822,400 in each fiscal year may be used by the Department of Education for training prospective and experienced school bus drivers in accordance with training programs prescribed by the Department. Up to \$58,115,428 in fiscal year 2006 and up to \$59,277,737 in fiscal year 2007 may be used by the Department of Education for special education transportation reimbursements to school districts and county MR/DD boards for transportation operating costs as provided in division ~~(M)~~(J) of section 3317.024 of the Revised Code. The remainder of appropriation item 200-502, Pupil Transportation, shall be used for the state reimbursement of public school districts' costs in transporting pupils to and from the school they attend in accordance with the district's policy, State Board of Education standards, and the Revised Code.

Notwithstanding the distribution formula outlined in division (D) of section 3317.022 of the Revised Code, each school district shall receive an additional two per cent in state funding for transportation in fiscal year 2006 over what was received in fiscal year 2005, and the local share of

transportation costs that is used in the calculation of the charge-off supplement and excess cost supplement for each school district in fiscal year 2006 shall be increased by two per cent from that used in calculations in fiscal year 2005.

Notwithstanding the distribution formula outlined in division (D) of section 3317.022 of the Revised Code, each school district shall receive an additional two per cent in state funding for transportation in fiscal year 2007 over what was received in fiscal year 2006, and the local share of transportation costs that is used in the calculation of the charge-off supplement and excess cost supplement for each school district in fiscal year 2007 shall be increased by two per cent from that used in calculations in fiscal year 2006.

The Department of Education shall recommend a new formula for allocating state funds for transportation costs. The Department shall submit the recommendation to the Director of Budget and Management, the Speaker of the House of Representatives, and the President of the Senate not later than July 1, 2006.

School districts not receiving state funding for transportation in fiscal year 2005 under division (D) of section 3317.022 of the Revised Code shall not receive state funding for transportation in fiscal year 2006 or fiscal year 2007.

BUS PURCHASE ALLOWANCE

The foregoing appropriation item 200-503, Bus Purchase Allowance, shall be distributed to school districts, educational service centers, and county MR/DD boards pursuant to rules adopted under section 3317.07 of the Revised Code. Up to 28 per cent of the amount appropriated may be used to reimburse school districts and educational service centers for the purchase of buses to transport handicapped and nonpublic school students and to county MR/DD boards, the Ohio School for the Deaf, and the Ohio School for the Blind for the purchase of buses to transport handicapped students.

SCHOOL LUNCH MATCH

The foregoing appropriation item 200-505, School Lunch Match, shall be used to provide matching funds to obtain federal funds for the school lunch program.

Sec. 206.09.27. GIFTED PUPIL PROGRAM

The foregoing appropriation item 200-521, Gifted Pupil Program, shall be used for gifted education units not to exceed 1,110 in each fiscal year under division ~~(P)~~(L) of section 3317.024 and division (F) of section 3317.05 of the Revised Code.

Of the foregoing appropriation item 200-521, Gifted Pupil Program, up to \$4,700,000 in each fiscal year may be used as an additional supplement for identifying gifted students under Chapter 3324. of the Revised Code.

Of the foregoing appropriation item 200-521, Gifted Pupil Program, the Department of Education may expend up to \$940,000 in each fiscal year for the Summer Honors Institute for gifted freshman and sophomore high school students. Up to \$65,800 in each fiscal year shall be used for the Ohio Summer School for the Gifted (Martin Essex Program).

NONPUBLIC ADMINISTRATIVE COST REIMBURSEMENT

The foregoing appropriation item 200-532, Nonpublic Administrative Cost Reimbursement, shall be used by the Department of Education for the purpose of implementing section 3317.063 of the Revised Code.

Sec. 206.09.36. FOUNDATION FUNDING

The foregoing appropriation item 200-550, Foundation Funding, includes \$85,000,000 in each fiscal year for the state education aid offset due to the change in public utility valuation as a result of Am. Sub. S.B. 3 and Am. Sub. S.B. 287, both of the 123rd General Assembly. This amount represents the total state education aid offset due to the valuation change for school districts and joint vocational school districts from all relevant appropriation line item sources. Upon certification by the Department of Education, in consultation with the Department of Taxation, to the Director of Budget and Management of the actual state aid offset, the cash transfer from ~~fund~~ Fund 053, appropriation item 200-900, School District Property Tax Replacement - Utility, shall be decreased or increased by the Director of Budget and Management to match the certification in accordance with section 5727.84 of the Revised Code.

Of the foregoing appropriation item 200-550, Foundation Funding, up to \$425,000 shall be expended in each fiscal year for court payments under section 2151.357 of the Revised Code; an amount shall be available in each fiscal year for the cost of reappraisal guarantee under section 3317.04 of the Revised Code; an amount shall be available in each fiscal year to fund up to 225 full-time equivalent approved GRADS teacher grants under division ~~(R)~~(N) of section 3317.024 of the Revised Code; an amount shall be available in each fiscal year to make payments to school districts under division (A)(3) of section 3317.022 of the Revised Code; an amount shall be available in each fiscal year to make payments to school districts under division (F) of section 3317.022 of the Revised Code; an amount shall be available in each fiscal year to make payments to school districts under division (C) of section 3317.0212 of the Revised Code; and up to \$30,000,000 in each fiscal year shall be reserved for payments under

sections 3317.026, 3317.027, and 3317.028 of the Revised Code except that the Controlling Board may increase the \$30,000,000 amount if presented with such a request from the Department of Education. Of the foregoing appropriation item 200-550, Foundation Funding, up to \$18,000,000 in fiscal year 2006 and up to \$19,000,000 in fiscal year 2007 shall be used to provide additional state aid to school districts for special education students under division (C)(3) of section 3317.022 of the Revised Code; up to \$2,000,000 in each fiscal year shall be reserved for Youth Services tuition payments under section 3317.024 of the Revised Code; and up to \$52,000,000 in each fiscal year shall be reserved to fund the state reimbursement of educational service centers under section 3317.11 of the Revised Code and the section of this act entitled "EDUCATIONAL SERVICE CENTERS FUNDING." An amount shall be available for special education weighted funding under division (C)(1) of section 3317.022 and division (D)(1) of section 3317.16 of the Revised Code.

Of the foregoing appropriation item 200-550, Foundation Funding, an amount shall be available in each fiscal year to be used by the Department of Education for transitional aid for school districts and joint vocational school districts. Funds shall be distributed under the sections of this act entitled "TRANSITIONAL AID FOR CITY, LOCAL, AND EXEMPTED VILLAGE SCHOOL DISTRICTS" ~~AND~~ and "TRANSITIONAL AID FOR JOINT VOCATIONAL SCHOOL DISTRICTS."

Of the foregoing appropriation item 200-550, Foundation Funding, up to \$1,000,000 in each fiscal year shall be used by the Department of Education for a program to pay for educational services for youth who have been assigned by a juvenile court or other authorized agency to any of the facilities described in division (A) of the section of this act entitled "PRIVATE TREATMENT FACILITY PROJECT."

Of the foregoing appropriation item 200-550, Foundation Funding, up to \$3,700,000 in each fiscal year shall be used for school breakfast programs. Of this amount, up to \$900,000 shall be used in each fiscal year by the Department of Education to contract with the Children's Hunger Alliance to expand access to child nutrition programs consistent with the organization's continued ability to meet specified performance measures as detailed in the contract. Of this amount, the Children's Hunger Alliance shall use at least \$150,000 in each fiscal year to subcontract with an appropriate organization or organizations to expand summer food participation in underserved areas of the state, consistent with those organizations' continued ability to meet specified performance measures as detailed in the subcontracts. The remainder of the appropriation shall be used to partially reimburse school

buildings within school districts that are required to have a school breakfast program under section 3313.813 of the Revised Code, at a rate decided by the Department.

Of the foregoing appropriation item 200-550, Foundation Funding, up to \$8,800,000 in fiscal year 2006 and up to \$8,600,000 in fiscal year 2007 shall be used to operate the school choice program in the Cleveland Municipal School District under sections 3313.974 to 3313.979 of the Revised Code.

Of the portion of the funds distributed to the Cleveland Municipal School District under this section, up to \$10,401,887 in fiscal year 2006 and up to \$11,901,887 in fiscal year 2007 shall be used to operate the school choice program in the Cleveland Municipal School District under sections 3313.974 to 3313.979 of the Revised Code.

Of the foregoing appropriation item 200-550, Foundation Funding, \$250,000 in fiscal year 2006 shall be provided to the Julie Billiard School for operating expenses of the school.

The remaining portion of appropriation item 200-550, Foundation Funding, shall be expended for the public schools of city, local, exempted village, and joint vocational school districts, including base-cost funding, special education speech service enhancement funding, career-technical education weight funding, career-technical education associated service funding, guarantee funding, teacher training and experience funding, poverty-based assistance, parity aid, charge-off supplement, and excess cost supplement under sections 3317.022, 3317.023, 3317.029, 3317.0212, 3317.0216, 3317.0217, and 3317.16 of the Revised Code.

Appropriation items 200-502, Pupil Transportation, 200-521, Gifted Pupil Program, 200-540, Special Education Enhancements, and 200-550, Foundation Funding, other than specific set-asides, are collectively used in each fiscal year to pay state formula aid obligations for school districts and joint vocational school districts under Chapter 3317. of the Revised Code. The first priority of these appropriation items, with the exception of specific set-asides, is to fund state formula aid obligations under Chapter 3317. of the Revised Code. It may be necessary to reallocate funds among these appropriation items or use excess funds from other general revenue fund appropriation items in the Department of Education's budget in each fiscal year, in order to meet state formula aid obligations. If it is determined that it is necessary to transfer funds among these appropriation items or to transfer funds from other General Revenue Fund appropriations in the Department of Education's budget to meet state formula aid obligations, the Department of Education shall seek approval from the Controlling Board to transfer funds as needed.

Sec. 206.09.39. TRANSITIONAL AID FOR CITY, LOCAL, AND EXEMPTED VILLAGE SCHOOL DISTRICTS

(A) The Department of Education shall distribute funds within appropriation item 200-550, Foundation Funding, for transitional aid in each fiscal year to each qualifying city, local, and exempted village school district.

In fiscal years 2006 and 2007, the Department shall pay transitional aid to each city, local, or exempted village school district that experiences any decrease in its SF-3 funding plus charge-off supplement for the current fiscal year from its SF-3 funding plus charge-off supplement for the previous fiscal year. The amount of the transitional aid payment shall equal the difference between the district's SF-3 funding plus charge-off supplement for the current fiscal year and its SF-3 funding plus charge-off supplement for the previous fiscal year.

(B)(1) Subject to divisions (B)(2) and (3) of this section, the "SF-3 funding plus charge-off supplement" for each city, local, and exempted village school district ~~is~~ for fiscal years 2006 and 2007 equals the sum of the following:

(a) Base-cost funding under division (A) of section 3317.022 of the Revised Code;

(b) Special education and related services additional weighted funding under division (C)(1) of section 3317.022 of the Revised Code;

(c) Speech services funding under division (C)(4) of section 3317.022 of the Revised Code;

(d) Vocational education additional weighted funding under division (E) of section 3317.022 of the Revised Code;

(e) GRADS funding under division ~~(R)~~(N) of section 3317.024 of the Revised Code;

(f) Adjustments for classroom teachers and educational service personnel under divisions (B), (C), and (D) of section 3317.023 of the Revised Code;

(g) Poverty-Based Assistance under section 3317.029 of the Revised Code;

(h) Gifted education units under section 3317.05 of the Revised Code;

(i) Transportation under the section of this act entitled "PUPIL TRANSPORTATION";

(j) The excess cost supplement under division (F) of section 3317.022 of the Revised Code;

(k) Parity aid under section 3317.0217 of the Revised Code;

(l) The reappraisal guarantee under division (C) of section 3317.04 of

the Revised Code;

(m) The charge-off supplement under section 3317.0216 of the Revised Code.

(2) For purposes of calculating transitional aid ~~in~~ for fiscal year 2006, a district's fiscal year 2005 SF-3 funding plus charge-off supplement is the difference of (a) the sum of the amounts described in divisions (A) to (O) of Section 41.37 of Am. Sub. H.B. 95 of the 125th General Assembly, as amended, plus any transitional aid paid to the district under that section, that the district actually received ~~in~~ for fiscal year 2005, as determined based on the final reconciliation of data by the Department, minus (b) the amount of parity aid and the amount of disadvantaged pupil impact aid deducted for that year under division (C)(6) of section 3314.08 of the Revised Code, as that section existed that year, and Section 16 of Am. Sub. S.B. 2 of the 125th General Assembly on behalf of students entitled to attend school in the district who were enrolled in Internet- and computer-based community schools. For purposes of calculating transitional aid ~~in~~ for fiscal year 2007, a district's fiscal year 2006 SF-3 funding plus charge-off supplement is the sum of the amounts described in divisions (B)(1)(a) to ~~(n)(m)~~ of this section, plus any transitional aid paid to the district under this section, that the district actually received ~~in~~ for fiscal year 2006, as determined based on the final reconciliation of data by the Department.

(3) The SF-3 funding plus charge-off supplement ~~in~~ for each fiscal year for each district is the sum of the amounts specified in divisions (B)(1)(a) to ~~(n)(m)~~ and (B)(2) of this section less any general revenue fund spending reductions ordered by the Governor under section 126.05 of the Revised Code.

(C)(1) When calculating the reappraisal guarantee under division (C) or (D) of section 3317.04 of the Revised Code ~~in~~ for fiscal year 2006, the Department shall:

(a) Include in a school district's fiscal year 2005 payments any transitional aid paid to the district ~~in~~ for fiscal year 2005 under Section 41.37 of Am. Sub. H.B. 95 of the 125th General Assembly, as amended;

(b) Subtract from a school district's fiscal year 2005 payments the amount of parity aid and the amount of disadvantaged pupil impact aid deducted for that year under division (C)(6) of section 3314.08 of the Revised Code, as that section existed that year, and Section 16 of Am. Sub. S.B. 2 of the 125th General Assembly on behalf of students entitled to attend school in the district who were enrolled in Internet- and computer-based community schools.

(2) When calculating the reappraisal guarantee under division (C) or (D)

of section 3317.04 of the Revised Code ~~in~~ for fiscal year 2007, the Department shall include in a school district's fiscal year 2006 payments any transitional aid paid to the district ~~in~~ for fiscal year 2006 under this section.

(3) When calculating the reappraisal guarantee under division (C) or (D) of section 3317.04 of the Revised Code ~~in~~ for fiscal year 2008, the Department shall include in a school district's fiscal year 2007 payments any transitional aid paid to the district ~~in~~ for fiscal year 2007 under this section.

Sec. 206.09.42. TRANSITIONAL AID FOR JOINT VOCATIONAL SCHOOL DISTRICTS

(A) The Department of Education shall distribute funds within appropriation item 200-550, Foundation Funding, for transitional aid in each fiscal year to each joint vocational school district that experiences a decrease in its joint vocational funding for the current fiscal year from the previous fiscal year. The Department shall distribute to each such district transitional aid in an amount equal to the decrease in the district's joint vocational funding from the previous fiscal year.

(B)(1) Subject to divisions (B)(2) and (3) of this section, a district's joint vocational funding equals the sum of the following:

(a) Base-cost funding under division (B) of section 3317.16 of the Revised Code;

(b) Special education and related services additional weighted funding under division (D)(1) of section 3317.16 of the Revised Code;

(c) Speech services funding under division (D)(2) of section 3317.16 of the Revised Code;

(d) Vocational education additional weighted funding under division (C) of section 3317.16 of the Revised Code;

(e) GRADS funding under division ~~(R)~~(N) of section 3317.024 of the Revised Code;

(f) The state aid guarantee under division (H) of section 3317.16 of the Revised Code.

(2) For purposes of calculating transitional aid ~~in~~ for fiscal year 2007, a district's fiscal year 2006 joint vocational funding is the sum of the amounts described in divisions (B)(1)(a) to ~~(f)~~(e) of this section, plus any transitional aid paid to the district under this section, that the district actually received ~~in~~ for fiscal year 2006, as determined based on the final reconciliation of data by the Department.

(3) The joint vocational funding ~~in~~ for each fiscal year for each district is the sum of the amounts specified in divisions (B)(1)(a) to (f) and (B)(2) of this section less any general revenue fund spending reductions ordered by the Governor under section 126.05 of the Revised Code.

EMERGENCY LOAN INTEREST SUBSIDY

The foregoing appropriation item 200-558, Emergency Loan Interest Subsidy, shall be used to provide a subsidy to school districts receiving emergency school loans pursuant to section 3313.484 of the Revised Code. The subsidy shall be used to pay these districts the difference between the amount of interest the district is paying on an emergency loan, and the interest that the district would have paid if the interest rate on the loan had been two per cent.

Sec. 206.09.61. GENERAL REVENUE FUND TRANSFERS TO SCHOOL DISTRICT PROPERTY TAX REPLACEMENT – BUSINESS (FUND 047)

Notwithstanding any provision of law to the contrary, in fiscal year 2006 and fiscal year 2007 the Director of Budget and Management shall may transfer \$10,010,000 in fiscal year 2006 and \$70,210,000 in fiscal year 2007 from the General Revenue Fund to appropriation item 200-909, the School District Property Tax Replacement – Business Fund (Fund 047) in the Department of Education. The funds shall be used, those amounts necessary to make payments to reimburse school districts and joint vocational districts under section 5751.21 of the Revised Code. Also, in fiscal year 2006 and fiscal year 2007, the Director of Budget and Management may make temporary transfers to ensure sufficient balances in the School District Property Tax Replacement - Business Fund (Fund 047) and to replenish the General Revenue Fund for such transfers.

Sec. 206.09.63. SCHOOL DISTRICT PROPERTY TAX REPLACEMENT - BUSINESS

The foregoing appropriation item, 200-909, School District Property Tax Replacement – Business, in Fund 047, shall be used by the Department of Education, in consultation with the Department of Taxation, to make payments to school districts and joint vocational school districts under section 5751.21 of the Revised Code. If it is determined by the Director of Budget and Management that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

SCHOOL DISTRICT PROPERTY TAX REPLACEMENT - UTILITY

The foregoing appropriation item 200-900, School District Property Tax Replacement-Utility, in Fund 053, shall be used by the Department of Education, in consultation with the Department of Taxation, to make payments to school districts and joint vocational school districts under section 5727.85 of the Revised Code.

* Sec. 206.09.66. DISTRIBUTION FORMULAS

The Department of Education shall report the following to the Director

of Budget and Management, ~~the Legislative Office of Education Oversight,~~ and the Legislative Service Commission:

(A) Changes in formulas for distributing state appropriations, including administratively defined formula factors;

(B) Discretionary changes in formulas for distributing federal appropriations;

(C) Federally mandated changes in formulas for distributing federal appropriations.

Any such changes shall be reported two weeks prior to the effective date of the change.

Sec. 206.09.84. (A) As used in this section:

(1) "Entitled to attend school" means entitled to attend school in a school district under section 3313.64 ~~and~~ or 3313.65 of the Revised Code.

(2) "Formula ADM" and "category six special education ADM" have the same meanings as in section 3317.02 of the Revised Code.

(3) "Individualized education program" has the same meaning as in section 3323.01 of the Revised Code.

(4) "Parent" has the same meaning as in section 3313.64 of the Revised Code.

(5) "Qualified special education child" is a child for whom all of the following conditions apply:

(a) The school district in which the child is entitled to attend school has identified the child as autistic. A child who has been identified as having a "pervasive developmental disorder - not otherwise specified (PPD-NOS)" shall be considered to be an autistic child for purposes of this section.

(b) The school district in which the child is entitled to attend school has developed an individualized education program under Chapter 3323. of the Revised Code for the child.

(c) The child either:

(i) Was enrolled in the school district in which the child is entitled to attend school in any grade from preschool through twelve in the school year prior to the year in which a scholarship under this section is first sought for the child; or

(ii) Is eligible to enter school in any grade preschool through twelve in the school district in which the child is entitled to attend school in the school year in which a scholarship under this section is first sought for the child.

(6) "Registered private provider" means a nonpublic school or other nonpublic entity that has been approved by the Department of Education to participate in the program established under this section.

(B) There is hereby established the Pilot Project Special Education

Scholarship Program. Under the program, in fiscal years 2006 and 2007, the Department of Education shall pay a scholarship to the parent of each qualified special education child upon application of that parent pursuant to procedures and deadlines established by rule of the State Board of Education. Each scholarship shall be used only to pay tuition for the child on whose behalf the scholarship is awarded to attend a special education program that implements the child's individualized education program and that is operated by a school district other than the school district in which the child is entitled to attend school, by another public entity, or by a registered private provider. Each scholarship shall be in an amount not to exceed the lesser of the tuition charged for the child by the special education program or twenty thousand dollars. The purpose of the scholarship is to permit the parent of a qualified special education child the choice to send the child to a special education program, instead of the one operated by or for the school district in which the child is entitled to attend school, to receive the services prescribed in the child's individualized education program once the individualized education program is finalized. A scholarship under this section shall not be awarded to the parent of a child while the child's individualized education program is being developed by the school district in which the child is entitled to attend school, or while any administrative or judicial mediation or proceedings with respect to the content of the child's individualized education program are pending. A scholarship under this section shall not be used for a child to attend a public special education program that operates under a contract, compact, or other bilateral agreement between the school district in which the child is entitled to attend school and another school district or other public provider, or for a child to attend a community school established under Chapter 3314. of the Revised Code. However, nothing in this section or in any rule adopted by the State Board of Education shall prohibit a parent whose child attends a public special education program under a contract, compact, or other bilateral agreement, or a parent whose child attends a community school, from applying for and accepting a scholarship under this section so that the parent may withdraw the child from that program or community school and use the scholarship for the child to attend a special education program for which the parent is required to pay for services for the child. A child attending a special education program with a scholarship under this section shall continue to be entitled to transportation to and from that program in the manner prescribed by law.

(C)(1) Notwithstanding anything to the contrary in the Revised Code, a child for whom a scholarship is awarded under this section shall be counted

in the formula ADM and the category six special education ADM of the district in which the child is entitled to attend school and not in the formula ADM and the category six special education ADM of any other school district.

(2) In each fiscal year, the Department shall deduct from the amounts paid to each school district under Chapter 3317. of the Revised Code, and, if necessary, sections 321.24 and 323.156 of the Revised Code, the aggregate amount of scholarships awarded under this section for qualified special education children included in the formula ADM and category six special education ADM of that school district as provided in division (C)(1) of this section. The scholarships deducted shall be considered as an approved special education and related services expense for the purpose of the school district's compliance with division (C)(5) of section 3317.022 of the Revised Code.

(3) From time to time, the Department shall make a payment to the parent of each qualified special education child for whom a scholarship has been awarded under this section. The scholarship amount shall be proportionately reduced in the case of any such child who is not enrolled in the special education program for which a scholarship was awarded under this section for the entire school year. The Department shall make no payments to the parent of a child while any administrative or judicial mediation or proceedings with respect to the content of the child's individualized education program are pending.

(D) A scholarship shall not be paid to a parent for payment of tuition owed to a nonpublic entity unless that entity is a registered private provider. The Department shall approve entities that meet the standards established by rule of the State Board for the program established under this section.

(E) The State Board shall adopt rules under Chapter 119. of the Revised Code prescribing procedures necessary to implement this section, including, but not limited to, procedures and deadlines for parents to apply for scholarships, standards for registered private providers, and procedures for approval of entities as registered private providers. The Board shall adopt the rules so that the program established under this section is operational by January 1, 2004.

Sec. 206.16. FUN STATE BOARD OF EMBALMERS AND FUNERAL DIRECTORS

General Services Fund Group			
4K9 881-609 Operating Expenses	\$	598,933	\$ 0 <u>598,706</u>
TOTAL GSF General Services			
Fund Group	\$	598,933	\$ 0 <u>598,706</u>
TOTAL ALL BUDGET FUND GROUPS	\$	598,933	\$ 0 <u>598,706</u>

Sec. 206.42. DOH DEPARTMENT OF HEALTH

General Revenue Fund

GRF 440-407	Animal Borne Disease and Prevention	\$	2,452,101	\$	2,452,101
GRF 440-412	Cancer Incidence Surveillance System	\$	1,002,619	\$	1,002,619
GRF 440-413	Local Health Department Support	\$	3,786,794	\$	3,786,794
GRF 440-416	Child and Family Health Services	\$	9,682,874	\$	9,582,874
GRF 440-418	Immunizations	\$	8,600,615	\$	9,400,615
GRF 440-431	Free Clinic Liability Insurance	\$	275,000	\$	325,000
GRF 440-444	AIDS Prevention and Treatment	\$	7,158,127	\$	7,158,127
GRF 440-446	Infectious Disease Prevention	\$	200,000	\$	200,000
GRF 440-451	Lab and Public Health Prevention Programs	\$	6,085,250	\$	6,085,250
GRF 440-452	Child and Family Health Services Match	\$	1,024,017	\$	1,024,017
GRF 440-453	Health Care Quality Assurance	\$	10,253,728	\$	10,253,728
GRF 440-454	Local Environmental Health	\$	889,752	\$	889,752
GRF 440-459	Help Me Grow	\$	9,323,797	\$	9,323,797
GRF 440-461	Center for Vital and Health Stats	\$	3,629,535	\$	3,629,535
GRF 440-505	Medically Handicapped Children	\$	9,591,784	\$	8,791,784
GRF 440-507	Targeted Health Care Services Over 21	\$	1,631,023	\$	1,631,023
			<u>1,581,023</u>		<u>1,681,023</u>
TOTAL GRF General Revenue Fund		\$	75,587,016	\$	75,537,016
			<u>75,537,016</u>		<u>75,587,016</u>

General Services Fund Group

142 440-618	Agency Health Services	\$	2,461,915	\$	2,561,915
211 440-613	Central Support Indirect Costs	\$	26,584,707	\$	26,584,707
473 440-622	Lab Operating Expenses	\$	4,154,045	\$	4,154,045
683 440-633	Employee Assistance Program	\$	1,208,214	\$	1,208,214
698 440-634	Nurse Aide Training	\$	170,000	\$	170,000
TOTAL GSF General Services Fund Group		\$	34,578,881	\$	34,678,881

Federal Special Revenue Fund Group

320 440-601	Maternal Child Health Block Grant	\$	28,779,322	\$	29,025,635
387 440-602	Preventive Health Block Grant	\$	7,755,005	\$	7,826,659
389 440-604	Women, Infants, and Children	\$	219,920,083	\$	230,077,451
391 440-606	Medicaid/Medicare	\$	24,211,198	\$	24,850,959
392 440-618	Federal Public Health Programs	\$	126,678,202	\$	127,677,458
TOTAL FED Federal Special Revenue Fund Group		\$	407,343,810	\$	419,458,162

State Special Revenue Fund Group

4D6	440-608	Genetics Services	\$	2,617,000	\$	2,617,000
4F9	440-610	Sickle Cell Disease Control	\$	1,035,344	\$	1,035,344
4G0	440-636	Heirloom Birth Certificate	\$	5,000	\$	5,000
4G0	440-637	Birth Certificate Surcharge	\$	5,000	\$	5,000
4L3	440-609	Non-Governmental Grants and Awards	\$	144,119	\$	144,119
4T4	440-603	Child Highway Safety	\$	233,894	\$	233,894
4V6	440-641	Save Our Sight	\$	1,767,994	\$	1,767,994
470	440-618	Fee Supported Programs	\$	16,025,194	\$	16,025,194
471	440-619	Certificate of Need	\$	581,572	\$	594,572
477	440-627	Medically Handicapped Children Audit	\$	3,800,000	\$	3,693,016
5BL	440-638	Healthy Ohioans	\$	5,000,000	\$	0
5B5	440-616	Quality, Monitoring, and Inspection	\$	838,479	\$	838,479
5CB	440-640	Poison Control Centers	\$	200,000	\$	200,000
5C0	440-615	Alcohol Testing and Permit	\$	1,455,405	\$	1,455,405
5D6	440-620	Second Chance Trust	\$	1,054,951	\$	1,054,951
5G4	440-639	Adoption Services	\$	20,000	\$	20,000
5L1	440-623	Nursing Facility Technical Assistance Program	\$	617,517	\$	617,517
610	440-626	Radiation Emergency Response	\$	850,000	\$	850,000
666	440-607	Medically Handicapped Children - County Assessments	\$	14,320,687	\$	14,320,687
TOTAL SSR State Special Revenue Fund Group			\$	50,572,156	\$	45,478,172
Holding Account Redistribution Fund Group						
R14	440-631	Vital Statistics	\$	70,000	\$	70,000
R48	440-625	Refunds, Grants Reconciliation, and Audit Settlements	\$	20,000	\$	20,000
TOTAL 090 Holding Account Redistribution Fund Group			\$	90,000	\$	90,000
TOTAL ALL BUDGET FUND GROUPS			\$	568,171,863	\$	575,242,231
				<u>568,121,863</u>		<u>575,292,231</u>

Sec. 206.42.09. IMMUNIZATIONS

Of the foregoing appropriation item 440-418, Immunizations, \$800,000 in fiscal year 2007 shall be used for the purchase of varicella vaccines.

FREE CLINIC LIABILITY INSURANCE

Of the foregoing appropriation item 440-431, Free Clinic Liability Insurance, up to \$20,000 in each fiscal year may be used by the Department of Health for administrative expenses related to the Medical Liability Insurance Reimbursement Program. The remainder in each fiscal year shall be used to pay for medical liability insurance for free clinics, including the clinics' staff and volunteer health care professionals and volunteer health care workers. The necessity and feasibility of the program shall be reviewed as part of the next biennial budget.

HIV/AIDS PREVENTION/TREATMENT

Of the foregoing appropriation item 440-444, AIDS Prevention and Treatment, not more than \$6.7 million per fiscal year shall be used to assist persons with HIV/AIDS in acquiring HIV-related medications.

INFECTIOUS DISEASE PREVENTION

The foregoing appropriation item 440-446, Infectious Disease Prevention, shall be used for the purchase of drugs for sexually transmitted diseases.

HELP ME GROW

The foregoing appropriation item 440-459, Help Me Grow, shall be used by the Department of Health to distribute subsidies to counties to implement the Help Me Grow Program. Appropriation item 440-459, Help Me Grow, may be used in conjunction with Temporary Assistance for Needy Families from the Department of Job and Family Services, Early Intervention funding from the Department of Mental Retardation and Developmental Disabilities, and in conjunction with other early childhood funds and services to promote the optimal development of young children. Local contracts shall be developed between local departments of job and family services and family and children first councils for the administration of TANF funding for the Help Me Grow Program. The Department of Health shall enter into an interagency agreement with the Department of Education, Department of Mental Retardation and Developmental Disabilities, Department of Job and Family Services, and Department of Mental Health to ensure that all early childhood programs and initiatives are coordinated and school linked.

TARGETED HEALTH CARE SERVICES OVER 21

In each fiscal year, of the foregoing appropriation item 440-507, Targeted Health Care Services Over 21, \$731,023 shall be used to administer the cystic fibrosis program and implement the Hemophilia Insurance Premium Payment Program.

Of the foregoing appropriation item 440-507, Targeted Health Care Services Over 21, ~~\$900,000~~ \$850,000 in fiscal year 2006 and \$950,000 in each fiscal year 2007 shall be used to provide essential medications and to pay the copayments for drugs approved by the Department of Health and covered by Medicare Part D that are dispensed to Bureau for Children with Medical Handicaps (BCMh) participants, in accordance with the section of this act entitled "BCMh - MEDICARE PART D COPAYMENTS" for the cystic fibrosis program.

MATERNAL CHILD HEALTH BLOCK GRANT

Of the foregoing appropriation item 440-601, Maternal Child Health

Block Grant (Fund 320), \$2,091,299 shall be used in each fiscal year for the purposes of abstinence-only education. The Director of Health shall develop guidelines for the establishment of abstinence programs for teenagers with the purpose of decreasing unplanned pregnancies and abortion. The guidelines shall be developed under Title V of the "Social Security Act," 42 U.S.C. 510, and shall include, but are not limited to, advertising campaigns and direct training in schools and other locations.

GENETICS SERVICES

The foregoing appropriation item 440-608, Genetics Services (Fund 4D6), shall be used by the Department of Health to administer programs authorized by sections 3701.501 and 3701.502 of the Revised Code. None of these funds shall be used to counsel or refer for abortion, except in the case of a medical emergency.

SAFETY AND QUALITY OF CARE STANDARDS

The Department of Health may use Fund 471, Certificate of Need, for administering sections 3702.11 to 3702.20 and 3702.30 of the Revised Code in each fiscal year.

MEDICALLY HANDICAPPED CHILDREN AUDIT

The Medically Handicapped Children Audit Fund (Fund 477) shall receive revenue from audits of hospitals and recoveries from third-party payers. Moneys may be expended for payment of audit settlements and for costs directly related to obtaining recoveries from third-party payers and for encouraging Medically Handicapped Children's Program recipients to apply for third-party benefits. Moneys also may be expended for payments for diagnostic and treatment services on behalf of medically handicapped children, as defined in division (A) of section 3701.022 of the Revised Code, and Ohio residents who are twenty-one or more years of age and who are suffering from cystic fibrosis or hemophilia. Moneys may also be expended for administrative expenses incurred in operating the Medically Handicapped Children's Program.

CASH TRANSFER FROM LIQUOR CONTROL FUND TO ALCOHOL TESTING AND PERMIT FUND

The Director of Budget and Management, pursuant to a plan submitted by the Department of Health, or as otherwise determined by the Director of Budget and Management, shall set a schedule to transfer cash from the Liquor Control Fund (Fund 043) to the Alcohol Testing and Permit Fund (Fund 5C0) to meet the operating needs of the Alcohol Testing and Permit program.

The Director of Budget and Management shall transfer to the Alcohol Testing and Permit Fund (Fund 5C0) from the Liquor Control Fund (Fund

043) created in section 4301.12 of the Revised Code such amounts at such times as determined by the transfer schedule.

MEDICALLY HANDICAPPED CHILDREN - COUNTY ASSESSMENTS

The foregoing appropriation item 440-607, Medically Handicapped Children - County Assessments (Fund 666), shall be used to make payments under division (E) of section 3701.023 of the Revised Code.

Sec. 206.48. SPA COMMISSION ON HISPANIC/LATINO AFFAIRS

General Revenue Fund

GRF 148-100	Personal Services	\$	145,880	\$	145,880
GRF 148-200	Maintenance	\$	35,901	\$	35,901
TOTAL GRF	General Revenue Fund	\$	181,781	\$	181,781

General Services Fund Group

601 148-602	Gifts and Miscellaneous	\$	20,000	\$	20,000
TOTAL GSF	General Services Fund Group	\$	20,000	\$	20,000
TOTAL ALL BUDGET FUND GROUPS		\$	201,781	\$	201,781

GRF TRANSFER TO FUND 601, GIFTS AND MISCELLANEOUS

Prior to June 30, 2006, the Director of Budget and Management may transfer \$5,850 in cash from the General Revenue Fund to Fund 601, Gifts and Miscellaneous Fund.

Sec. 206.66. JFS DEPARTMENT OF JOB AND FAMILY SERVICES

General Revenue Fund

GRF600-321	Support Services				
	State	\$	63,797,907	\$	60,565,397
	Federal	\$	8,114,493	\$	8,454,541
	Support Services Total	\$	71,912,400	\$	69,019,938
GRF600-410	TANF State	\$	272,619,061	\$	272,619,061
GRF600-413	Child Care Match/Maintenance of Effort	\$	84,120,596	\$	84,120,596
GRF600-416	Computer Projects				
	State	\$	114,516,710	\$	117,226,021
	Federal	\$	37,579,198	\$	34,255,465
	Computer Projects Total	\$	152,095,908	\$	151,481,486
GRF600-420	Child Support Administration	\$	5,091,446	\$	5,091,446
GRF600-421	Office of Family Stability	\$	4,864,932	\$	4,864,932
GRF600-423	Office of Children and Families	\$	5,408,020	\$	5,431,690
GRF600-425	Office of Ohio Health Plans				
	State	\$	24,803,631	\$	24,054,873
	Federal	\$	26,539,544	\$	25,810,409
	Office of Ohio Health Plans Total	\$	51,343,175	\$	49,865,282
GRF600-502	Child Support Match	\$	16,814,103	\$	16,814,103
GRF600-511	Disability Financial Assistance	\$	22,839,371	\$	22,839,371
GRF600-512	Non-TANF Disaster Assistance	\$	1,000,000	\$	1,000,000
GRF600-513	Disability Medical Assistance	\$	19,500,000	\$	25,500,000
			<u>23,833,050</u>		<u>31,166,950</u>
GRF600-521	Entitlement Administration -	\$	151,206,401	\$	151,206,401

	Local			
GRF 600-523	Children and Families Subsidy	\$	69,438,543	\$ 69,438,543
GRF 600-525	Health Care/Medicaid			
	State	\$	<u>3,751,848,959</u>	\$ <u>3,795,940,675</u>
			<u>3,741,848,959</u>	<u>3,786,408,432</u>
	Federal	\$	<u>5,612,109,788</u>	\$ <u>5,731,692,576</u>
			<u>5,597,010,257</u>	<u>5,717,586,895</u>
	Health Care Total	\$	<u>9,363,958,747</u>	\$ <u>9,527,633,251</u>
			<u>9,338,859,216</u>	<u>9,503,995,327</u>
GRF 600-526	Medicare Part D	\$	155,349,266	\$ 339,578,325
GRF 600-528	Adoption Services			
	State	\$	33,698,298	\$ 35,516,130
	Federal	\$	40,331,807	\$ 43,022,485
	Adoption Services Total	\$	74,030,105	\$ 78,538,615
<u>GRF 600-529</u>	<u>Capital Compensation Program</u>	<u>\$</u>	<u>\$10,000,000</u>	<u>\$ 0</u>
TOTAL GRF	General Revenue Fund			
	State	\$	<u>4,777,417,244</u>	\$ <u>5,006,307,564</u>
			<u>4,801,250,294</u>	<u>5,027,942,271</u>
	Federal	\$	<u>5,744,174,880</u>	\$ <u>5,868,735,476</u>
			<u>5,709,575,299</u>	<u>5,829,129,795</u>
	GRF Total	\$	<u>10,521,592,074</u>	\$ <u>10,875,043,040</u>
			<u>10,510,825,593</u>	<u>10,857,072,066</u>
General Services Fund Group				
4A8 600-658	Child Support Collections	\$	26,680,794	\$ 26,680,794
4R4 600-665	BCII Services/Fees	\$	36,974	\$ 36,974
5C9 600-671	Medicaid Program Support	\$	73,015,021	\$ 63,947,536
5N1 600-677	County Technologies	\$	1,000,000	\$ 1,000,000
613 600-645	Training Activities	\$	135,000	\$ 135,000
TOTAL GSF	General Services			
Fund Group		\$	100,867,789	\$ 91,800,304
Federal Special Revenue Fund Group				
3AW 600-675	Faith Based Initiatives	\$	750,000	\$ 750,000
3A2 600-641	Emergency Food Distribution	\$	2,600,000	\$ 2,800,000
3BB 600-635	Children's Hospitals - Federal	\$	9,000,000	\$ 9,000,000
<u>3F0</u>				
3D3 600-648	Children's Trust Fund Federal	\$	2,040,524	\$ 2,040,524
3F0 600-623	Health Care Federal	\$	616,011,784	\$ <u>771,889,193</u>
				<u>1,119,728,886</u>
3F0 600-650	Hospital Care Assurance	\$	343,239,047	\$ 343,239,047
	Match			
3G5 600-655	Interagency Reimbursement	\$	1,364,802,369	\$ 1,426,954,440
3H7 600-617	Child Care Federal	\$	208,000,000	\$ 208,000,000
3N0 600-628	IV-E Foster Care Maintenance	\$	153,963,142	\$ 153,963,142
3S5 600-622	Child Support Projects	\$	534,050	\$ 534,050
3V0 600-688	Workforce Investment Act	\$	208,322,037	\$ 208,097,948
3V4 600-678	Federal Unemployment	\$	153,435,545	\$ 157,202,750
	Programs			
3V4 600-679	Unemployment Compensation	\$	3,829,430	\$ 3,800,573
	Review Commission - Federal			
3V6 600-689	TANF Block Grant	\$	767,104,142	\$ 792,483,200
3W3 600-659	TANF/Title XX Transfer	\$	8,000,000	\$ 5,400,000
327 600-606	Child Welfare	\$	33,160,190	\$ 33,090,786
331 600-686	Federal Operating	\$	43,966,134	\$ 44,929,546

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900

384	600-610	Food Stamps and State Administration	\$	188,238,706	\$	181,250,799
385	600-614	Refugee Services	\$	6,083,829	\$	6,542,439
395	600-616	Special Activities/Child and Family Services	\$	4,567,112	\$	4,564,877
396	600-620	Social Services Block Grant	\$	120,993,012	\$	121,004,222
397	600-626	Child Support	\$	287,468,576	\$	287,468,576
398	600-627	Adoption Maintenance/ Administration	\$	314,639,519	\$	314,639,519
TOTAL FED Federal Special Revenue Fund Group			\$	4,840,749,148	\$	5,079,645,631 <u>5,427,485,324</u>

State Special Revenue Fund Group

198	600-647	Children's Trust Fund	\$	6,788,522	\$	6,788,522
4A9	600-607	Unemployment Compensation Administration Fund	\$	10,811,527	\$	10,811,527
4A9	600-694	Unemployment Compensation Review Commission	\$	3,188,473	\$	3,188,473
4E3	600-605	Nursing Home Assessments	\$	4,759,914	\$	4,759,914
4E7	600-604	Child and Family Services Collections	\$	1,237,500	\$	300,000
4F1	600-609	Foundation Grants/Child and Family Services	\$	61,420	\$	61,420
4J5	600-613	Nursing Facility Bed Assessments	\$	34,613,984	\$	34,613,984
4J5	600-618	Residential State Supplement Payments	\$	15,700,000	\$	15,700,000
4K1	600-621	ICF/MR Bed Assessments	\$	20,074,255	\$	20,064,131
4R3	600-687	Banking Fees	\$	800,000	\$	800,000
4Z1	600-625	HealthCare Compliance	\$	10,000,000	\$	10,000,000
5AA	600-673	Ohio's Best Rx Administration	\$	5,000,000	\$	5,000,000
5AX	600-697	Public Assistance Reconciliation	\$	60,000,000	\$	0
5BE	600-693	Child Support Operating	\$	5,000,000	\$	5,000,000
5BG	600-653	Managed Care Assessment	\$	18,795,483	\$	99,410,121
5CR	600-636	Children's Hospitals - State	\$	6,000,000	\$	6,000,000
<u>5DB</u>	<u>600-637</u>	<u>Military Injury Grants</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>2,000,000</u>
<u>5DL</u>	<u>600-639</u>	<u>Medicaid Revenue and Collections</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>56,927,358</u>
5F2	600-667	Building Consolidation	\$	250,000	\$	250,000
5F3	600-668	Building Consolidation	\$	1,000,000	\$	1,000,000
5P5	600-692	Health Care Services <u>Prescription Drug Rebate - State</u>	\$	828,587,776	\$	538,301,761 <u>179,307,452</u>
5Q9	600-619	Supplemental Inpatient Hospital Payments	\$	56,125,998	\$	56,125,998
5R2	600-608	Medicaid-Nursing Facilities	\$	160,192,055	\$	176,632,090
5S3	600-629	MR/DD Medicaid Administration and Oversight	\$	1,620,960	\$	1,620,960
5U3	600-654	Health Care Services Administration	\$	10,115,870	\$	15,474,709
5U6	600-663	Children and Family Support	\$	4,929,717	\$	4,929,717
5Z9	600-672	TANF Quality Control Reinvestments	\$	647,409	\$	688,421

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651	600-649	Hospital Care Assurance Program Fund	\$	231,893,404	\$	231,893,404
TOTAL SSR State Special Revenue						
Fund Group			\$	1,498,194,267	\$	1,249,415,152 <u>949,348,201</u>
Agency Fund Group						
192	600-646	Support Intercept - Federal	\$	110,000,000	\$	110,000,000
5B6	600-601	Food Stamp Intercept	\$	2,000,000	\$	2,000,000
583	600-642	Support Intercept - State	\$	16,000,000	\$	16,000,000
TOTAL AGY Agency Fund Group			\$	128,000,000	\$	128,000,000
Holding Account Redistribution Fund Group						
R12	600-643	Refunds and Audit Settlements	\$	3,600,000	\$	3,600,000
R13	600-644	Forgery Collections	\$	10,000	\$	10,000
TOTAL 090 Holding Account Redistribution Fund Group			\$	3,610,000	\$	3,610,000
TOTAL ALL BUDGET FUND GROUPS			\$	17,093,013,278 <u>17,082,246,797</u>	\$	17,427,514,127 <u>17,457,315,895</u>

MEDICAID REVENUE AND COLLECTIONS - STATE

The foregoing appropriation item 600-639, Medicaid Revenue and Collections, shall be used by the Department of Job and Family Services to pay for Medicaid services and contracts.

Sec. 206.66.22. FISCAL YEAR 2006 MEDICAID REIMBURSEMENT SYSTEM FOR NURSING FACILITIES

(A) As used in this section:

"2003 cost report" means a complete and adequate Medicaid cost report covering calendar year 2003 filed with the Department of Job and Family Services under section 5111.26 of the Revised Code.

"Change of operator," "entering operator," and "exiting operator" have the same meanings as in section 5111.65 of the Revised Code.

"Franchise permit fee" means the fee imposed by sections 3721.50 to 3721.58 of the Revised Code.

"Nursing facility" and "provider" have the same ~~meaning~~ meanings as in section 5111.20 of the Revised Code.

"Nursing facility services" means nursing facility services covered by the Medicaid program that a nursing facility provides to a resident of the nursing facility who is a Medicaid recipient eligible for Medicaid-covered nursing facility services.

"Reviewable activity" has the same meaning as in section 3702.51 of the Revised Code.

(B) Except as otherwise provided in this section, the provider of a nursing facility that has a valid Medicaid provider agreement on June 30, 2005, and a valid Medicaid provider agreement for fiscal year 2006 shall be paid, for nursing facility services the nursing facility provides during fiscal

year 2006, the sum of the following:

(1) The rate the provider is paid for nursing facility services the nursing facility provides on June 30, 2005;

(2) Unless the nursing facility is exempt from paying the franchise permit fee, one dollar and ninety-five cents.

(C) If a nursing facility undergoes a change of operator on July 1, 2005, the entering operator shall be paid, for nursing facility services the nursing facility provides during fiscal year 2006, the rate paid to the exiting operator for nursing facility services that the nursing facility provided on June 30, 2005, plus, if the entering operator pays the franchise permit fee, one dollar and ninety-five cents. If a nursing facility undergoes a change of operator during the period beginning July 2, 2005, and ending June 30, 2006, the entering operator shall be paid, for nursing facility services the nursing facility provides during the period beginning on the effective date of the change of operator and ending June 30, 2006, the rate paid to the exiting operator for nursing facility services that the nursing facility provided on the day immediately before the effective date of the change of operator.

(D) If, during fiscal year 2006, a nursing facility obtains certification as a nursing facility from the Director of Health and begins participation in the Medicaid program, the provider of the nursing facility shall be paid, for nursing facility services the nursing facility provides during the period beginning on the date the nursing facility begins participation in the Medicaid program and ending June 30, 2006, a rate that is the median of all rates paid to providers of nursing facilities on July 1, 2005.

(E) If, during fiscal year ~~2007~~ 2006, one or more Medicaid certified beds are added to a nursing facility with a valid Medicaid provider agreement for fiscal year 2006, the provider of the nursing facility shall be paid a rate for the new beds that is the same as the nursing facility's rate for the Medicaid certified beds that are in the nursing facility on the day before the new beds are added.

(F) If the United States Centers for Medicare and Medicaid Services requires that the franchise permit fee be reduced or eliminated, the Department of Job and Family Services shall reduce the amount it pays providers of nursing facilities under this section as necessary to reflect the loss to the state of the revenue and federal financial participation generated from the franchise permit fee.

(G)~~(H)~~ A nursing facility's rate established under this section shall not be subject to any adjustments except as follows:

~~(a) An~~ for an adjustment resulting from an audit of the nursing facility's 2003 cost report may be applied to a rate established under this section for

the nursing facility not later than three years after the first day of the fiscal year for which the rate is established.

~~(b) the nursing facility's rate established under this section may be adjusted pursuant to a process established in rules adopted under section 5111.02 of the Revised Code to reflect a change in the nursing facility's capital costs due to any of the following:~~

~~(i) A change of provider agreement that goes into effect before July 1, 2005, and for which a rate adjustment is not implemented before June 30, 2005;~~

~~(ii) A reviewable activity for which a certificate of need application is filed with the Director of Health before July 1, 2005, costs are incurred before June 30, 2005, and a rate adjustment is not implemented before June 30, 2005;~~

~~(iii) An activity that the Director of Health, before July 1, 2005, rules is not a reviewable activity and for which costs are incurred before June 30, 2005, and a rate adjustment is not implemented before June 30, 2005.~~

(H) The Department of Job and Family Services shall follow this section in determining the rate to be paid to the provider of a nursing facility under the Medicaid program for nursing facility services provided during fiscal year 2006 notwithstanding anything to the contrary in sections 5111.20 to 5111.33 of the Revised Code.

Sec. 206.66.23. FISCAL YEAR 2007 MEDICAID REIMBURSEMENT SYSTEM FOR NURSING FACILITIES

(A) As used in this section:

"Franchise permit fee" means the fee imposed by sections 3721.50 to 3721.58 of the Revised Code.

"Nursing facility" and "provider" have the same meanings as in section 5111.20 of the Revised Code.

"Nursing facility services" means nursing facility services covered by the Medicaid program that a nursing facility provides to a resident of the nursing facility who is a Medicaid recipient eligible for Medicaid-covered nursing facility services.

(B) Except as provided in division (C) of this section, the provider of a nursing facility that has a valid Medicaid provider agreement on June 30, 2006, and a valid Medicaid provider agreement for fiscal year 2007 shall be paid, for nursing facility services the nursing facility provides during fiscal year 2007, the rate determined as follows:

(1) Determine the rate for the nursing facility under sections 5111.20 to 5111.33 of the Revised Code;

(2) Increase the rate determined under division (B)(1) of this section by

two per cent:

(3) Increase the rate determined under division (B)(2) of this section by two per cent.

(C) If the rate determined for a nursing facility under ~~sections 5111.20 to 5111.33 of the Revised Code~~ division (B) of this section for nursing facility services provided during fiscal year 2007 is more than one hundred two per cent of the rate the provider is paid for nursing facility services the nursing facility provides on June 30, 2006, the Department of Job and Family Services shall reduce the nursing facility's fiscal year 2007 rate so that the rate is no more than one hundred two per cent of the nursing facility's rate for June 30, 2006. If the rate determined for a nursing facility under sections 5111.20 to 5111.33 of the Revised Code for nursing facility services provided during fiscal year 2007 is less than ninety-eight per cent of the rate the provider was paid for nursing facility services the nursing facility provides on June 30, 2006, the Department shall increase the nursing facility's fiscal year 2007 rate so that the rate is no less than ninety-eight per cent of the nursing facility's rate for June 30, 2006.

(D) If the United States Centers for Medicare and Medicaid Services requires that the franchise permit fee be reduced or eliminated, the Department of Job and Family Services shall reduce the amount it pays providers of nursing facilities under this section as necessary to reflect the loss to the state of the revenue and federal financial participation generated from the franchise permit fee.

(E) The Department of Job and Family Services shall follow this section in determining the rate to be paid to the provider of a nursing facility that has a valid Medicaid provider agreement on June 30, 2006, and a valid Medicaid provider agreement for fiscal year 2007 notwithstanding anything to the contrary in sections 5111.20 to 5111.33 of the Revised Code.

Sec. 206.66.36. ASSISTED LIVING MEDICAID WAIVER PROGRAM

(A) As used in this section, "Assisted Living Program" has the same meaning as in section 5111.89 of the Revised Code.

(B) After the Department of Job and Family Services enters into a contract with the Department of Aging under section 5111.91 of the Revised Code for the Department of Aging to administer the Assisted Living Program, the Director of Job and Family Services shall quarterly certify to the Director of Budget and Management the estimated costs of amounts to be transferred from the state and federal shares for the Assisted Living Program for the upcoming quarter. ~~The estimate shall include the state and federal share of the costs.~~ On receipt of the ~~certified estimated costs~~

certification for an upcoming quarter, the Director of Budget and Management shall do ~~all~~ both of the following:

(1) Transfer the state share of the certified amount ~~of the estimated costs~~ from GRF appropriation item 600-525, Health Care/Medicaid, to GRF appropriation item 490-422, Assisted Living, and reduce appropriation item 600-525, Health Care/Medicaid, by the corresponding federal share;

~~(2) Transfer the federal share of the amount of the estimated costs from GRF appropriation item 600-525, Health Care/Medicaid, to Fund 3C4, appropriation item 490-622, Assisted Living - Federal;~~

~~(3) Increase the appropriation in JFS Fund 3G5, appropriation item 600-655, Interagency Reimbursement, by the federal share of the certified amount of the estimated costs.~~

~~(C) The funds that the Director of Budget and Management transfers and increases under this section are hereby appropriated.~~

Sec. 206.66.64. INDIVIDUALS MOVED FROM NURSING FACILITIES TO PASSPORT

(A) As used in this section:

(1) "Area agency on aging" has the same meaning as in section 173.14 of the Revised Code.

(2) "Long-Term Care Consultation Program" means the program the Department of Aging is required to develop under section 173.42 of the Revised Code.

(3) "Long-Term Care Consultation Program administrator" or "administrator" means the Department of Aging or, if the Department contracts with an area agency on aging or other entity to administer the Long-Term Care Consultation Program for a particular area, that agency or entity.

(4) "Nursing facility" has the same meaning as in section 5111.20 of the Revised Code.

(5) "PASSPORT program" means the program created under section 173.40 of the Revised Code.

(B) Each month during fiscal years 2006 and 2007, each area agency on aging shall determine whether individuals who reside in the area that the area agency on aging serves and are on a waiting list for the PASSPORT program have been admitted to a nursing facility. If an area agency on aging determines that such an individual has been admitted to a nursing facility, the agency shall notify the Long-Term Care Consultation Program administrator serving the area in which the individual resides about the determination. The administrator shall determine whether the PASSPORT program is appropriate for the individual and whether the individual would

rather participate in the PASSPORT program than continue residing in the nursing facility. If the administrator determines that the PASSPORT program is appropriate for the individual and the individual would rather participate in the PASSPORT program than continue residing in the nursing facility, the administrator shall so notify the Department of Aging. On receipt of the notice from the administrator, the Department of Aging shall approve the enrollment of the individual in the PASSPORT program regardless of whether other individuals who are not in a nursing facility are ahead of the individual on the PASSPORT program's waiting list. Each quarter, the Department of Aging shall certify to the Director of Budget and Management the ~~estimated increase in costs of the PASSPORT program~~ total expenditures made for the individuals enrolled in the PASSPORT program pursuant to this section.

(C) On a quarterly basis, on receipt of the certified ~~costs~~ expenditures, the Director of Budget and Management shall do all of the following:

(1) Transfer the state share of the amount of the ~~estimated costs~~ actual expenditures from GRF appropriation item 600-525, Health Care/Medicaid, to GRF appropriation item 490-403, PASSPORT, ~~for the remainder of the biennium~~;

(2) Increase the appropriation in Ohio Department of Aging Fund 3C4, appropriation item 490-607, PASSPORT, by the federal share of the amount of the ~~estimated costs~~ actual expenditures;

(3) Increase the appropriation in JFS Fund 3G5, appropriation item 600-655, Interagency Reimbursement, by the federal share of the amount of the ~~estimated costs~~ actual expenditures.

The funds that the Director of Budget and Management transfers and increases under this division are hereby appropriated.

(D) The individuals placed in the PASSPORT program pursuant to this section shall be in addition to the individuals placed in the PASSPORT program during fiscal years 2006 and 2007 based on the amount of money that is in GRF appropriation item 490-403, PASSPORT; Fund 4J4, appropriation item 490-610, PASSPORT/Residential State Supplement; Fund 4U9, appropriation item 490-602, PASSPORT Fund; and Fund 3C4, appropriation item 490-607, PASSPORT, before any transfers to GRF appropriation item 490-403, PASSPORT, and Fund 3C4, appropriation item 490-607, PASSPORT, are made under this section.

(E) The Director of Job and Family Services shall do both of the following:

(1) Submit to the United States Secretary of Health and Human Services an amendment to the Medicaid waiver authorizing the PASSPORT program

as necessary for the implementation of this section;

(2) By not later than December 31, 2006, submit to the General Assembly a report regarding the number of individuals placed in the PASSPORT program pursuant to this section and the costs incurred and savings achieved as a result of the individuals being placed in the PASSPORT program.

Sec. 206.66.66. OHIO ACCESS SUCCESS PROJECT

Notwithstanding any limitations in sections 3721.51 and 3721.56 of the Revised Code, in each fiscal year, cash from Fund 4J5, Home and Community-Based Services for the Aged, in excess of the amounts needed for the transfers may be used by the Department of Job and Family Services for the following purposes: (A) up to \$1.0 million in each fiscal year to fund the state share of audits of ~~Medicaid cost reports filed with the Department of Job and Family Services by~~ nursing facilities and intermediate care facilities for the mentally retarded; and (B) up to \$350,000 in fiscal year 2006 and up to \$350,000 in fiscal year 2007 to provide one-time transitional benefits under the Ohio Access Success Project that the Director of Job and Family Services may establish under section 5111.88 of the Revised Code.

Sec. 206.66.84. CHILDREN'S TRUST FUND

Notwithstanding sections 3109.13 to 3109.18 of the Revised Code, in fiscal ~~year~~ years 2006 and 2007, the Director of Budget and Management shall transfer \$1,500,000 cash from the Children's Trust Fund (Fund 198 in the Department of Job and Family Services) to the Partnerships for Success Fund (Fund 5BH in the Department of Youth Services). On or before January 1, ~~2007~~ 2008, the Director of Budget and Management shall transfer to the Children's Trust Fund (Fund 198) any amount of cash that remains unspent in the Partnerships for Success Fund (Fund 5BH).

Sec. 206.66.85. HOSPITAL CARE ASSURANCE MATCH ~~FUND~~

Appropriation item 600-650, Hospital Care Assurance Match, shall be used by the Department of Job and Family Services ~~in accordance with division (B) of~~ solely for distributing funds to hospitals under section ~~5112.18~~ 5112.08 of the Revised Code.

Sec. 206.66.91. The Department of Job and Family Services shall retain in each fiscal year \$1,500,000 of the federal incentives that are described in division (A) of section 3125.19 of the Revised Code and authorized by 42 U.S.C. 658a that the Department of Job and Family Services receives from the United States Department of Human Services to reimburse the Department of Job and Family Services for the state share of payments made by the Department of Job and Family Services for mandatory contracts utilized by county child support enforcement agencies in the

program of child support enforcement authorized by sections 3125.03 and 3125.11 of the Revised Code. This revenue shall be deposited in the Child Support Operating Fund (Fund 5BE in the Department of Job and Family Services).

Sec. 206.67.15. PRESCRIPTION DRUG REBATE FUND

The foregoing appropriation item 600-692, ~~Health Care Services Prescription Drug Rebate - State~~, shall be used by the Department of Job and Family Services ~~in accordance with section 5111.081 of the Revised Code to pay for Medicaid services and contracts. Moneys recovered by the Department for either hospital settlements or pursuant to the Department's rights of recovery under section 5101.58 of the Revised Code, that are not directed to the Health Care Services Administration Fund (Fund 5U3) under section 5111.94 of the Revised Code, shall also be deposited into Fund 5P5.~~

On July 1, 2006, or as soon as possible thereafter, the Director of Job and Family Services shall certify to the Director of Budget and Management the federal share of the balance of the Prescription Drug Rebates Fund created under section 5111.942 of the Revised Code. On receipt of the certification, the Director of Budget and Management shall transfer the federal share to the Health Care - Federal Fund created under section 5111.943 of the Revised Code.

Sec. 206.67.21. TRANSFER OF TOBACCO MASTER SETTLEMENT AGREEMENT FUNDS TO SUPPORT THE AGED, BLIND, AND DISABLED MANAGED CARE PROGRAM

(A) Not later than June 30, 2006, the Director of Job and Family Services, in conjunction with the Office of Budget and Management, shall determine the amount necessary to implement the Aged, Blind, and Disabled Managed Care Program established under section 5111.16 of the Revised Code.

(B) Notwithstanding section 183.02 of the Revised Code, on July 1, 2006, or as soon as possible thereafter, the Director of Budget and Management shall transfer cash equal to the state share of the amount determined pursuant to division (A) of this section from the Tobacco Master Settlement Agreement Fund (Fund 087) to the ABD Managed Care Program – State Fund (Fund 5BZ in the Department of Job and Family Services), which is hereby created. Of the tobacco revenue that is credited to the Tobacco Master Settlement Agreement Fund (Fund 087) in fiscal year 2006, the share that is determined pursuant to section 183.02 of the Revised Code to be the amount transferred by the Director of Budget and Management from the Tobacco Master Settlement Agreement Fund (Fund 087) to the Tobacco Use Prevention and Cessation Trust Fund (Fund H87) shall be

reduced by the amount that is transferred from the Tobacco Master Settlement Agreement Fund (Fund 087) to the ABD Managed Care Program – State Fund (Fund 5BZ) in accordance with this section. The amount transferred under this division is hereby appropriated to appropriation item 600-698, ABD Managed Care Program – State.

(C) The Department of Job and Family Services shall deposit federal reimbursement received for the Aged, Blind, and Disabled Managed Care Program into the ~~ABD Managed Care Program~~ Hospital Care Assurance Match Fund – Federal Fund (Fund ~~3AZ 3F0~~), ~~which is hereby created~~. Amounts deposited into Fund ~~3AZ 3F0~~ pursuant to this section are hereby appropriated to appropriation item 600-699, ABD Managed Care Program – Federal.

Sec. 206.99. MHC MANUFACTURED HOMES COMMISSION

General Services Fund Group

4K9 996-609 Operating Expenses	\$	272,500	\$	0	<u>254,500</u>
TOTAL GSF General Services					
Fund Group	\$	272,500	\$	0	<u>254,500</u>
TOTAL ALL BUDGET FUND GROUPS	\$	272,500	\$	0	<u>254,500</u>

Sec. 209.04. AMB MEDICAL TRANSPORTATION BOARD

General Services Fund Group

4N1 915-601 Operating Expenses	\$	388,450	\$	0	<u>388,450</u>
TOTAL GSF General Services					
Fund Group	\$	388,450	\$	0	<u>388,450</u>
TOTAL ALL BUDGET FUND GROUPS	\$	388,450	\$	0	<u>388,450</u>

Sec. 209.06.06. DIVISION OF MENTAL HEALTH - COMMUNITY SUPPORT SERVICES

General Revenue Fund

GRF 335-404 Behavioral Health Services-Children	\$	5,865,265	\$		6,865,265
GRF 335-405 Family & Children First	\$	2,260,000	\$		2,260,000
GRF 335-419 Community Medication Subsidy	\$	12,292,848	\$		13,626,748
		<u>7,959,798</u>			<u>7,959,798</u>
GRF 335-505 Local Mental Health Systems of Care	\$	94,687,868	\$		99,687,868
TOTAL GRF General Revenue Fund	\$	115,105,981	\$		122,439,881
		<u>110,772,931</u>			<u>116,772,931</u>

General Services Fund Group

4P9 335-604 Community Mental Health Projects	\$	250,000	\$		250,000
TOTAL GSF General Services					
Fund Group	\$	250,000	\$		250,000

Federal Special Revenue Fund Group

3A6 335-608 Federal Miscellaneous	\$	1,089,699	\$		678,699
3A7 335-612 Social Services Block Grant	\$	8,657,288	\$		8,657,288
3A8 335-613 Federal Grant - Community Mental Health Board Subsidy	\$	2,407,040	\$		2,407,040
3A9 335-614 Mental Health Block Grant	\$	14,969,400	\$		14,969,400

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3B1 335-635	Community Medicaid Expansion	\$	264,088,404	\$	282,807,902
TOTAL FED Federal Special Revenue Fund Group		\$	291,211,831	\$	309,520,329
State Special Revenue Fund Group					
5AU 335-615	Behavioral Healthcare	\$	4,690,000	\$	4,690,000
5CH 335-622	Residential State Supplement	\$	1,500,000	\$	1,500,000
632 335-616	Community Capital Replacement	\$	350,000	\$	350,000
TOTAL SSR State Special Revenue Fund Group		\$	6,540,000	\$	6,540,000
TOTAL ALL BUDGET FUND GROUPS		\$	<u>413,107,812</u>	\$	<u>438,750,210</u>
			<u>408,774,762</u>		<u>433,083,260</u>
DEPARTMENT TOTAL					
GENERAL REVENUE FUND		\$	<u>561,012,510</u>	\$	<u>578,783,810</u>
			<u>556,679,460</u>		<u>573,116,860</u>
DEPARTMENT TOTAL					
GENERAL SERVICES FUND GROUP		\$	115,901,936	\$	120,196,482
DEPARTMENT TOTAL					
FEDERAL SPECIAL REVENUE FUND GROUP		\$	311,131,959	\$	329,461,338
DEPARTMENT TOTAL					
STATE SPECIAL REVENUE FUND GROUP		\$	12,266,164	\$	12,266,164
DEPARTMENT TOTAL					
TOTAL DEPARTMENT OF MENTAL HEALTH		\$	<u>1,000,312,569</u>	\$	<u>1,040,707,794</u>
			<u>995,979,519</u>		<u>1,035,040,844</u>

Sec. 209.06.09. COMMUNITY MEDICATION SUBSIDY

The foregoing appropriation item 335-419, Community Medication Subsidy, shall be used to provide subsidized support for psychotropic medication needs of indigent citizens in the community to reduce unnecessary hospitalization because of lack of medication and to provide subsidized support for methadone costs.

~~Of the foregoing appropriation item 335-419, Community Medication Subsidy, \$4,333,050 in fiscal year 2006 and \$5,666,950 in fiscal year 2007 shall be used to provide services to persons who meet criteria that is consistent with the criteria for the Disability Medical Assistance Program.~~

LOCAL MENTAL HEALTH SYSTEMS OF CARE

The foregoing appropriation item 335-505, Local Mental Health Systems of Care, shall be used for mental health services provided by community mental health boards in accordance with a community mental health plan submitted under section 340.03 of the Revised Code and as approved by the Department of Mental Health.

Of the foregoing appropriation, not less than \$34,818,917 in fiscal year 2006 and not less than \$34,818,917 in fiscal year 2007 shall be distributed by the Department of Mental Health on a per capita basis to community mental health boards.

Of the foregoing appropriation, \$100,000 in each fiscal year shall be

used to fund family and consumer education and support.

BEHAVIORAL HEALTH - CHILDREN

The foregoing appropriation item 335-404, Behavioral Health Services-Children, shall be used to provide behavioral health services for children and their families. Behavioral health services include mental health and alcohol and other drug treatment services and other necessary supports.

Of the foregoing appropriation item 335-404, Behavioral Health Services-Children, an amount up to \$4.5 million in fiscal year 2006 and \$5.5 million in fiscal year 2007 shall be distributed to local Alcohol, Drug Addiction, and Mental Health Boards; Community Mental Health Boards; and Alcohol and Drug Addiction Boards, based upon a formula and an approved children's behavioral health transformation plan developed and endorsed by the local Family and Children First Council with the leadership from the Alcohol, Drug Addiction, and Mental Health Board, or the Community Mental Health Board, and the Alcohol and Drug Addiction Services Board. The use of these funds shall be approved by a team of state and local stakeholders appointed by the Ohio Family and Children First Cabinet Council. This team shall be appointed not later than July 1, 2005, and shall include, but not be limited to, all of the following:

(A) At least one representative from each of the Departments of Alcohol and Drug Addiction Services, Mental Health, Education, Health, Job and Family Services, Mental Retardation and Developmental Disabilities, and the Department of Youth Services;

(B) At least one person representing local public children's services agencies;

(C) At least one person representing juvenile courts;

(D) At least one person representing local Alcohol, Drug Addiction, and Mental Health Boards; Community Mental Health Boards; and Alcohol and Drug Addiction Boards;

(E) At least one person representing local Family and Children First Council Coordinators;

(F) At least one family representative.

Children's behavioral health transformation plans shall be congruent with the development and implementation of the process described in division (B)(2)(b) of section 121.37 of the Revised Code and shall address all of the following as determined by a team of state and local stakeholders appointed by the Ohio Family and Children First Cabinet Council:

(A) Specific strategies and actions for use of all funds allocated for the Access to Better Care Initiative by all Ohio Family and Children First Cabinet Council agencies that will further the transformation of the local

Children's Behavioral Health Care System;

(B) Providing services to children with behavioral health disorders, particularly those with intensive needs, and their families, across all child-serving systems, including child welfare and juvenile justice and for those youth whose parents would otherwise have to relinquish custody to obtain needed behavioral health services;

(C) Assuring that families are included in all service planning activities and have access to advocates to assist them if they choose;

(D) Implementation of home-based services and other alternatives to out-of-home placement;

(E) Assuring that all individual service plans for children and their families address the academic achievement of the child;

(F) Coordinating the most efficient and effective use of federal, state, and local funds to meet the needs of children and their families.

Funds may be used to support the following services and activities:

(A) Mental health services provided by the Ohio Department of Mental Health certified agencies and alcohol and other drug services provided by Department of Alcohol and Drug Addiction Services certified agencies;

(B) Services and supports for children and their families that further the implementation of their individual service plans;

(C) Treatment services in out-of-home settings, including residential facilities, when other alternatives are not available or feasible;

(D) Administrative support for efforts associated with this initiative;

(E) These funds shall not be used to supplant existing efforts.

The Ohio Family and Children First Cabinet Council appointed team shall approve the plans for local behavioral health services and ensure the plans are components of and properly coordinated with the county service coordination plan as defined in section 121.37 of the Revised Code. In addition to approving the plans for new behavioral health funding, this team shall design a mechanism to provide technical assistance to local communities, monitor the plans, and may, as part of the monitoring role, conduct site visits.

Of the foregoing appropriation item 335-404, Behavioral Health Services-Children, an amount up to \$1.0 million in fiscal year 2006 and \$1.0 million in fiscal year 2007 shall be used to support projects, as determined by the Ohio Family and Children First Cabinet Council, in select areas around the state to focus on improving behavioral health services for children involved in the child welfare and juvenile justice systems. At least one of these projects shall focus on services for adolescent girls that are involved in or at risk of involvement with the juvenile justice system.

Of the foregoing appropriation item 335-405, Family & Children First, an amount up to \$500,000 in fiscal year 2006 and \$500,000 in fiscal year 2007 shall be used for children who do not have behavioral health disorders but require assistance through the County Family and Children First Council.

RESIDENTIAL STATE SUPPLEMENT

The foregoing appropriation item 335-622, Residential State Supplement, shall be used to provide subsidized support for licensed adult care facilities which serve individuals with mental illness.

Sec. 209.09.06. COMMUNITY SERVICES

General Revenue Fund

GRF 322-405	State Use Program	\$	20,000	\$	0
GRF 322-413	Residential and Support Services	\$	7,423,021	\$	7,423,021
GRF 322-416	Waiver State Match	\$	103,090,738	\$	104,397,504
GRF 322-417	Supported Living	\$	43,160,198	\$	43,160,198
GRF 322-451	Family Support Services	\$	6,938,898	\$	6,938,898
GRF 322-452	Service and Support Administration	\$	8,672,730	\$	8,672,730
GRF 322-501	County Boards Subsidies	\$	32,193,542	\$	32,193,542
GRF 322-503	Tax Equity	\$	14,500,000	\$	14,500,000
TOTAL GRF General Revenue Fund		\$	215,999,127	\$	217,285,893

General Services Fund Group

4J6 322-645	Intersystem Services for Children	\$	300,000	\$	0
4U4 322-606	Community MR and DD Trust	\$	300,000	\$	50,000
4V1 322-611	Family and Children First	\$	40,000	\$	0
488 322-603	Provider Audit Refunds	\$	350,000	\$	350,000
TOTAL GSF General Services Fund Group		\$	990,000	\$	400,000

Federal Special Revenue Fund Group

3A4 322-605	Community Program Support	\$	1,500,000	\$	1,500,000
3A5 322-613	DD Council Grants	\$	3,204,240	\$	3,204,240
3G6 322-639	Medicaid Waiver	\$	373,772,814	\$	373,772,814
3M7 322-650	CAFS Medicaid	\$	125,924,299	\$	103,773,730
325 322-608	Grants for Infants and Families with Disabilities	\$	1,763,165	\$	1,763,165
325 322-612	Community Social Service Programs	\$	11,500,000	\$	11,500,000
TOTAL FED Federal Special Revenue Fund Group		\$	517,664,518	\$	495,513,949

State Special Revenue Fund Group

4K8 322-604	Waiver - Match	\$	12,000,000	\$	12,000,000
<u>5DJ 322-625</u>	<u>Targeted Case Management Match</u>	<u>\$</u>	<u>9,340,000</u>	<u>\$</u>	<u>20,280,000</u>
<u>5DJ 322-626</u>	<u>Targeted Case Management Services</u>	<u>\$</u>	<u>23,350,000</u>	<u>\$</u>	<u>50,070,000</u>
5H0 322-619	Medicaid Repayment	\$	25,000	\$	25,000
5Z1 322-624	County Board Waiver Match	\$	82,000,000	\$	82,000,000

TOTAL SSR State Special Revenue			
Fund Group	\$	94,025,000	\$ 94,025,000
		<u>126,715,000</u>	<u>164,375,000</u>
TOTAL ALL COMMUNITY SERVICES			
BUDGET FUND GROUPS	\$	828,678,645	\$ 807,224,842
		<u>861,368,645</u>	<u>877,574,842</u>

RESIDENTIAL AND SUPPORT SERVICES

The Department of Mental Retardation and Developmental Disabilities may designate a portion of appropriation item 322-413, Residential and Support Services, for the following:

(A) Sermak Class Services used to implement the requirements of the agreement settling the consent decree in *Sermak v. Manuel*, Case No. c-2-80-220, United States District Court for the Southern District of Ohio, Eastern Division;

(B) Medicaid-reimbursed programs other than home and community-based waiver services, in an amount not to exceed \$1,000,000 in each fiscal year, that enable persons with mental retardation and developmental disabilities to live in the community.

WAIVER STATE MATCH

The purposes for which the foregoing appropriation item 322-416, Waiver State Match, shall be used include the following:

(A) Home and community-based waiver services under Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended.

(B) Services contracted by county boards of mental retardation and developmental disabilities.

(C) To pay the nonfederal share of the cost of one or more new intermediate-care-facility-for-the-mentally-retarded certified beds in a county where the county board of mental retardation and developmental disabilities does not initiate or support the development or certification of such beds, if the Director of Mental Retardation and Developmental Disabilities is required by ~~this act~~ Am. Sub. H.B. 66 of the 126th General Assembly to transfer to the Director of Job and Family Services funds to pay such nonfederal share.

The Department of Mental Retardation and Developmental Disabilities may designate a portion of appropriation item 322-416, Waiver State Match, to county boards of mental retardation and developmental disabilities that have greater need for various residential and support services because of a low percentage of residential and support services development in comparison to the number of individuals with mental retardation or developmental disabilities in the county.

Of the foregoing appropriation item 322-416, Waiver State Match, \$9,850,000 in each year of the biennium shall be distributed by the

Department to county boards of mental retardation and developmental disabilities to support existing residential facilities waiver and individual options waiver related to Medicaid activities provided for in the component of a county board's plan developed under division (A)(2) of section 5126.054 of the Revised Code and approved under section 5123.046 of the Revised Code. Up to \$3,000,000 of these funds in each fiscal year may be used to implement day-to-day program management services under division (A)(2) of section 5126.054 of the Revised Code. Up to \$4,200,000 in each fiscal year may be used to implement the program and health and welfare requirements of division (A)(2) of section 5126.054 of the Revised Code.

In fiscal years 2006 and 2007 not less than \$2,650,000 of these funds shall be used to recruit and retain, under division (A)(2) of section 5126.054 of the Revised Code, the direct care staff necessary to implement the services included in an individualized service plan in a manner that ensures the health and welfare of the individuals being served.

The method utilized by the department to determine each residential facilities waiver and individual options provider's allocation of such funds in fiscal year 2005 shall be used for allocation purposes to such providers in fiscal years 2006 and 2007, respectively.

SUPPORTED LIVING

The purposes for which the foregoing appropriation item 322-417, Supported Living, shall be used include supported living services contracted by county boards of mental retardation and developmental disabilities under sections 5126.40 to 5126.47 of the Revised Code and paying the nonfederal share of the cost of one or more new intermediate-care-facility-for-the-mentally-retarded certified beds in a county where the county board of mental retardation and developmental disabilities does not initiate or support the development or certification of such beds, if the Director of Mental Retardation and Developmental Disabilities is required by ~~this act~~ Am. Sub. H.B. 66 of the 126th General Assembly to transfer to the Director of Job and Family Services funds to pay such nonfederal share.

OTHER RESIDENTIAL AND SUPPORT SERVICE PROGRAMS

Notwithstanding Chapters 5123. and 5126. of the Revised Code, the Department of Mental Retardation and Developmental Disabilities may develop residential and support service programs funded by appropriation item 322-413, Residential and Support Services; appropriation item 322-416, Waiver State Match; or appropriation item 322-417, Supported Living, that enable persons with mental retardation and developmental disabilities to live in the community. Notwithstanding Chapter 5121. and

section 5123.122 of the Revised Code, the Department may waive the support collection requirements of those statutes for persons in community programs developed by the Department under this section. The Department shall adopt rules under Chapter 119. of the Revised Code or may use existing rules for the implementation of these programs.

FAMILY SUPPORT SERVICES

Notwithstanding sections 5123.171, 5123.19, 5123.20, and 5126.11 of the Revised Code, the Department of Mental Retardation and Developmental Disabilities may implement programs funded by appropriation item 322-451, Family Support Services, to provide assistance to persons with mental retardation or developmental disabilities and their families who are living in the community. The department shall adopt rules to implement these programs. The department may also use the foregoing appropriation item 322-451, Family Support Services, to pay the nonfederal share of the cost of one or more new intermediate-care-facility-for-the-mentally-retarded certified beds in a county where the county board of mental retardation and developmental disabilities initiates or supports the development or certification of such beds, if the Director of Mental Retardation and Developmental Disabilities is required by ~~this act~~ Am. Sub. H.B. 66 of the 126th General Assembly to transfer to the Director of Job and Family Services funds to pay such nonfederal share.

SERVICE AND SUPPORT ADMINISTRATION

The foregoing appropriation item 322-452, Service and Support Administration, shall be allocated to county boards of mental retardation and developmental disabilities for the purpose of providing service and support administration services and to assist in bringing state funding for all department-approved service and support administrators within county boards of mental retardation and developmental disabilities to the level authorized in division (C) of section 5126.15 of the Revised Code. The department may request approval from the Controlling Board to transfer any unobligated appropriation authority from other state General Revenue Fund appropriation items within the department's budget to appropriation item 322-452, Service and Support Administration, to be used to meet the statutory funding level in division (C) of section 5126.15 of the Revised Code.

Notwithstanding division (C) of section 5126.15 of the Revised Code and subject to funding in appropriation item 322-452, Service and Support Administration, no county may receive less than its allocation in fiscal year 1995. Wherever case management services are referred to in any law,

contract, or other document, the reference shall be deemed to refer to service and support administration. No action or proceeding pending on the effective date of this section is affected by the renaming of case management services as service and support administration.

The Department of Mental Retardation and Developmental Disabilities shall adopt, amend, and rescind rules as necessary to reflect the renaming of case management services as service and support administration. All boards of mental retardation and developmental disabilities and the entities with which they contract for services shall rename the titles of their employees who provide service and support administration. All boards and contracting entities shall make corresponding changes to all employment contracts.

The Department also may use the foregoing appropriation item 322-452, Service and Support Administration, to pay the nonfederal share of the cost of one or more new intermediate-care-facility-for-the-mentally-retarded certified beds in a county where the county board of mental retardation and developmental disabilities initiates or supports the development or certification of such beds, if the Director of Mental Retardation and Developmental Disabilities is required by ~~this act~~ Am. Sub. H.B. 66 of the 126th General Assembly to transfer to the Director of Job and Family Services funds to pay such nonfederal share.

STATE SUBSIDIES TO MR/DD BOARDS

Notwithstanding section 5126.12 of the Revised Code, for fiscal year 2006, the Department shall, if sufficient funds as determined by the Department are available, use the foregoing appropriation item 322-501, County Boards Subsidies, to pay each county board of mental retardation and developmental disabilities an amount that is equal to the amount such board received in fiscal year 2005. If the Department determines that there are not sufficient funds available in appropriation item 322-501, County Boards Subsidies, for this purpose, the Department shall pay to each county board an amount that is proportionate to the amount such board received in fiscal year 2005. Proportionality shall be determined by comparing the payment a county board received in a category in fiscal year 2005 to the total payments distributed to all county boards for such category in fiscal year 2005. For fiscal year 2007, the Department shall pay to each county board an amount that is determined by an allocation formula to be developed by the Department that considers the applicable factors in section 5126.12 of the Revised Code.

The Department also may use the foregoing appropriation item 322-501, County Boards Subsidies, to pay the nonfederal share of the cost of one or more new intermediate-care-facility-for-the-mentally-retarded certified beds

in a county where the county board of mental retardation and developmental disabilities initiates or supports the development or certification of such beds, if the Director of Mental Retardation and Developmental Disabilities is required by ~~this act~~ Am. Sub. H.B. 66 of the 126th General Assembly to transfer to the Director of Job and Family Services funds to pay such nonfederal share.

NONFEDERAL MATCH FOR ACTIVE TREATMENT SERVICES

Pursuant to an agreement between the county board and the Director of Mental Retardation and Developmental Disabilities, a county may pledge funds from its state allocation from GRF appropriation item 322-501, County Boards Subsidies, to cover the cost of providing the nonfederal match for active treatment services that the county provides to residents of the Department's developmental centers. The Director of Mental Retardation and Developmental Disabilities is authorized to transfer, through intrastate transfer vouchers, cash from these pledges from GRF appropriation item 322-501, County Boards Subsidies, to Fund 489, Mental Retardation Operating. Any other county funds received by the Department from county boards for active treatment shall be deposited in Fund 489, Mental Retardation Operating.

WAIVER - MATCH

The foregoing appropriation item 322-604, Waiver - Match (Fund 4K8), shall be used as state matching funds for the home and community-based waivers.

COUNTY BOARD WAIVER MATCH

The Director of Mental Retardation and Developmental Disabilities shall transfer, through intrastate transfer vouchers, cash from any allowable General Revenue Fund appropriation item to Fund 5Z1, appropriation item 322-624, County Board Waiver Match. (The amounts being transferred reflect the amounts that county boards pledge from their state General Revenue Funds allocations to cover the cost of providing the non-federal match for waiver services.)

TRANSFER OF FUNDS FOR THE FAMILY AND CHILDREN FIRST CABINET COUNCIL TO THE DEPARTMENT OF MENTAL HEALTH

On July 1, 2005, or as soon as possible thereafter, the Director of Mental Retardation and Developmental Disabilities shall certify the remaining cash balance in Fund 4V1, Miscellaneous Use, to the Director of Budget and Management. Upon receipt of the certification, the Director of Budget and Management shall transfer that amount and re-establish existing encumbrances in the Department of Mental Health, Fund 232, Family and

Children First Administration Fund. When this transfer has been completed, Fund 4V1 shall be abolished.

On November 1, 2005, or as soon as possible thereafter, the Director of Mental Retardation and Developmental Disabilities shall certify the remaining cash balance in Fund 4J6, Youth Cluster, to the Director of Budget and Management, who upon receipt shall transfer that amount to the General Revenue Fund and increase the Department of Mental Health's GRF appropriation item 335-404, Behavioral Health Services-Children, by the same amount. When this transfer has been completed, Fund 4J6 shall be abolished.

TARGETED CASE MANAGEMENT SERVICES

The Departments of Mental Retardation and Developmental Disabilities and Job and Family Services may enter into an interagency agreement under which the Department of Mental Retardation and Developmental Disabilities shall pay the Department of Job and Family Services the nonfederal portion of the cost of targeted case management services and the Department of Job and Family Services shall pay the total cost of targeted case management claims.

Quarterly, the Director of Mental Retardation and Developmental Disabilities, in consultation with the Director of Job and Family Services, shall estimate the cost, less any adjustments from the previous quarter, of the nonfederal share of targeted case management for claims with service dates after December 31, 2005, and shall certify this amount to the Director of Budget and Management. Notwithstanding any other provision of law to the contrary, the Director of Budget and Management may transfer cash equal to the amount certified from any Department of Mental Retardation and Developmental Disabilities fund identified by the Director of Mental Retardation and Developmental Disabilities to the Department of Job and Family Services Fund 5C9, Medicaid Program Support.

County boards of mental retardation and developmental disabilities shall pay the nonfederal portion of targeted case management costs to the Department of Mental Retardation and Developmental Disabilities. Notwithstanding any other provision of law to the contrary, county boards of mental retardation and developmental disabilities may pledge funds from any appropriation line item to pay for the nonfederal costs of targeted case management. The Director of Mental Retardation and Developmental Disabilities shall withhold any amount owed to the department from subsequent disbursements from any appropriation line item or money otherwise due to a nonpaying county. The Director of Mental Retardation and Developmental Disabilities may transfer cash, through intrastate transfer

vouchers, from any Department of Mental Retardation and Developmental Disabilities appropriation line item to Fund 5DJ.

The Director of Budget and Management may increase the appropriation level of the Department of Job and Family Services appropriation item 600-671, Medicaid Program Support, by \$9,340,000 in fiscal year 2006 and by \$20,280,000 in fiscal year 2007. The Director may then increase the appropriation level for the Department of Job and Family Services Fund 3F0, appropriation item 600-623, Health Care Federal, by the corresponding federal amount in fiscal year 2006 and fiscal year 2007.

Sec. 209.09.18. RESIDENTIAL FACILITIES

General Revenue Fund

GRF 323-321	Residential Facilities	\$	101,764,366	\$	100,457,600
	Operations				

TOTAL GRF General Revenue Fund		\$	101,764,366	\$	100,457,600
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General Services Fund Group

152 323-609	Residential Facilities	\$	912,177	\$	912,177
	Support				

TOTAL GSF General Services Fund Group		\$	912,177	\$	912,177
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Federal Special Revenue Fund Group

3A4 323-605	Developmental Center	\$	120,000,000	\$	120,000,000
	Operation Expenses				

325 323-608	Foster Grandparent Program	\$	575,000	\$	575,000
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TOTAL FED Federal Special Revenue Fund Group		\$	120,575,000	\$	120,575,000
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State Special Revenue Fund Group

221 322-620	Supplement Service Trust	\$	150,000	\$	150,000
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489 323-632	Developmental Center Direct	\$	12,125,628	\$	12,125,628
	Care Support				

TOTAL SSR State Special Revenue Fund Group		\$	12,275,628	\$	12,275,628
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TOTAL ALL RESIDENTIAL FACILITIES

BUDGET FUND GROUPS		\$	235,527,171	\$	234,220,405
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DEPARTMENT TOTAL

GENERAL REVENUE FUND		\$	352,880,570	\$	353,397,967
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DEPARTMENT TOTAL

GENERAL SERVICES FUND GROUP		\$	2,202,177	\$	1,612,177
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DEPARTMENT TOTAL

FEDERAL SPECIAL REVENUE FUND		\$	652,727,850	\$	630,577,281
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GROUP

DEPARTMENT TOTAL

STATE SPECIAL REVENUE FUND GROUP		\$	<u>114,300,628</u>	\$	<u>114,300,628</u>
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			<u>146,990,628</u>		<u>184,650,628</u>
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TOTAL DEPARTMENT OF MENTAL
RETARDATION AND DEVELOPMENTAL
DISABILITIES

\$	<u>1,122,111,225</u>	\$	<u>1,099,888,053</u>
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	<u>1,154,801,225</u>		<u>1,170,238,053</u>
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Sec. 209.15. CRB MOTOR VEHICLE COLLISION REPAIR
REGISTRATION BOARD

General Service Fund Group

5H9 865-609	Operating Expenses - CRB	\$	325,047	\$	0	<u>334,995</u>
TOTAL GSF General Services						
Fund Group		\$	325,047	\$	0	<u>334,995</u>
TOTAL ALL BUDGET FUND GROUPS		\$	325,047	\$	0	<u>334,995</u>

Sec. 209.18. DNR DEPARTMENT OF NATURAL RESOURCES**General Revenue Fund**

GRF 725-401	Wildlife-GRF Central Support	\$	<u>1,000,000</u>	\$	<u>1,000,000</u>	
			<u>1,315,000</u>			<u>1,365,000</u>
GRF 725-404	Fountain Square Rental Payments - OBA	\$	1,025,300	\$		1,092,000
GRF 725-407	Conservation Reserve Enhancement Program	\$	1,000,000	\$		1,000,000
GRF 725-413	OPFC Lease Rental Payments	\$	18,699,100	\$		20,962,800
GRF 725-423	Stream and Ground Water Gauging	\$	311,910	\$		311,910
GRF 725-425	Wildlife License Reimbursement	\$	646,319	\$		646,319
GRF 725-456	Canal Lands	\$	332,859	\$		332,859
GRF 725-502	Soil and Water Districts	\$	9,836,436	\$		9,836,436
GRF 725-903	Natural Resources General Obligation Debt Service	\$	25,866,000	\$		24,359,100
GRF 727-321	Division of Forestry	\$	8,541,511	\$		8,541,511
GRF 728-321	Division of Geological Survey	\$	1,630,000	\$		1,630,000
GRF 729-321	Office of Information Technology	\$	440,895	\$		440,895
GRF 730-321	Division of Parks and Recreation	\$	37,874,841	\$		39,874,841
GRF 731-321	Office of Coastal Management	\$	259,707	\$		259,707
GRF 733-321	Division of Water	\$	3,257,619	\$		3,207,619
GRF 736-321	Division of Engineering	\$	3,118,703	\$		3,118,703
GRF 737-321	Division of Soil and Water	\$	4,074,788	\$		4,074,788
GRF 738-321	Division of Real Estate and Land Management	\$	2,291,874	\$		2,291,874
GRF 741-321	Division of Natural Areas and Preserves	\$	3,009,505	\$		3,009,505
GRF 744-321	Division of Mineral Resources Management	\$	3,068,167	\$		3,068,167
TOTAL GRF General Revenue Fund		\$	<u>126,285,534</u>	\$	<u>129,059,034</u>	
			<u>126,600,534</u>			<u>129,424,034</u>

General Services Fund Group

155 725-601	Departmental Projects	\$	3,135,821	\$		3,011,726
157 725-651	Central Support Indirect	\$	6,528,675	\$		6,528,675
204 725-687	Information Services	\$	4,676,627	\$		4,676,627
206 725-689	REALM Support Services	\$	475,000	\$		475,000
207 725-690	Real Estate Services	\$	64,000	\$		64,000
223 725-665	Law Enforcement Administration	\$	2,096,225	\$		2,096,225
227 725-406	Parks Projects Personnel	\$	175,000	\$		110,000
4D5 725-618	Recycled Materials	\$	50,000	\$		50,000
4S9 725-622	NatureWorks Personnel	\$	472,648	\$		307,648
4X8 725-662	Water Resources Council	\$	125,000	\$		125,000
430 725-671	Canal Lands	\$	797,582	\$		847,582

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508	725-684	Natural Resources Publications	\$	157,792	\$	157,792
510	725-631	Maintenance - State-owned Residences	\$	260,849	\$	260,849
516	725-620	Water Management	\$	2,442,956	\$	2,459,120
635	725-664	Fountain Square Facilities Management	\$	3,182,223	\$	3,190,223
697	725-670	Submerged Lands	\$	542,011	\$	542,011
TOTAL GSF General Services Fund Group			\$	25,182,409	\$	24,902,478
Federal Special Revenue Fund Group						
3B3	725-640	Federal Forest Pass-Thru	\$	150,000	\$	150,000
3B4	725-641	Federal Flood Pass-Thru	\$	350,000	\$	350,000
3B5	725-645	Federal Abandoned Mine Lands	\$	14,310,497	\$	14,307,666
3B6	725-653	Federal Land and Water Conservation Grants	\$	5,000,000	\$	5,000,000
3B7	725-654	Reclamation - Regulatory	\$	2,107,292	\$	2,107,291
3P0	725-630	Natural Areas and Preserves - Federal	\$	315,000	\$	315,000
3P1	725-632	Geological Survey - Federal	\$	479,651	\$	479,651
3P2	725-642	Oil and Gas-Federal	\$	362,933	\$	367,912
3P3	725-650	Coastal Management - Federal	\$	1,592,923	\$	1,607,686
3P4	725-660	Water - Federal	\$	419,766	\$	420,525
3R5	725-673	Acid Mine Drainage Abatement/Treatment	\$	2,225,000	\$	2,225,000
3Z5	725-657	REALM-Federal	\$	1,578,871	\$	1,578,871
328	725-603	Forestry Federal	\$	1,813,827	\$	2,228,081
332	725-669	Federal Mine Safety Grant	\$	258,102	\$	258,102
TOTAL FED Federal Special Revenue Fund Group			\$	30,963,862	\$	31,395,785
State Special Revenue Fund Group						
4J2	725-628	Injection Well Review	\$	93,957	\$	79,957
4M7	725-631	Wildfire Suppression	\$	100,000	\$	100,000
4U6	725-668	Scenic Rivers Protection	\$	407,100	\$	407,100
<u>5BV</u>	<u>725-683</u>	<u>Soil and Water Districts</u>	<u>\$</u>	<u>1,850,000</u>	<u>\$</u>	<u>1,850,000</u>
5B3	725-674	Mining Regulation	\$	28,850	\$	28,850
5BV	725-683	Soil and Water Districts	\$	1,850,000	\$	1,850,000
5P2	725-634	Wildlife Boater Angler Administration	\$	4,200,000	\$	3,500,000
509	725-602	State Forest	\$	2,291,664	\$	2,591,664
511	725-646	Ohio Geological Mapping	\$	549,310	\$	549,310
512	725-605	State Parks Operations	\$	26,814,288	\$	26,814,288
512	725-680	Parks Facilities Maintenance	\$	2,576,240	\$	2,576,240
514	725-606	Lake Erie Shoreline	\$	612,075	\$	657,113
518	725-643	Oil and Gas Permit Fees	\$	2,674,377	\$	2,674,378
518	725-677	Oil and Gas Well Plugging	\$	1,200,000	\$	1,200,000
521	725-627	Off-Road Vehicle Trails	\$	143,490	\$	143,490
522	725-656	Natural Areas Checkoff Funds	\$	1,550,670	\$	1,550,670
526	725-610	Strip Mining Administration Fee	\$	1,932,492	\$	1,932,492
527	725-637	Surface Mining Administration	\$	2,312,815	\$	2,322,702

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529	725-639	Unreclaimed Land Fund	\$	623,356	\$	631,257
531	725-648	Reclamation Forfeiture	\$	2,061,861	\$	2,062,237
532	725-644	Litter Control and Recycling	\$	7,100,000	\$	7,100,000
586	725-633	Scrap Tire Program	\$	1,000,000	\$	1,000,000
615	725-661	Dam Safety	\$	365,223	\$	365,223
TOTAL SSR State Special Revenue Fund Group			\$	60,487,768	\$	60,136,971
Clean Ohio Fund Group						
061	725-405	Clean Ohio Operating	\$	155,000	\$	155,000
TOTAL CLF Clean Ohio Fund Group			\$	155,000	\$	155,000
Wildlife Fund Group						
015	740-401	Division of Wildlife Conservation	\$	49,447,500	\$	50,447,500
815	725-636	Cooperative Management Projects	\$	120,449	\$	120,449
816	725-649	Wetlands Habitat	\$	966,885	\$	966,885
817	725-655	Wildlife Conservation Checkoff Fund	\$	5,000,000	\$	5,000,000
818	725-629	Cooperative Fisheries Research	\$	1,500,000	\$	1,500,000
819	725-685	Ohio River Management	\$	128,584	\$	128,584
TOTAL WLF Wildlife Fund Group			\$	57,163,418	\$	58,163,418
Waterways Safety Fund Group						
086	725-414	Waterways Improvement	\$	3,792,343	\$	3,792,343
086	725-418	Buoy Placement	\$	52,182	\$	52,182
086	725-501	Waterway Safety Grants	\$	137,867	\$	137,867
086	725-506	Watercraft Marine Patrol	\$	576,153	\$	576,153
086	725-513	Watercraft Educational Grants	\$	366,643	\$	366,643
086	739-401	Division of Watercraft	\$	20,027,909	\$	20,086,681
5AW	725-682	Watercraft Revolving Loans	\$	3,000,000	\$	1,000,000
TOTAL WSF Waterways Safety Fund Group			\$	27,953,097	\$	26,011,869
Holding Account Redistribution Fund Group						
R17	725-659	Performance Cash Bond Refunds	\$	374,263	\$	374,263
R43	725-624	Forestry	\$	2,500,000	\$	1,500,000
TOTAL 090 Holding Account Redistribution Fund Group			\$	2,874,263	\$	1,874,263
Accrued Leave Liability Fund Group						
4M8	725-675	FOP Contract	\$	20,844	\$	20,844
TOTAL ALF Accrued Leave Liability Fund Group			\$	20,844	\$	20,844
TOTAL ALL BUDGET FUND GROUPS			\$	331,086,195	\$	331,719,662
				<u>331,401,195</u>		<u>332,084,662</u>

Sec. 209.18.09. WILDLIFE LICENSE REIMBURSEMENT

Notwithstanding the limits of the transfer from the General Revenue Fund to the Wildlife Fund, as adopted in section 1533.15 of the Revised Code, up to the amount available in appropriation item 725-425, Wildlife License Reimbursement, may be transferred from the General Revenue Fund to the Wildlife Fund (Fund 015). Pursuant to the certification of the

Director of Budget and Management of the amount of foregone revenue in accordance with section 1533.15 of the Revised Code, the foregoing appropriation item in the General Revenue Fund, appropriation item 725-425, Wildlife License Reimbursement, shall be used to reimburse the Wildlife Fund (Fund 015) for the cost of hunting and fishing licenses and permits issued after June 30, 1990, to individuals who are exempted under the Revised Code from license, permit, and stamp fees.

CANAL LANDS

The foregoing appropriation item 725-456, Canal Lands, shall be used to transfer funds to the Canal Lands Fund (Fund 430) to provide operating expenses for the State Canal Lands Program. The transfer shall be made using an intrastate transfer voucher and shall be subject to the approval of the Director of Budget and Management.

SOIL AND WATER DISTRICTS

In addition to state payments to soil and water conservation districts authorized by section 1515.10 of the Revised Code, the Department of Natural Resources may pay to any soil and water conservation district, from authority in appropriation item 725-502, Soil and Water Districts, an annual amount not to exceed \$30,000, upon receipt of a request and justification from the district and approval by the Ohio Soil and Water Conservation Commission. The county auditor shall credit the payments to the special fund established under section 1515.10 of the Revised Code for the local soil and water conservation district. Moneys received by each district shall be expended for the purposes of the district. The foregoing appropriation item 725-683, Soil and Water Districts, shall be expended for the purposes described above, except that the funding source for this appropriation shall be a fee applied on the disposal of construction and demolition debris as provided in section 1515.14 of the Revised Code, as amended by ~~this act~~ Am. Sub. H.B. 66 of the 126th General Assembly.

Of the foregoing appropriation item 725-502, Soil and Water Districts, \$25,000 in each fiscal year shall be used for the Conservation Action Project.

Of the foregoing appropriation item, 725-683, Soil and Water Districts, \$200,000 in each fiscal year shall be used to support the Heidelberg College Water Quality Laboratory.

Of the foregoing appropriation item 725-683, Soil and Water Districts, \$100,000 in each fiscal year shall be used to support the Muskingum Watershed Conservancy District.

Of the foregoing appropriation item 725-683, Soil and Water Districts, \$100,000 in each fiscal year shall be used to support the Indian Lake

Watershed in Logan County.

DIVISION OF WATER

Of the foregoing appropriation item 733-321, Division of Water, \$50,000 in fiscal year 2006 shall be used for the Fairport Harbor Port Authority boat launch in Lake County.

FUND CONSOLIDATION

The Director of Budget and Management shall transfer an amount certified by the Director of Natural Resources from the Central Support Indirect Fund (Fund 157) to the Law Enforcement Administration Fund (Fund 223) and the Information Services Fund (Fund 204) to implement a direct cost recovery plan.

STATE PARK DEPRECIATION RESERVE

The foregoing appropriation item 725-680, Parks Facilities Maintenance, shall be used by the Division of Parks and Recreation to maintain state park revenue producing facilities in the best economic operating condition and to repair and replace equipment used in the operation of state park revenue producing facilities.

Upon certification of the Director of Natural Resources, the Director of Budget and Management shall transfer the cash balance in the Depreciation Reserve Fund (Fund 161), which is abolished in section 1541.221 of the Revised Code, as amended by ~~this act~~ Am. Sub. H.B. 66 of the 126th General Assembly, to the State Park Fund (Fund 512), which is created in section 1541.22 of the Revised Code. All outstanding encumbrances shall be ~~cancelled~~ canceled on October 1, 2005.

OIL AND GAS WELL PLUGGING

The foregoing appropriation item 725-677, Oil and Gas Well Plugging, shall be used exclusively for the purposes of plugging wells and to properly restore the land surface of idle and orphan oil and gas wells pursuant to section 1509.071 of the Revised Code. No funds from the appropriation item shall be used for salaries, maintenance, equipment, or other administrative purposes, except for those costs directly attributed to the plugging of an idle or orphan well. Appropriation authority from this appropriation item shall not be transferred to any other fund or line item.

LITTER CONTROL AND RECYCLING

Of the foregoing appropriation item, 725-644, Litter Control and Recycling, not more than \$1,500,000 may be used in each fiscal year for the administration of the Recycling and Litter Prevention program.

CLEAN OHIO OPERATING EXPENSES

The foregoing appropriation item 725-405, Clean Ohio Operating, shall be used by the Department of Natural Resources in administering section

1519.05 of the Revised Code.

WATERCRAFT MARINE PATROL

Of the foregoing appropriation item 739-401, Division of Watercraft, not more than \$200,000 in each fiscal year shall be expended for the purchase of equipment for marine patrols qualifying for funding from the Department of Natural Resources pursuant to section 1547.67 of the Revised Code. Proposals for equipment shall accompany the submission of documentation for receipt of a marine patrol subsidy pursuant to section 1547.67 of the Revised Code and shall be loaned to eligible marine patrols pursuant to a cooperative agreement between the Department of Natural Resources and the eligible marine patrol.

WATERCRAFT REVOLVING LOAN PROGRAM

Upon certification by the Director of Natural Resources, the Director of Budget and Management shall transfer an amount not to exceed \$3,000,000 in fiscal year 2006 and not to exceed \$1,000,000 in fiscal year 2007 so certified from the Waterways Safety Fund (Fund 086) to the Watercraft Revolving Loans Fund (Fund 5AW). The moneys shall be used pursuant to section 1547.721 of the Revised Code.

PARKS CAPITAL EXPENSES FUND

There is hereby created in the state treasury the Parks Capital Expenses Fund (Fund 227). The fund shall be used to pay for design, engineering, and planning costs incurred by the Department of Natural Resources for capital parks projects.

The Director of Natural Resources shall submit to the Director of Budget and Management the estimated design, engineering, and planning costs of capital-related work to be done by Department of Natural Resources staff for parks projects. If the Director of Budget and Management approves the estimated costs, the Director may release appropriations from appropriation item 725-406, Parks Projects Personnel, for those purposes. Upon release of the appropriations, the Department of Natural Resources shall pay for these expenses from the Parks Capital Expenses Fund (Fund 227). Expenses paid from Fund 227 shall be reimbursed by the Parks and Recreation Improvement Fund (Fund 035) using an intrastate transfer voucher. In fiscal year 2006 the Director of Budget and Management shall transfer, using an intrastate transfer voucher, \$20,000 from the Parks and Recreation Improvement Fund (Fund 035) to the Parks Capital Expenses Fund (Fund 227).

Sec. 209.24. **PYT OCCUPATIONAL THERAPY, PHYSICAL THERAPY, AND ATHLETIC TRAINERS BOARD**
General Services Fund Group

4K9 890-609	Operating Expenses	\$	824,057	\$	0	<u>836,529</u>
TOTAL GSF General Services Fund Group		\$	824,057	\$	0	<u>836,529</u>
TOTAL ALL BUDGET FUND GROUPS		\$	824,057	\$	0	<u>836,529</u>

Sec. 209.30. ODB OHIO OPTICAL DISPENSERS BOARD**General Services Fund Group**

4K9 894-609	Operating Expenses	\$	316,517	\$	0	<u>312,656</u>
TOTAL GSF General Services Fund Group		\$	316,517	\$	0	<u>312,656</u>
TOTAL ALL BUDGET FUND GROUPS		\$	316,517	\$	0	<u>312,656</u>

Sec. 209.33. OPT STATE BOARD OF OPTOMETRY**General Services Fund Group**

4K9 885-609	Operating Expenses	\$	336,771	\$	0	<u>336,771</u>
TOTAL GSF General Services Fund Group		\$	336,771	\$	0	<u>336,771</u>
TOTAL ALL BUDGET FUND GROUPS		\$	336,771	\$	0	<u>336,771</u>

Sec. 209.36. OPP STATE BOARD OF ORTHOTICS, PROSTHETICS, AND PEDORTHICS**General Services Fund Group**

4K9973-609	Operating Expenses	\$	99,571	\$	0	<u>106,035</u>
TOTAL GSF General Services Fund Group		\$	99,571	\$	0	<u>106,035</u>
TOTAL ALL BUDGET FUND GROUPS		\$	99,571	\$	0	<u>106,035</u>

Sec. 209.45. PSY STATE BOARD OF PSYCHOLOGY**General Services Fund Group**

4K9 882-609	Operating Expenses	\$	566,112	\$	0	<u>586,565</u>
TOTAL GSF General Services Fund Group		\$	566,112	\$	0	<u>586,565</u>
TOTAL ALL BUDGET FUND GROUPS		\$	566,112	\$	0	<u>586,565</u>

Sec. 209.63. BOR BOARD OF REGENTS**General Revenue Fund**

GRF 235-321	Operating Expenses	\$	2,897,659	\$	2,966,351
GRF 235-401	Lease Rental Payments	\$	200,619,200	\$	200,795,300
GRF 235-402	Sea Grants	\$	231,925	\$	231,925
GRF 235-406	Articulation and Transfer	\$	2,900,000	\$	2,900,000
GRF 235-408	Midwest Higher Education Compact	\$	90,000	\$	90,000
GRF 235-409	Information System	\$	1,146,510	\$	1,175,172
GRF 235-414	State Grants and Scholarship Administration	\$	1,352,811	\$	1,382,881
GRF 235-415	Jobs Challenge	\$	9,348,300	\$	9,348,300
GRF 235-417	Ohio Learning Network	\$	3,119,496	\$	3,119,496
GRF 235-418	Access Challenge	\$	73,513,302	\$	73,004,671
GRF 235-420	Success Challenge	\$	52,601,934	\$	52,601,934
GRF 235-428	Appalachian New Economy Partnership	\$	1,176,068	\$	1,176,068
GRF 235-433	Economic Growth Challenge	\$	20,343,097	\$	23,186,194
GRF 235-434	College Readiness and Access	\$	6,375,975	\$	7,655,425
GRF 235-435	Teacher Improvement	\$	2,697,506	\$	2,697,506

	Initiatives			
GRF 235-451	Eminent Scholars	\$	0	\$ 1,370,988
GRF 235-455	EnterpriseOhio Network	\$	1,373,941	\$ 1,373,941
GRF 235-474	Area Health Education Centers Program Support	\$	1,571,756	\$ 1,571,756
GRF 235-501	State Share of Instruction	\$	1,559,096,031	\$ 1,589,096,031
GRF 235-502	Student Support Services	\$	795,790	\$ 795,790
GRF 235-503	Ohio Instructional Grants	\$	121,151,870	\$ 92,496,969
GRF 235-504	War Orphans Scholarships	\$	4,672,321	\$ 4,672,321
GRF 235-507	OhioLINK	\$	6,887,824	\$ 6,887,824
GRF 235-508	Air Force Institute of Technology	\$	1,925,345	\$ 1,925,345
GRF 235-510	Ohio Supercomputer Center	\$	4,271,195	\$ 4,271,195
GRF 235-511	Cooperative Extension Service	\$	25,644,863	\$ 25,644,863
GRF 235-513	Ohio University Voinovich Center	\$	336,082	\$ 336,082
GRF 235-515	Case Western Reserve University School of Medicine	\$	3,011,271	\$ 3,011,271
GRF 235-518	Capitol Scholarship Program	\$	125,000	\$ 125,000
GRF 235-519	Family Practice	\$	4,548,470	\$ 4,548,470
GRF 235-520	Shawnee State Supplement	\$	1,918,830	\$ 1,822,889
GRF 235-521	The Ohio State University Glenn Institute	\$	286,082	\$ 286,082
GRF 235-524	Police and Fire Protection	\$	171,959	\$ 171,959
GRF 235-525	Geriatric Medicine	\$	750,110	\$ 750,110
GRF 235-526	Primary Care Residencies	\$	2,245,688	\$ 2,245,688
GRF 235-527	Ohio Aerospace Institute	\$	1,764,957	\$ 1,764,957
GRF 235-530	Academic Scholarships	\$	7,800,000	\$ 7,800,000
GRF 235-531	Student Choice Grants	\$	50,853,276	\$ 52,985,376
GRF 235-534	Student Workforce	\$	2,137,500	\$ 2,137,500
	Development Grants			
GRF 235-535	Ohio Agricultural Research and Development Center	\$	35,955,188	\$ 35,955,188
GRF 235-536	The Ohio State University Clinical Teaching	\$	13,565,885	\$ 13,565,885
GRF 235-537	University of Cincinnati Clinical Teaching	\$	11,157,756	\$ 11,157,756
GRF 235-538	Medical University of Ohio at Toledo Clinical Teaching	\$	8,696,866	\$ 8,696,866
GRF 235-539	Wright State University Clinical Teaching		4,225,107	\$ 4,225,107
GRF 235-540	Ohio University Clinical Teaching	\$	4,084,540	\$ 4,084,540
GRF 235-541	Northeastern Ohio Universities College of Medicine Clinical Teaching	\$	4,200,945	\$ 4,200,945
GRF 235-543	Ohio College of Podiatric Medicine Clinic Subsidy	\$	250,000	\$ 250,000
GRF 235-547	School of International Business	\$	450,000	\$ 450,000
GRF 235-549	Part-time Student Instructional Grants	\$	14,457,721	\$ 10,534,617

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GRF 235-552	Capital Component	\$	19,058,863	\$	19,058,863
			<u>19,059,866</u>		<u>19,059,866</u>
GRF 235-553	Dayton Area Graduate Studies Institute	\$	2,806,599	\$	2,806,599
GRF 235-554	Priorities in Collaborative Graduate Education	\$	2,355,548	\$	2,355,548
GRF 235-555	Library Depositories	\$	1,696,458	\$	1,696,458
GRF 235-556	Ohio Academic Resources Network	\$	3,727,223	\$	3,727,223
GRF 235-558	Long-term Care Research	\$	211,047	\$	211,047
GRF 235-561	Bowling Green State University Canadian Studies Center	\$	100,015	\$	100,015
GRF 235-563	Ohio College Opportunity Grant	\$	0	\$	58,144,139
GRF 235-572	The Ohio State University Clinic Support	\$	1,277,019	\$	1,277,019
GRF 235-583	Urban University Program	\$	4,992,937	\$	4,992,937
GRF 235-587	Rural University Projects	\$	1,147,889	\$	1,147,889
GRF 235-596	Hazardous Materials Program	\$	360,435	\$	360,435
GRF 235-599	National Guard Scholarship Program	\$	15,128,472	\$	16,611,063
GRF 235-909	Higher Education General Obligation Debt Service	\$	137,600,300	\$	152,114,100
TOTAL GRF General Revenue Fund		\$	2,469,260,757	\$	2,548,147,869
			<u>2,469,261,760</u>		<u>2,548,148,872</u>
General Services Fund Group					
220 235-614	Program Approval and Reauthorization	\$	400,000	\$	400,000
456 235-603	Sales and Services	\$	700,000	\$	900,000
TOTAL GSF General Services Fund Group		\$	1,100,000	\$	1,300,000
Federal Special Revenue Fund Group					
3H2 235-608	Human Services Project	\$	1,500,000	\$	1,500,000
3H2 235-622	Medical Collaboration Network	\$	3,346,143	\$	3,346,143
3N6 235-605	State Student Incentive Grants	\$	2,196,680	\$	2,196,680
3T0 235-610	National Health Service Corps - Ohio Loan Repayment	\$	150,001	\$	150,001
312 235-609	Tech Prep	\$	183,850	\$	183,850
312 235-611	Gear-up Grant	\$	1,370,691	\$	1,370,691
312 235-612	Carl D. Perkins Grant/Plan Administration	\$	112,960	\$	112,960
312 235-615	Professional Development	\$	523,129	\$	523,129
312 235-617	Improving Teacher Quality Grant	\$	2,900,000	\$	2,900,000
312 235-619	Ohio Supercomputer Center	\$	6,000,000	\$	6,000,000
312 235-621	Science Education Network	\$	1,686,970	\$	1,686,970
312 235-631	Federal Grants	\$	250,590	\$	250,590
TOTAL FED Federal Special Revenue Fund Group		\$	20,221,014	\$	20,221,014
State Special Revenue Fund Group					
4E8 235-602	Higher Educational Facility	\$	55,000	\$	55,000

		Commission Administration				
4P4	235-604	Physician Loan Repayment	\$	476,870	\$	476,870
649	235-607	The Ohio State University Highway/Transportation Research	\$	760,000	\$	760,000
682	235-606	Nursing Loan Program	\$	893,000	\$	893,000
		TOTAL SSR State Special Revenue Fund Group		2,184,870		2,184,870
		TOTAL ALL BUDGET FUND GROUPS	\$	<u>2,492,766,644</u>	\$	<u>2,571,853,753</u>
				<u>2,492,767,644</u>		<u>2,571,854,756</u>

Sec. 209.63.42. COLLEGE READINESS AND ACCESS

Appropriation item 235-434, College Readiness and Access, shall be used by the Board of Regents to support programs designed to improve the academic preparation and increase the number of students that enroll and succeed in higher education such as the Ohio College Access Network, the state match for the federal Gaining Early Awareness and Readiness for Undergraduate Program, and early awareness initiatives. The appropriation item shall also be used to support innovative statewide strategies to increase student access and retention for specialized populations, and to provide for pilot projects that will contribute to improving access to higher education by specialized populations. The funds may be used for projects that improve access for nonpublic secondary students.

Of the foregoing appropriation item 235-434, College Readiness and Access, \$798,684 in fiscal year 2006 and \$822,645 in fiscal year 2007 shall be distributed to the Ohio Appalachian Center for Higher Education at Shawnee State University. The board of directors of the Center shall consist of the presidents of Shawnee State University, ~~Ohio University~~, Belmont Technical College, Hocking College, Jefferson Community College, Zane State College, Rio Grande Community College, Southern State Community College, and Washington State Community College; the president of Ohio University or a designee of the president; the dean of one of the Salem, Tuscarawas, and East Liverpool regional campuses of Kent State University, as designated by the president of Kent State University; and a representative of the Board of Regents designated by the Chancellor.

Of the foregoing appropriation item 235-434, College Readiness and Access, \$169,553 in fiscal year 2006 and \$174,640 in fiscal year 2007 shall be distributed to Miami University for the Student Achievement in Research and Scholarship (STARS) Program.

Of the foregoing appropriation item 235-434, College Readiness and Access, \$1,574,535 in fiscal year 2006 and \$2,753,985 in fiscal year 2007 shall be used in conjunction with funding provided in the Ohio Department of Education budget under appropriation item 200-431, School Improvement Initiatives, to support the Early College High School Pilot

Program. The funds shall be distributed according to guidelines established by the Department of Education and the Board of Regents.

Sec. 209.64.60. RURAL UNIVERSITY PROJECTS

Of the foregoing appropriation item 235-587, Rural University Projects, Bowling Green State University shall receive \$263,783 in each fiscal year, Miami University shall receive \$245,320 in each fiscal year, and Ohio University shall receive \$575,015 in each fiscal year. These funds shall be used to support the Institute for Local Government Administration and Rural Development at Ohio University, the Center for Public Management and Regional Affairs at Miami University, and the Center for ~~Policy Analysis and Public Service~~ Regional Development at Bowling Green State University.

A small portion of the funds provided to Ohio University shall also be used for the Institute for Local Government Administration and Rural Development State and Rural Policy Partnership with the Governor's Office of Appalachia and the Appalachian delegation of the General Assembly.

Of the foregoing appropriation item 235-587, Rural University Projects, \$15,942 in each fiscal year shall be used to support the Washington State Community College day care center.

Of the foregoing appropriation item 235-587, Rural University Projects, \$47,829 in each fiscal year shall be used to support the COAD/ILGARD/GOA Appalachian Leadership Initiative.

Sec. 209.72. RSC REHABILITATION SERVICES COMMISSION

General Revenue Fund

GRF 415-100	Personal Services	\$	8,851,468	\$	8,851,468
GRF 415-402	Independent Living Council	\$	12,280	\$	12,280 400,000
GRF 415-403	Mental Health Services	\$	717,221	\$	717,221
GRF 415-404	MR/DD Services	\$	1,260,816	\$	1,260,816
GRF 415-405	Vocational Rehabilitation/Job and Family Services	\$	536,912	\$	536,912
GRF 415-406	Assistive Technology	\$	47,531	\$	47,531
GRF 415-431	Office for People with Brain Injury	\$	226,012	\$	226,012
GRF 415-506	Services for People with Disabilities	\$	12,185,215	\$	12,185,215
GRF 415-508	Services for the Deaf	\$	50,000	\$	50,000
GRF 415-509	Services for the Elderly	\$	359,377	\$	359,377
GRF 415-520	Independent Living Services	\$	50,000	\$	50,000
TOTAL GRF General Revenue Fund		\$	24,296,832	\$	24,296,832 24,684,552

General Services Fund Group

4W5 415-606	Program Management Expenses	\$	18,557,040	\$	18,557,040
467 415-609	Business Enterprise Operating Expenses	\$	1,632,082	\$	1,632,082
TOTAL GSF General Services					

Fund Group		\$	20,189,122	\$	20,189,122
Federal Special Revenue Fund Group					
3L1 415-601	Social Security Personal Care Assistance	\$	3,743,740	\$	3,743,740
3L1 415-605	Social Security Community Centers for the Deaf	\$	1,100,488	\$	1,100,488
3L1 415-607	Social Security Administration Cost	\$	175,860	\$	175,860
3L1 415-608	Social Security Special Programs/Assistance	\$	2,246,991	\$	131,716
3L1 415-610	Social Security Vocational Rehabilitation	\$	1,336,324	\$	1,338,324
3L1 415-614	Social Security Independent Living	\$	154,942	\$	0
3L4 415-612	Federal Independent Living Centers or Services	\$	894,662	\$	686,520
3L4 415-615	Federal - Supported Employment	\$	1,338,191	\$	1,338,191
3L4 415-617	Independent Living/Vocational Rehabilitation Programs	\$	1,508,885	\$	1,608,885
317 415-620	Disability Determination	\$	82,870,347	\$	87,999,369
379 415-616	Federal - Vocational Rehabilitation	\$	123,565,158	\$	119,998,470
TOTAL FED Federal Special Revenue Fund Group					
		\$	218,935,588	\$	218,121,563
State Special Revenue Fund Group					
4L1 415-619	Services for Rehabilitation	\$	4,500,000	\$	4,500,000
468 415-618	Third Party Funding	\$	1,055,407	\$	1,105,407
TOTAL SSR State Special Revenue Fund Group					
		\$	5,555,407	\$	5,605,407
TOTAL ALL BUDGET FUND GROUPS					
		\$	268,976,949	\$	<u>268,212,924</u>
					<u>268,600,644</u>

INDEPENDENT LIVING COUNCIL

The foregoing appropriation item 415-402, Independent Living Council, shall be used to fund the operations of the State Independent Living Council.

MENTAL HEALTH SERVICES

The foregoing appropriation item 415-403, Mental Health Services, shall be used for the provision of vocational rehabilitation services to mutually eligible consumers of the Rehabilitation Services Commission and the Department of Mental Health.

The Rehabilitation Services Commission shall provide the Department of Mental Health a quarterly report stating the numbers served, numbers placed in employment, average hourly wage, and average hours worked.

MR/DD SERVICES

The foregoing appropriation item 415-404, MR/DD Services, shall be used as state matching funds to provide vocational rehabilitation services to mutually eligible clients between the Rehabilitation Services Commission

and the Department of Mental Retardation and Developmental Disabilities. The Rehabilitation Services Commission shall report to the Department of Mental Retardation and Developmental Disabilities, as outlined in an interagency agreement, on the number and status of mutually eligible clients and the status of the funds and expenditures for these clients.

VOCATIONAL REHABILITATION/JOB AND FAMILY SERVICES

The foregoing appropriation item 415-405, Vocational Rehabilitation/Job and Family Services, shall be used as state matching funds to provide vocational rehabilitation services to mutually eligible clients between the Rehabilitation Services Commission and the Department of Job and Family Services. The Rehabilitation Services Commission shall report to the Department of Job and Family Services, as outlined in an interagency agreement, on the number and status of mutually eligible clients and the status of the funds and expenditures for these clients.

ASSISTIVE TECHNOLOGY

The foregoing appropriation item 415-406, Assistive Technology, shall be provided to Assistive Technology of Ohio and shall be used only to provide grants under that program. No amount of the appropriation may be used for administrative costs.

OFFICE FOR PEOPLE WITH BRAIN INJURY

Of the foregoing appropriation item 415-431, Office for People with Brain Injury, up to \$50,000 in each fiscal year shall be used for the state match for a federal grant awarded through the Traumatic Brain Injury Act, Pub. L. No. 104-166, and up to \$50,000 in each fiscal year shall be provided to the Brain Injury Trust Fund. The remaining appropriation shall be used to plan and coordinate head-injury-related services provided by state agencies and other government or private entities, to assess the needs for such services, and to set priorities in this area.

SERVICES FOR THE DEAF

The foregoing appropriation item 415-508, Services for the Deaf, shall be used to supplement Social Security reimbursement funds used to provide grants to community centers for the deaf. These funds shall not be used in lieu of Social Security reimbursement funds.

SERVICES FOR THE ELDERLY

The foregoing appropriation item 415-509, Services for the Elderly, shall be used as matching funds for vocational rehabilitation services for eligible elderly citizens with a disability.

INDEPENDENT LIVING SERVICES

The foregoing appropriation items 415-520, Independent Living Services, and 415-612, Federal - Independent Living Centers or Services,

shall be used to support state independent living centers or independent living services under Title VII of the Independent Living Services and Centers for Independent Living of the Rehabilitation Act Amendments of 1992, 106 Stat. 4344, 29 U.S.C. 796d.

PROGRAM MANAGEMENT EXPENSES

The foregoing appropriation item 415-606, Program Management Expenses, shall be used to support the administrative functions of the commission related to the provision of vocational rehabilitation, disability determination services, and ancillary programs.

INDEPENDENT LIVING/VOCATIONAL REHABILITATION PROGRAMS

The foregoing appropriation item 415-617, Independent Living/Vocational Rehabilitation Programs, shall be used to support vocational rehabilitation programs, including, but not limited to, high tech high schools, training, and brain injury grants.

SOCIAL SECURITY REIMBURSEMENT FUNDS

Reimbursement funds received from the Social Security Administration, United States Department of Health and Human Services, for the costs of providing services and training to return disability recipients to gainful employment shall be used in the Social Security Reimbursement Fund (Fund 3L1), as follows:

(A) Appropriation item 415-601, Social Security Personal Care Assistance, to provide personal care services in accordance with section 3304.41 of the Revised Code;

(B) Appropriation item 415-605, Social Security Community Centers for the Deaf, to provide grants to community centers for the deaf in Ohio for services to individuals with hearing impairments;

(C) Appropriation item 415-607, Social Security Administration Cost, to provide administrative services needed to administer the Social Security reimbursement program;

(D) Appropriation item 415-608, Social Security Special Programs/Assistance, to provide vocational rehabilitation services to individuals with severe disabilities who are Social Security beneficiaries, to enable them to achieve competitive employment. This appropriation item also includes funds to assist the Personal Care Assistance, Community Centers for the Deaf, and Independent Living Programs to pay their share of indirect costs as mandated by federal OMB Circular A-87.

(E) Appropriation item 415-610, Social Security Vocational Rehabilitation, to provide vocational rehabilitation services to older blind individuals with severe disabilities to enable them to achieve a

noncompetitive employment goal.

PILOT PROGRAM FOR VOCATIONAL REHABILITATION

During fiscal years 2006 and 2007, the Rehabilitation Services Commission may conduct a pilot program to provide vocational rehabilitation and related services to entities, employers, or individuals that are not eligible for state- or federally-supported services through the commission. The commission shall propose fees to be collected from the entities, employers, or individuals served by the pilot program to support the costs for vocational rehabilitation and related services provided under the pilot program. Fee revenues collected under the program shall be credited to Fund 468 (Third Party Funding). During implementation of the pilot program, the Rehabilitation Services Commission shall investigate and determine the possibility of utilizing this source of revenue to match federal funds. The Rehabilitation Services Commission shall evaluate the progress of the pilot program and issue a report of its findings to the Governor not later than December 15, 2007. The report shall include a recommendation to either continue or discontinue the pilot program in the next biennium.

Sec. 209.75. RCB RESPIRATORY CARE BOARD

General Services Fund Group

4K9 872-609 Operating Expenses	\$	441,987	\$	0	<u>450,520</u>
TOTAL GSF General Services					
Fund Group	\$	441,987	\$	0	<u>450,520</u>
TOTAL ALL BUDGET FUND GROUPS	\$	441,987	\$	0	<u>450,520</u>

Sec. 209.78.03. GENERAL REVENUE FUND TRANSFERS TO LOCAL GOVERNMENT PROPERTY TAX REPLACEMENT – BUSINESS (FUND 081)

Notwithstanding any provision of law to the contrary, in fiscal year 2006 and fiscal year 2007, the Director of Budget and Management shall may transfer \$4,290,000 in fiscal year 2006 and \$30,090,000 in fiscal year 2007 from the General Revenue Fund to appropriation item 110-900, the Local Government Property Tax Replacement – Business (Fund 081) in the Revenue Distribution Fund. The funds shall be used, those amounts necessary to reimburse local taxing units under section 5751.22 of the Revised Code. Also, in fiscal year 2006 and fiscal year 2007, the Director of Budget and Management may make temporary transfers from the General Revenue Fund to ensure sufficient balances in the Local Government Property Tax Replacement - Business Fund (Fund 081) and to replenish the General Revenue Fund for such transfers.

Sec. 209.81. SAN BOARD OF SANITARIAN REGISTRATION

General Services Fund Group

4K9 893-609 Operating Expenses	\$	134,279	\$	0	<u>138,551</u>
TOTAL GSF General Services					

Fund Group	\$	134,279	\$	<u>0 138,551</u>
TOTAL ALL BUDGET FUND GROUPS	\$	134,279	\$	<u>0 138,551</u>

Sec. 209.90.06. EXTREME ENVIRONMENTAL CONTAMINATION OF SCHOOL FACILITIES

Notwithstanding any other provision of law to the contrary, the School Facilities Commission may provide assistance under the Exceptional Needs School Facilities Program established in section 3318.37 of the Revised Code to any school district, and not exclusively to a school district in the lowest ~~fifty~~ seventy-five per cent of adjusted valuation per pupil on the current ranking of school districts established under section 3317.02 of the Revised Code, for the purpose of the relocation or replacement of school facilities required as a result of extreme environmental contamination.

The School Facilities Commission shall contract with an independent environmental consultant to conduct a study and to report to the commission as to the seriousness of the environmental contamination, whether the contamination violates applicable state and federal standards, and whether the facilities are no longer suitable for use as school facilities. The commission then shall make a determination regarding funding for the relocation or replacement of the school facilities. If the federal government or other public or private entity provides funds for restitution of costs incurred by the state or school district in the relocation or replacement of the school facilities, the school district shall use such funds in excess of the school district's share to refund the state for the state's contribution to the environmental contamination portion of the project. The school district may apply an amount of such restitution funds up to an amount equal to the school district's portion of the project, as defined by the commission, toward paying its portion of that project to reduce the amount of bonds the school district otherwise must issue to receive state assistance under sections 3318.01 to 3318.20 of the Revised Code.

Sec. 212.03. SPE BOARD OF SPEECH-LANGUAGE PATHOLOGY & AUDIOLOGY

General Services Fund Group

4K9 886-609 Operating Expenses	\$	408,864	\$	<u>0 415,000</u>
TOTAL GSF General Services Fund Group	\$	408,864	\$	<u>0 415,000</u>
TOTAL ALL BUDGET FUND GROUPS	\$	408,864	\$	<u>0 415,000</u>

Sec. 212.24. OVH OHIO VETERANS' HOME

General Revenue Fund

GRF 430-100 Personal Services	\$	20,629,914	\$	21,030,031
		<u>21,429,914</u>		<u>21,830,031</u>
GRF 430-200 Maintenance	\$	6,396,200	\$	6,396,200
		<u>7,246,200</u>		<u>7,246,200</u>
TOTAL GRF General Revenue Fund	\$	27,026,114	\$	27,426,231

			<u>28,676,114</u>		<u>29,076,231</u>
General Services Fund Group					
484	430-603	Rental and Service Revenue	\$ 882,737	\$	882,737
TOTAL GSF General Services Fund Group			\$ 882,737	\$	882,737
Federal Special Revenue Fund Group					
3L2	430-601	Federal VA Per Diem Grant	\$ 14,990,510	\$	15,290,320
TOTAL FED Federal Special Revenue Fund Group			\$ 14,990,510	\$	15,290,320
State Special Revenue Fund Group					
4E2	430-602	Veterans Home Operating	\$ 8,322,731	\$	8,530,800
604	430-604	Veterans Home Improvement	\$ 770,096	\$	770,096
TOTAL SSR State Special Revenue Fund Group			\$ 9,092,827	\$	9,300,896
TOTAL ALL BUDGET FUND GROUPS			\$ 51,992,188	\$	52,900,184
			<u>53,642,188</u>		<u>54,550,184</u>

Notwithstanding any other provision of law to the contrary, in fiscal year 2006 and in fiscal year 2007, the Director of Budget and Management may transfer cash from SSR Fund 604, Veterans Home Improvement Fund, to SSR Fund 4E2, Veterans Home Operating Fund. Any cash transfer described in this section shall be used in accordance with section 5907.131 of the Revised Code. The amount transferred by the Director is hereby appropriated to foregoing SSR appropriation item 430-602, Veterans Home Operating (Fund 4E2).

Within thirty days after the conclusion of each fiscal quarter, the Ohio Veterans' Home Agency shall submit a report on the status of the Agency's fiscal operations to the Governor, President of the Senate, Minority Leader of the Senate, Speaker of the House of Representatives, and Minority Leader of the House of Representatives.

Sec. 212.27. VET VETERANS' ORGANIZATIONS

General Revenue Fund

VAP AMERICAN EX-PRISONERS OF WAR					
GRF 743-501	State Support		\$ 25,030	\$	25,030
VAN ARMY AND NAVY UNION, USA, INC.					
GRF 746-501	State Support		\$ 55,012	\$	55,012
VKW KOREAN WAR VETERANS					
GRF 747-501	State Support		\$ 49,453	\$	49,453
VJW JEWISH WAR VETERANS					
GRF 748-501	State Support		\$ 29,715	\$	29,715
VCW CATHOLIC WAR VETERANS					
GRF 749-501	State Support		\$ 57,990	\$	57,990
VPH MILITARY ORDER OF THE PURPLE HEART					
GRF 750-501	State Support		\$ 56,377	\$	56,377
VVV VIETNAM VETERANS OF AMERICA					
GRF 751-501	State Support		\$ 185,954	\$	185,954
VAL AMERICAN LEGION OF OHIO					

GRF 752-501	State Support	\$	302,328	\$	302,328
VII AMVETS					
GRF 753-501	State Support	\$	287,919	\$	287,919
VAV DISABLED AMERICAN VETERANS					
GRF 754-501	State Support	\$	216,308	\$	216,308
VMC MARINE CORPS LEAGUE					
GRF 756-501	State Support	\$	115,972	\$	115,972
V37 37TH DIVISION AEF VETERANS' ASSOCIATION					
GRF 757-501	State Support	\$	5,946	\$	5,946
VFW VETERANS OF FOREIGN WARS					
GRF 758-501	State Support	\$	246,615	\$	246,615
TOTAL GRF General Revenue Fund		\$	1,634,619	\$	1,634,619
TOTAL ALL BUDGET FUND GROUPS		\$	1,634,619	\$	1,634,619

RELEASE OF FUNDS

The foregoing appropriation items 743-501, 746-501, 747-501, 748-501, 749-501, 750-501, 751-501, 752-501, 753-501, 754-501, 756-501, 757-501, and 758-501, State Support, shall be released upon approval by the Director of Budget and Management.

CENTRAL OHIO UNITED SERVICES ORGANIZATION

Of the foregoing appropriation item 751-501, State Support, Vietnam Veterans of America, \$50,000 in each fiscal year shall be used to support the activities of the Central Ohio USO.

VAL AMERICAN LEGION OF OHIO

Of the foregoing appropriation item 752-501, State Support, VAL American Legion, at least \$50,000 in each fiscal year shall be used to fund service officer expenses.

VETERANS SERVICE COMMISSION EDUCATION

Of the foregoing appropriation item 753-501, State Support, AMVETS, up to \$20,000 in each fiscal year may be used to provide moneys to the Association of County Veterans Service Commissioners to reimburse its member county veterans service commissions for costs incurred in carrying out educational and outreach duties required under divisions (E) and (F) of section 5901.03 of the Revised Code. ~~Additionally, at least \$50,000 shall be used in each fiscal year to fund service officer expenses.~~ The Director of Budget and Management shall release these funds upon the presentation of an itemized receipt, approved by the Governor's Office of Veterans Affairs, from the association for reasonable and appropriate expenses incurred while performing these duties. The association shall establish uniform procedures for reimbursing member commissions.

VII AMVETS

Of the foregoing appropriation item 753-501, State Support, AMVETS, at least \$50,000 shall be used in each fiscal year to fund service officer

expenses.

VAV DISABLED AMERICAN VETERANS

Of the foregoing appropriation item 754-501, State Support, VAV Disabled American Veterans, at least \$50,000 in each fiscal year shall be used to fund service officer expenses.

VMC MARINE CORPS LEAGUE

Of the foregoing appropriation item 756-501, State Support, VMC Marine Corps League, at least \$30,000 in each fiscal year shall be used to fund service officer expenses.

VFW VETERANS OF FOREIGN WARS

Of the foregoing appropriation item 758-501, State Support, VFW Veterans of Foreign Wars, at least \$50,000 in each fiscal year shall be used to fund service officer expenses.

Sec. 212.30. DVM STATE VETERINARY MEDICAL BOARD

General Services Fund Group

4K9 888-609	Operating Expenses	\$	293,691	\$	0	<u>307,000</u>
5BU 888-602	Veterinary Student Loan Program	\$	60,000	\$	0	<u>60,000</u>
TOTAL GSF General Services Fund Group		\$	353,691	\$	0	<u>367,000</u>
TOTAL ALL BUDGET FUND GROUPS		\$	353,691	\$	0	<u>367,000</u>

CASH TRANSFER TO VETERINARY STUDENT LOAN PROGRAM FUND (FUND 5BU)

On July 1, 2005, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$60,000 in cash from the Occupational Licensing and Regulatory Fund (Fund 4K9) to the Veterinary Student Loan Program Fund (Fund 5BU), which is hereby created. The amount of the transfer is hereby appropriated.

VETERINARY STUDENT LOAN PROGRAM

The foregoing appropriation item 888-602, Veterinary Student Loan Program, shall be used by the Veterinary Medical Licensing Board to implement a student loan repayment program for veterinary students focusing on large animal populations, public health, or regulatory veterinary medicine.

Sec. 212.33. DYS DEPARTMENT OF YOUTH SERVICES

General Revenue Fund

GRF 470-401	RECLAIM Ohio	\$	177,016,683	\$	182,084,588
GRF 470-412	Lease Rental Payments	\$	20,267,500	\$	21,882,700
GRF 470-510	Youth Services	\$	18,608,587	\$	18,608,587
GRF 472-321	Parole Operations	\$	14,358,995	\$	14,962,871
GRF 477-321	Administrative Operations	\$	14,239,494	\$	14,754,420
TOTAL GRF General Revenue Fund		\$	244,491,259	\$	252,293,166
General Services Fund Group					

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175	470-613	Education Reimbursement	\$	10,112,529	\$	9,450,598
4A2	470-602	Child Support	\$	320,641	\$	328,657
4G6	470-605	General Operational Funds	\$	10,000	\$	10,000
479	470-609	Employee Food Service	\$	141,466	\$	137,666
523	470-621	Wellness Program	\$	46,937	\$	0
6A5	470-616	Building Demolition	\$	31,100	\$	0
TOTAL GSF General Services						
Fund Group			\$	10,662,673	\$	9,926,921
Federal Special Revenue Fund Group						
3V5	470-604	Juvenile Justice/Delinquency Prevention	\$	4,254,745	\$	4,254,746
3W0	470-611	Federal Juvenile Programs FFY 02	\$	222,507	\$	0
3Z8	470-625	Federal Juvenile Programs FFY 04	\$	1,500,001	\$	773,812
3Z9	470-626	Federal Juvenile Programs FFY 05	\$	465,000	\$	0
321	470-601	Education	\$	1,422,580	\$	1,465,399
321	470-603	Juvenile Justice Prevention	\$	1,981,169	\$	2,006,505
321	470-606	Nutrition	\$	2,471,550	\$	2,470,655
321	470-614	Title IV-E Reimbursements	\$	4,960,589	\$	6,012,361
321	470-617	Americorps Programs	\$	456,000	\$	463,700
TOTAL FED Federal Special Revenue						
Fund Group			\$	17,734,141	\$	17,447,178
State Special Revenue Fund Group						
147	470-612	Vocational Education	\$	1,937,784	\$	2,009,866
4W3	470-618	Help Me Grow	\$	11,000	\$	11,000
5BH	470-628	Partnerships for Success	\$	1,500,000	\$	1,500,000
TOTAL SSR State Special Revenue						
Fund Group			\$	3,448,784	\$	3,520,866
TOTAL ALL BUDGET FUND GROUPS			\$	276,336,857	\$	283,188,131

RECLAIM OHIO

Of the foregoing appropriation item 470-401, RECLAIM Ohio, \$25,000 in each fiscal year shall be distributed directly to the Lighthouse Youth Services Wrap-Around Program.

OHIO BUILDING AUTHORITY LEASE PAYMENTS

The foregoing appropriation item 470-412, Lease Rental Payments, in the Department of Youth Services, shall be used for payments to the Ohio Building Authority for the period from July 1, 2005, to June 30, 2007, under the primary leases and agreements for facilities made under Chapter 152. of the Revised Code, but limited to the aggregate amount of \$42,150,200. This appropriation is the source of funds pledged for bond service charges on related obligations issued pursuant to Chapter 152. of the Revised Code.

EDUCATION REIMBURSEMENT

The foregoing appropriation item 470-613, Education Reimbursement, shall be used to fund the operating expenses of providing educational services to youth supervised by the Department of Youth Services. Operating expenses include, but are not limited to, teachers' salaries,

maintenance costs, and educational equipment. This appropriation item may be used for capital expenses related to the education program.

EMPLOYEE FOOD SERVICE AND EQUIPMENT

Notwithstanding section 125.14 of the Revised Code, the foregoing appropriation item 470-609, Employee Food Service, may be used to purchase any food operational items with funds received into the fund from reimbursement for state surplus property.

PARTNERSHIPS FOR SUCCESS

~~In fiscal year 2006, the~~ The foregoing appropriation item 470-628, Partnerships for Success, shall be used to support the Partnerships for Success Project. On or before January 1, ~~2007~~ 2008, the Director of Budget and Management shall transfer any amount of cash that remains unspent in the Partnerships for Success Fund (Fund 5BH) to the Children's Trust Fund (Fund 198).

FEDERAL JUVENILE JUSTICE PROGRAM TRANSFER FROM THE OFFICE OF CRIMINAL JUSTICE SERVICES TO THE DEPARTMENT OF YOUTH SERVICES

Any business relating to the funds associated with the Office of Criminal Justice Services' appropriation item 196-602, Criminal Justice Federal Programs, commenced but not completed by the Office of Criminal Justice Services or its director shall be completed by the Department of Youth Services or its director in the same manner, and with the same effect, as if completed by the Office of Criminal Justice Services or its director. No validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired by reason of the transfer and shall be administered by the Department of Youth Services.

Any action or proceeding against the Office of Criminal Justice Services pending on the effective date of this section shall not be affected by the transfer of responsibility to the Department of Youth Services, and shall be prosecuted or defended in the name of the Department of Youth Services or its director. In all such actions and proceedings, the Department of Youth Services or its director upon application of the court shall be substituted as party.

Sec. 557.12. ADJUSTMENT TO LOCAL GOVERNMENT DISTRIBUTIONS

(A) On or before the seventh day of each month of the period July 2005 through June 2007, the Tax Commissioner shall determine and certify to the Director of Budget and Management the amount to be credited, by tax, during that month to the Local Government Fund, to the Library and Local Government Support Fund, and to the Local Government Revenue

Assistance Fund, respectively, under divisions (B) to (G) of this section.

(B) Notwithstanding sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code to the contrary, for each month in the period July 1, 2005, through June 30, 2007, from the utility excise, kilowatt-hour, corporation franchise, sales and use, and personal income taxes collected:

(1) An amount shall first be credited to the Local Government Fund equal to the amount credited to that fund from that tax according to the schedule in divisions (C), (D), (E), and (F) of this section;

(2) An amount shall next be credited to the Local Government Revenue Assistance Fund equal to the amount credited to that fund from that tax according to the schedule in divisions (C), (D), (E), and (F) of this section;

(3) An amount shall next be credited to the Library and Local Government Support Fund equal to the amount credited to that fund from that tax according to the schedule in division (G) of this section.

To the extent the amounts credited under divisions (B) ~~through to~~ (G) of this section exceed the amounts that otherwise would have been credited under sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code, the amounts credited to the ~~general revenue fund~~ General Revenue Fund shall be reduced. To the extent the amounts credited under divisions (B) ~~through to~~ (G) of this section are less than the amounts that otherwise would have been credited under sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code, the amounts credited to the ~~general revenue fund~~ General Revenue Fund shall be increased. After the appropriate amounts are credited to funds under division (B) of this section, additional adjustments may be required in June 2006 and June 2007 pursuant to division (I) of this section.

(C) Pursuant to divisions (B)(1) and (2) of this section, the amounts shall be credited from the corporation franchise, sales and use, and personal income taxes to each respective fund as follows:

(1) In July 2005, one hundred per cent of the amount credited in July 2004; in July 2006, one hundred per cent of the amount credited in July 2005;

(2) In August 2005, one hundred per cent of the amount credited in August 2004; in August 2006, one hundred per cent of the amount credited in August 2005;

(3) In September 2005, one hundred per cent of the amount credited in September 2004; in September 2006, one hundred per cent of the amount credited in September 2005;

(4) In October 2005, one hundred per cent of the amount credited in

October 2004; in October 2006, one hundred per cent of the amount credited in October 2005;

(5) In November 2005, one hundred per cent of the amount credited in November 2004; in November 2006, one hundred per cent of the amount credited in November 2005;

(6) In December 2005, one hundred per cent of the amount credited in December 2004; in December 2006, one hundred per cent of the amount credited in December 2005;

(7) In January 2006, one hundred per cent of the amount credited in January 2005; in January 2007, one hundred per cent of the amount credited in January 2006;

(8) In February 2006, one hundred per cent of the amount credited in February 2005; in February 2007, one hundred per cent of the amount credited in February 2006;

(9) In March 2006, one hundred per cent of the amount credited in March 2005; in March 2007, one hundred per cent of the amount credited in March 2006;

(10) In April 2006, one hundred per cent of the amount credited in April 2005; in April 2007, one hundred per cent of the amount credited in April 2006;

(11) In May 2006, one hundred per cent of the amount credited in May 2005; in May 2007, one hundred per cent of the amount credited in May 2006;

(12) In June 2006, one hundred per cent of the amount credited in June 2005; in June 2007, one hundred per cent of the amount credited in June 2006.

(D) Pursuant to divisions (B)(1) and (2) of this section, from the public utility excise tax, amounts shall be credited to the Local Government Fund and the Local Government Revenue Assistance Fund as follows:

(1) In July 2005 and July 2006, no amount shall be credited to the Local Government Fund and no amount shall be credited to the Local Government Revenue Assistance Fund;

(2) In August 2005 and August 2006, no amount shall be credited to the Local Government Fund or to the Local Government Revenue Assistance Fund;

(3) In September 2005 and September 2006, no amount shall be credited to the Local Government Fund or to the Local Government Revenue Assistance Fund;

(4) In October 2005 and October 2006, thirty per cent of \$7,870,426.16 shall be credited to the Local Government Fund and thirty per cent of

\$1,124,346.59 shall be credited to the Local Government Revenue Assistance Fund;

(5) In November 2005 and November 2006, thirty per cent of \$1,045,731.11 shall be credited to the Local Government Fund and thirty per cent of \$149,390.15 shall be credited to the Local Government Revenue Assistance Fund;

(6) In December 2005 and December 2006, thirty per cent of \$1,210,041.67 shall be credited to the Local Government Fund and thirty per cent of \$172,863.13 shall be credited to the Local Government Revenue Assistance Fund;

(7) In January 2006 and January 2007, no amount shall be credited to the Local Government Fund or to the Local Government Revenue Assistance Fund;

(8) In February 2006 and February 2007, thirty per cent of \$1,515,069.22 shall be credited to the Local Government Fund and thirty per cent of \$216,438.43 shall be credited to the Local Government Revenue Assistance Fund;

(9) In March 2006 and March 2007, thirty per cent of \$7,859,958.57 shall be credited to the Local Government Fund and thirty per cent of \$1,122,851.24 shall be credited to the Local Government Revenue Assistance Fund;

(10) In April 2006 and April 2007, no amount shall be credited to the Local Government Fund or to the Local Government Revenue Assistance Fund;

(11) In May 2006 and May 2007, thirty per cent of \$3,300,718.22 shall be credited to the Local Government Fund and thirty per cent of \$471,531.17 shall be credited to the Local Government Revenue Assistance Fund;

(12) In June 2006 and June 2007, thirty per cent of \$9,344,500.89 shall be credited to the Local Government Fund and thirty per cent of \$1,334,928.70 shall be credited to the Local Government Revenue Assistance Fund.

(E) Pursuant to divisions (B)(1) and (2) of this section, from the kilowatt-hour tax, amounts shall be credited to the Local Government Fund and the Local Government Revenue Assistance Fund as follows:

(1) In July 2005 and July 2006, no amount shall be credited to the Local Government Fund and no amount shall be credited to the Local Government Revenue Assistance Fund;

(2) In August 2005 and August 2006, no amount shall be credited to the Local Government Fund or to the Local Government Revenue Assistance

Fund;

(3) In September 2005, and September 2006, no amount shall be credited to the Local Government Fund or to the Local Government Revenue Assistance Fund;

(4) In October 2005 and October 2006, seventy per cent of \$7,870,426.16 shall be credited to the Local Government Fund and seventy per cent of \$1,124,346.59 shall be credited to the Local Government Revenue Assistance Fund;

(5) In November 2005 and November 2006, seventy per cent of \$1,045,731.11 shall be credited to the Local Government Fund and seventy per cent of \$149,390.15 shall be credited to the Local Government Revenue Assistance Fund;

(6) In December 2005 and December 2006, seventy per cent of \$1,210,041.67 shall be credited to the Local Government Fund and seventy per cent of \$172,863.13 shall be credited to the Local Government Revenue Assistance Fund;

(7) In January 2006 and January 2007, no amount shall be credited to the Local Government Fund or to the Local Government Revenue Assistance Fund;

(8) In February 2006 and February 2007, seventy per cent of \$1,515,069.22 shall be credited to the Local Government Fund and seventy per cent of \$216,438.43 shall be credited to the Local Government Revenue Assistance Fund;

(9) In March 2006 and March 2007, seventy per cent of \$7,859,958.57 shall be credited to the Local Government Fund and seventy per cent of \$1,122,851.24 shall be credited to the Local Government Revenue Assistance Fund;

(10) In April 2006 and April 2007, no amount shall be credited to the Local Government Fund or to the Local Government Revenue Assistance Fund;

(11) In May 2006 and May 2007, seventy per cent of \$3,300,718.22 shall be credited to the Local Government Fund and seventy per cent of \$471,531.17 shall be credited to the Local Government Revenue Assistance Fund;

(12) In June 2006 and June 2007, seventy per cent of \$9,344,500.89 shall be credited to the Local Government Fund and seventy per cent of \$1,334,928.70 shall be credited to the Local Government Revenue Assistance Fund.

(F) Notwithstanding the amounts required to be credited pursuant to division (C) of this section, the amount credited in June 2006 and June 2007

to the Local Government Fund and the Local Government Revenue Assistance Fund from the personal income tax shall be net of a reduction that may be required by division (I) of this section.

(G) Pursuant to division (B)(3) of this section, amounts shall be credited from the personal income tax to the Library and Local Government Support Fund as follows:

(1) In July 2005, one hundred per cent of the amount credited in July 2004; in July 2006, one hundred per cent of the amount credited in July 2005;

(2) In August 2005, one hundred per cent of the amount credited in August 2004; in August 2006, one hundred per cent of the amount credited in August 2005;

(3) In September 2005, one hundred per cent of the amount credited in September 2004; in September 2006, one hundred per cent of the amount credited in September 2005;

(4) In October 2005, one hundred per cent of the amount credited in October 2004; in October 2006, one hundred per cent of the amount credited in October 2005;

(5) In November 2005, one hundred per cent of the amount credited in November 2004; in November 2006, one hundred per cent of the amount credited in November 2005;

(6) In December 2005, one hundred per cent of the amount credited in December 2004; in December 2006, one hundred per cent of the amount credited in December 2005;

(7) In January 2006, one hundred per cent of the amount credited in January 2005; in January 2007, one hundred per cent of the amount credited in January 2006;

(8) In February 2006, one hundred per cent of the amount credited in February 2005; in February 2007, one hundred per cent of the amount credited in February 2006;

(9) In March 2006, one hundred per cent of the amount credited in March 2005; in March 2007, one hundred per cent of the amount credited in March 2006;

(10) In April 2006, one hundred per cent of the amount credited in April 2005; in April 2007, one hundred per cent of the amount credited in April 2006;

(11) In May 2006, one hundred per cent of the amount credited in May 2005; in May 2007, one hundred per cent of the amount credited in May 2006;

(12) In June 2006, one hundred per cent of the amount credited in June

2005, less any reduction that may be required by division (I) of this section; in June 2007, one hundred per cent of the amount credited in June 2006, less any reduction that may be required by division (I) of this section.

(H) The total amount credited to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund in each month during the period July 2005 through June 2007 shall be distributed by the tenth day of the immediately succeeding month in the following manner:

(1) Each county undivided local government fund shall receive a distribution from the Local Government Fund based on its proportionate share of the total amount received from the fund in such respective month for the period August 1, 2004, through July 31, 2005.

(2) Each municipal corporation receiving a direct distribution from the Local Government Fund shall receive a distribution based on its proportionate share of the total amount received from the fund in such respective month for the period August 1, 2004, through July 31, 2005.

(3) Each county undivided local government revenue assistance fund shall receive a distribution from the Local Government Revenue Assistance Fund based on its proportionate share of the total amount received from the fund in such respective month for the period August 1, 2004, through July 31, 2005.

(4) Each county undivided library and local government support fund shall receive a distribution from the Library and Local Government Support Fund based on its proportionate share of the total amount received from the fund in such respective month for the period August 1, 2004, through July 31, 2005.

(I) The Tax Commissioner shall do each of the following:

(1) By June 7, 2006, the Commissioner shall subtract the amount calculated in division (I)(1)(b) of this section from the amount calculated in division (I)(1)(a) of this section. If the amount in division (I)(1)(a) of this section is greater than the amount in division (I)(1)(b) of this section, then such difference shall be subtracted from the total amount of income tax revenue credited to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund in June 2006. An amount shall be subtracted from income tax revenue credited to the Local Government Fund, the Local Government Revenue Assistance Fund, or the Library and Local Government Support Fund only if, and according to the proportion by which, such fund contributed to the result that the amount in division (I)(1)(a) of this section exceeds the amount in division (I)(1)(b) of this section.

(a) The sum of all money credited to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund from July 2005 through May 2006. The sum computed in division (I)(1)(a) of this section shall exclude any dealer in intangibles tax revenues credited to the Local Government Fund.

(b) The sum of all money that would have been credited to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund from July 2005 through May 2006, if sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code were in effect during this period.

(2) By June 7, 2007, the Commissioner shall subtract the amount calculated in division (I)(2)(b) of this section from the amount calculated in division (I)(2)(a) of this section. If the amount in division (I)(2)(a) of this section is greater than the amount in division (I)(2)(b) of this section, then such difference shall be subtracted from the total amount of income tax revenue credited to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund in June 2007. An amount shall be subtracted from income tax revenue credited to the Local Government Fund, the Local Government Revenue Assistance Fund, or the Library and Local Government Support Fund only if, and according to the proportion by which, such fund contributed to the result that the amount in division (I)(2)(a) of this section exceeds the amount in division (I)(2)(b) of this section.

(a) The sum of all money credited to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund from June 2006 through May 2007. The sum computed in division (I)(2)(a) of this section shall exclude any dealer in intangibles tax revenues credited to the Local Government Fund and shall be prior to any reduction required by division (I)(1) of this section.

(b) The sum of all money that would have been credited to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund from June 2006 through May 2007, if sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code were in effect during this period.

(3) On the advice of the Tax Commissioner, during any month other than June 2006 or June 2007 of the period July 1, 2005, through July 31, 2007, the Director of Budget and Management may reduce the amounts that are to be otherwise credited to the Local Government Fund, Local Government Revenue Assistance Fund, or Library and Local Government Support Fund in order to accomplish more effectively the purposes of the

adjustments in divisions (I)(1) and (2) of this section. If the respective calculations made in June 2006 and June 2007 pursuant to divisions (I)(1) and (2) of this section indicate that excess reductions had been made during the previous months, such excess amounts shall be credited, as appropriate, to the Local Government Fund, Local Government Revenue Assistance Fund, and Library and Local Government Support Fund.

(J) For the 2005, 2006, and 2007 distribution years, the Tax Commissioner is not required to issue the certifications otherwise required by sections 5747.47, 5747.501, 5747.51, and 5747.61 of the Revised Code, but shall provide to each county auditor by the twentieth day of July 2005, July 2006, and July 2007 an estimate of the amounts to be received by the county in the ensuing year from the Local Government Fund, Local Government Revenue Assistance Fund, and Library and Local Government Support Fund pursuant to this section and any pertinent section of the Revised Code. At the discretion of the Tax Commissioner, the Tax Commissioner may report to each county auditor additional revised estimates of the 2005, 2006, or 2007 distributions at any time during the period July 1, 2005, through July 31, 2007.

(K) During the period July 1, 2005, through July 31, 2007, the Director of Budget and Management shall issue such directives to state agencies that are necessary to ensure that the appropriate amounts are distributed to the Local Government Fund, to the Local Government Revenue Assistance Fund, and to the Library and Local Government Support Fund.

(L) No subdivision shall receive a proportionate share from the county undivided local government fund or county undivided local government revenue assistance fund during the period July 1, 2005, through June 30, 2007, that is less than the proportionate share the subdivision received from that fund during the period July 1, 2004, through June 30, 2005, unless the subdivision consents to receive the lesser proportionate share. Division (L) of this section does not apply to a decrease in the proportionate share of a county as a subdivision under division (H) of section 5747.51, division (E) of section 5747.53, division (H) of section 5747.62, or division (E) of section 5747.63 of the Revised Code.

Sec. 612.36.03. (A) Except as otherwise provided in ~~division~~ divisions (B)(1) and (2) of this section, the amendments to section 3301.0711 of the Revised Code by Am. Sub. H.B. 66 of the 126th General Assembly are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments go into immediate effect when H.B. 530 of the 126th General Assembly becomes law.

(B)(1) The amendments to division (G) of section 3301.0711 of the Revised Code by Am. Sub. H.B. 66 of the 126th General Assembly are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the amendments take effect July 1, 2006. If, however, a referendum petition is filed against the amendments, the amendments, unless rejected at the referendum, take effect at the earliest time permitted by law that is on or after the effective date specified in this division.

~~(B)(2)~~ The amendments to division (N) of section 3301.0711 of the Revised Code by Am. Sub. H.B. 66 of the 126th General Assembly are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments go into immediate effect.

SECTION 606.18. That existing Sections 203.09, 203.12, 203.12.12, 203.45, 203.51, 203.54, 203.66, 203.69, 203.84, 203.87, 203.99.01, 203.99.30, 203.99.48, 206.03, 206.09, 206.09.12, 206.09.15, 206.09.21, 206.09.27, 206.09.36, 206.09.39, 206.09.42, 206.09.61, 206.09.63, 206.09.66, 206.09.84, 206.16, 206.42, 206.42.09, 206.48, 206.66, 206.66.22, 206.66.23, 206.66.36, 206.66.64, 206.66.66, 206.66.84, 206.66.85, 206.66.91, 206.67.15, 206.67.21, 206.99, 209.04, 209.06.06, 209.06.09, 209.09.06, 209.09.18, 209.15, 209.18, 209.18.09, 209.24, 209.30, 209.33, 209.36, 209.45, 209.63, 209.63.42, 209.64.60, 209.72, 209.75, 209.78.03, 209.81, 209.90.06, 212.03, 212.24, 212.27, 212.30, 212.33, 557.12, and 612.36.03 of Am. Sub. H.B. 66 of the 126th General Assembly are hereby repealed.

SECTION 606.18.03. COMPENSATION FOR NURSING FACILITY AND ICF/MR CAPITAL COSTS

The appropriation item 600-529, Capital Compensation Program, shall be used to make payments to nursing facilities and intermediate care facilities for the mentally retarded under Section 606.18.06 of this act.

The unencumbered balance of appropriation item 600-529, Capital Compensation Program, at the end of fiscal year 2006 is hereby appropriated to fiscal year 2007 for use under the same appropriation item.

SECTION 606.18.06. FISCAL YEARS 2006 AND 2007 PAYMENTS TO CERTAIN NURSING FACILITIES AND ICFs/MR

(A) As used in this section:

"Capital costs," "cost of ownership," and "renovation" have the same meanings as in section 5111.20 of the Revised Code as that section existed on June 30, 2005.

"Change of operator" has the same meaning as in section 5111.65 of the Revised Code.

"ICF/MR" means an intermediate care facility for the mentally retarded.

"Inpatient days," "intermediate care facility for the mentally retarded," "Medicaid days," and "nursing facility" have the same meanings as in section 5111.20 of the Revised Code.

"Reviewable activity" has the same meaning as in section 3702.51 of the Revised Code.

(B) The following qualify for per diem payments under this section:

(1) A nursing facility to which both of the following apply:

(a) Both of the following occurred during fiscal year 2006 or 2007:

(i) The facility obtained certification as a nursing facility from the Director of Health.

(ii) The facility began participating in the Medicaid program.

(b) An application for a certificate of need for the nursing facility was filed with the Director of Health before June 15, 2005.

(2) An ICF/MR to which both of the following apply:

(a) Both of the following occurred during fiscal year 2006 or 2007:

(i) The facility obtained certification as an intermediate care facility for the mentally retarded from the Director of Health.

(ii) The facility began participating in the Medicaid program.

(b) At least one of the following occurred before June 30, 2005:

(i) Any materials or equipment for the facility were delivered.

(ii) Preparations for the physical site of the facility, including, if applicable, excavation, began.

(iii) Actual work on the facility began.

(3) A nursing facility to which all of the following apply:

(a) The nursing facility does not qualify for a payment pursuant to division (B)(1) of this section.

(b) The nursing facility, before June 30, 2007, completes a capital project for which a certificate of need was filed with the Director of Health before June 15, 2005, and for which at least one of the following occurred before July 1, 2005, or, if the capital project is undertaken to comply with rules adopted by the Public Health Council regarding resident room size or occupancy, before June 30, 2007:

(i) Any materials or equipment for the capital project were delivered;

(ii) Preparations for the physical site of the capital project, including, if applicable, excavation, began;

(iii) Actual work on the capital project began.

(c) The costs of the capital project are not fully reflected in the capital costs portion of the nursing facility's Medicaid reimbursement per diem rate on June 30, 2005.

(d) The nursing facility files a three-month projected capital cost report with the Director of Job and Family Services not later than sixty days after the later of the effective date of this section or the date the capital project is completed.

(4) An ICF/MR to which all of the following apply:

(a) The ICF/MR does not qualify for a payment pursuant to division (B)(2) of this section.

(b) The ICF/MR, before June 30, 2007, completes a capital project for which at least one of the following occurred before July 1, 2005:

(i) Any materials or equipment for the capital project were delivered.

(ii) Preparations for the physical site of the capital project, including, if applicable, excavation, began.

(iii) Actual work on the capital project began.

(c) The costs of the capital project are not fully reflected in the capital costs portion of the ICF/MR's Medicaid reimbursement per diem rate on June 30, 2005.

(d) The ICF/MR files a three-month projected capital cost report with the Director of Job and Family Services not later than sixty days after the later of the effective date of this section or the date the capital project is completed.

(5) A nursing facility that, before June 30, 2007, completes an activity to which all of the following apply:

(a) A request was filed with the Director of Health before July 1, 2005, for a determination of whether the activity is a reviewable activity and the Director determined that the activity is not a reviewable activity.

(b) At least one of the following occurred before July 1, 2005, or, if the nursing facility undertakes the activity to comply with rules adopted by the Public Health Council regarding resident room size or occupancy, before June 30, 2007:

(i) Any materials or equipment for the activity were delivered.

(ii) Preparations for the physical site of the activity, including, if applicable, excavation, began.

(iii) Actual work on the activity began.

(c) The costs of the activity are not fully reflected in the capital costs

portion of the nursing facility's Medicaid reimbursement per diem rate on June 30, 2005.

(d) The nursing facility files a three-month projected capital cost report with the Director of Job and Family Services not later than sixty days after the later of the effective date of this section or the date the activity is completed.

(6) A nursing facility or ICF/MR that, before June 30, 2007, completes a renovation to which all of the following apply:

(a) The Director of Job and Family Services approved the renovation before July 1, 2005.

(b) At least one of the following occurred before July 1, 2005, or, if the facility undertakes the renovation to comply with rules adopted by the Public Health Council regarding resident room size or occupancy, before June 30, 2007:

(i) Any materials or equipment for the renovation were delivered.

(ii) Preparations for the physical site of the renovation, including, if applicable, excavation, began.

(iii) Actual work on the renovation began.

(c) The costs of the renovation are not fully reflected in the capital costs portion of the facility's Medicaid reimbursement per diem rate on June 30, 2005.

(d) The facility files a three-month projected capital cost report with the Director of Job and Family Services not later than sixty days after the later of the effective date of this section or the date the renovation is completed.

(C) If a nursing facility qualifies for per diem payments pursuant to division (B)(1) of this section for fiscal year 2006, the nursing facility's per diem payments under this section for fiscal year 2006 shall equal the difference between the capital costs portion of nursing facility's Medicaid reimbursement per diem rate determined under Section 206.66.22 of Am. Sub. H.B. 66 of the 126th General Assembly, as amended by this act, and the lesser of the following:

(1) Eighty-eight and sixty-five hundredths per cent of the nursing facility's cost of ownership as reported on a three-month projected capital cost report divided by the greater of the number of inpatient days the nursing facility is expected to have during the period covered by the projected capital cost report or the number of inpatient days the nursing facility would have during that period if the nursing facility's occupancy rate was eighty per cent.

(2) The maximum capital per diem rate in effect for fiscal year 2005 for nursing facilities.

(D) If a nursing facility qualifies for per diem payments pursuant to division (B)(1) of this section for fiscal year 2007, the nursing facility's per diem payments under this section for fiscal year 2007 shall equal the difference between the capital costs portion of the nursing facility's Medicaid reimbursement per diem rate determined under Section 206.66.23 of Am. Sub. H.B. 66 of the 126th General Assembly, as amended by this act, and the lesser of the following:

(1) Eighty-eight and sixty-five hundredths per cent of the nursing facility's cost of ownership as reported on a three-month projected capital cost report divided by the greater of the number of inpatient days the nursing facility is expected to have during the period covered by the projected capital cost report or the number of inpatient days the nursing facility would have during that period if the nursing facility's occupancy rate was eighty per cent.

(2) The maximum capital per diem rate in effect for fiscal year 2005 for nursing facilities.

(E) If an ICF/MR qualifies for per diem payments pursuant to division (B)(2) of this section, the ICF/MR's per diem payments under this section shall equal the difference between the capital costs portion of the ICF/MR's Medicaid reimbursement per diem rate determined under Section 206.66.25 of Am. Sub. H.B. 66 of the 126th General Assembly and the lesser of the following:

(1) The ICF/MR's cost of ownership as reported on a three-month projected capital cost report divided by the greater of the number of inpatient days the ICF/MR is expected to have during the period covered by the projected capital cost report or the number of inpatient days the ICF/MR would have during that period if the ICF/MR's occupancy rate was eighty per cent.

(2) The maximum capital per diem rate in effect for fiscal year 2005 for ICFs/MR.

(F) The per diem payments paid for fiscal year 2006 to a nursing facility that qualifies for the payments pursuant to division (B)(3) or (5) of this section shall equal the difference between the capital costs portion of the nursing facility's Medicaid reimbursement per diem rate determined under Section 206.66.22 of Am. Sub. H.B. 66 of the 126th General Assembly, as amended by this act, and the lesser of the following:

(1) Eighty-eight and sixty-five hundredths per cent of the nursing facility's cost of ownership as reported on a three-month projected capital cost report divided by the greater of the number of inpatient days the nursing facility is expected to have during the period covered by the projected

capital cost report or the number of inpatient days the nursing facility would have during that period if the nursing facility's occupancy rate was ninety-five per cent.

(2) The maximum capital per diem rate in effect for fiscal year 2005 for nursing facilities.

(G) The per diem payments paid for fiscal year 2007 to a nursing facility that qualifies for the payments pursuant to division (B)(3) or (5) of this section shall equal the difference between the capital costs portion of the nursing facility's Medicaid reimbursement per diem rate determined under Section 206.66.23 of Am. Sub. H.B. 66 of the 126th General Assembly, as amended by this act, and the lesser of the following:

(1) Eighty-eight and sixty-five hundredths per cent of the nursing facility's cost of ownership as reported on a three-month projected capital cost report divided by the greater of the number of inpatient days the nursing facility is expected to have during the period covered by the projected capital cost report or the number of inpatient days the nursing facility would have during that period if the nursing facility's occupancy rate was ninety-five per cent.

(2) The maximum capital per diem rate in effect for fiscal year 2005 for nursing facilities.

(H) The per diem payments paid to an ICF/MR that qualifies for the payments pursuant to division (B)(4) of this section shall equal the difference between the capital costs portion of the ICF/MR's Medicaid reimbursement per diem rate determined under Section 206.66.25 of Am. Sub. H.B. 66 of the 126th General Assembly and the lesser of the following:

(1) The ICF/MR's cost of ownership as reported on a three-month projected capital cost report divided by the greater of the number of inpatient days the ICF/MR is expected to have during the period covered by the projected capital cost report or the number of inpatient days the ICF/MR would have during that period if the ICF/MR's occupancy rate was ninety-five per cent.

(2) The maximum capital per diem rate in effect for fiscal year 2005 for ICFs/MR.

(I) The per diem payments paid to a nursing facility that qualifies for the payments pursuant to division (B)(6) of this section shall equal eighty-five per cent of the nursing facility's capital costs for the renovation as reported on a three-month projected capital cost report divided by the greater of the number of inpatient days the nursing facility is expected to have during the period covered by the projected capital cost report or the number of inpatient days the nursing facility would have during that period if the

nursing facility's occupancy rate was ninety-five per cent.

(J) The per diem payments paid to an ICF/MR that qualifies for the payments pursuant to division (B)(6) of this section shall equal the ICF/MR's capital costs for the renovation as reported on a three-month projected capital cost report divided by the greater of the number of inpatient days the ICF/MR is expected to have during the period covered by the projected capital cost report or the number of inpatient days the ICF/MR would have during that period if the ICF/MR's occupancy rate was ninety-five per cent.

(K) All of the following apply to the per diem payments made under this section:

(1) No nursing facility or ICF/MR shall qualify for the payments before the following:

(a) In the case of a nursing facility or ICF/MR that qualifies for the payments pursuant to division (B)(1) or (2) of this section, the later of January 1, 2006, or the date the nursing facility or ICF/MR begins to participate in the Medicaid program;

(b) In the case of a nursing facility or ICF/MR that qualifies for the payments pursuant to division (B)(3), (4), (5), or (6) of this section, the later of January 1, 2006, or the date the capital project, activity, or renovation is placed into service.

(2) All nursing facilities and ICFs/MR's eligibility for the payments shall cease at the earlier of the following:

(a) July 1, 2007;

(b) The date that the total amount of the payments equals ten million dollars.

(3) The payments made for the last quarter that the payments are made may be reduced proportionately as necessary to avoid spending more than ten million dollars under this section.

(4) The per diem payments shall be made for quarterly periods by multiplying the per diem determined for a nursing facility or ICF/MR by the number of Medicaid days the facility has for the quarter the payment is made.

(5) Any per diem payments to be made to a nursing facility or ICF/MR for a quarter ending before July 2006 shall be made not later than September 30, 2006.

(6) Any per diem payments to be made to a nursing facility or ICF/MR for a quarter beginning after June 2006 shall be made not later than three months after the last day of the quarter for which the payments are made.

(7) A change of operator shall not cause the payments to a nursing

facility or ICF/MR to cease.

(8) The payments shall only be made to a nursing facility or ICF/MR for the quarters during fiscal years 2006 and 2007 for which the facility has a valid Medicaid provider agreement.

(9) The payments shall be in addition to a nursing facility or ICF/MR's Medicaid reimbursement per diem rate calculated under Section 206.66.22, 206.66.23, or 206.66.25 of Am. Sub. H.B. 66 of the 126th General Assembly, as, in the case of Sections 206.66.22 and 206.66.23, amended by this act.

(L) The Director of Job and Family Services shall monitor, on a quarterly basis, the per diem payments made to nursing facilities and ICFs/MR under this section to ensure that no more than a total of ten million dollars is spent under this section.

(M) The determinations that the Director of Job and Family Services makes under this section are not subject to appeal under Chapter 119. of the Revised Code.

(N) The Director of Job and Family Services may adopt rules in accordance with Chapter 119. of the Revised Code as necessary to implement this section. The Director's failure to adopt the rules does not affect the requirement that the per diem payments be made under this section.

SECTION 606.18.09. BCMH – MEDICARE PART D COPAYMENTS

(A) As used in this section:

(1) "Approved drug" means a drug approved by the Department of Health for the program for medically handicapped children or program for adults with cystic fibrosis that is a covered part D drug on the formulary of a participant's plan.

(2) "Copayment" means a dollar amount charged for, or a percentage of the total price of, an approved drug prescribed for a participant that meets all of the following criteria:

(a) Is assessed by the participant's plan either at the time the prescription for the drug is presented or the drug is dispensed;

(b) Is not otherwise covered by the participant's plan or any other third party benefits, including any benefits provided by a government entity;

(c) Is not a premium or deductible.

(3) "Covered part D drug" has the same meaning as in section 101(e) of the "Medicare Prescription Drug, Improvement, and Modernization Act of 2003," Pub. L. No. 108-173, 117 Stat. 2066, as amended.

(4) "Participant" means an individual enrolled in the program for

medically handicapped children or the program for adults with cystic fibrosis.

(5) "Pharmacist" means a person licensed under Chapter 4729. of the Revised Code to engage in the practice of pharmacy.

(6) "Pharmacy" has the same meaning as in section 4729.01 of the Revised Code.

(7) "Pharmacy provider" means a pharmacist or pharmacy that has entered into a provider agreement with the Department of Health for purposes of the program for medically handicapped children or the program for adults with cystic fibrosis.

(8) "Plan" means a health plan providing qualified prescription drug coverage under the "Medicare Prescription Drug, Improvement, and Modernization Act of 2003," Pub. L. No. 108-173, 117 Stat. 2066, as amended.

(9) "Program for medically handicapped children" and "program for adults with cystic fibrosis" mean the programs established under section 3701.023 of the Revised Code.

(B) For fiscal year 2007 only, the Department of Health shall pay a pharmacy provider for a copayment.

(C) The Public Health Council may adopt rules as necessary to implement this section. The rules may be initially adopted as emergency rules.

SECTION 606.23. That Sections 19.01, 20.01, 22.04, 23.12, and 23.45 of Am. Sub. H.B. 16 of the 126th General Assembly, as amended by Am. Sub. H.B. 66 of the 126th General Assembly, be amended to read as follows:

Sec. 19.01. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Cultural and Sports Facilities Building Fund (Fund 030) that are not otherwise appropriated.

Appropriations

AFC CULTURAL FACILITIES COMMISSION

CAP-010	Sandusky State Theatre Improvements	\$	325,000
CAP-013	Stambaugh Hall Improvements	\$	250,000
CAP-033	Woodward Opera House Renovation	\$	100,000
CAP-038	Center Exhibit Replacement	\$	816,000
CAP-043	Statewide Site Repairs	\$	100,000
CAP-044	National Underground Railroad Freedom Center	\$	4,150,000
CAP-046	Cincinnati Museum Center Improvements	\$	250,000
CAP-052	Akron Art Museum	\$	1,012,500
CAP-053	Powers Auditorium Improvements - Eleanor Beecher Flad Pavilion	\$	250,000
CAP-065	Beck Center for the Cultural Arts	\$	100,000
CAP-069	Cleveland Institute of Art	\$	250,000

CAP-071	Cleveland Institute of Music	\$	750,000
CAP-073	Marina District/Ice Arena Development	\$	3,500,000
CAP-074	Stan Hywet Hall & Gardens - West Vista Restoration	\$	750,000
CAP-745	Emergency Repairs	\$	838,560
CAP-769	Rankin House State Memorial	\$	192,000
CAP-781	Archives and Library Automation	\$	624,000
CAP-784	Center Rehabilitation	\$	960,000
CAP-806	Grant Boyhood Home Improvements	\$	480,000
CAP-812	Schuster Arts Center	\$	5,500,000
CAP-823	Marion Palace Theatre	\$	750,000
CAP-826	Renaissance Theatre	\$	750,000
CAP-834	Galion Historic Big Four Depot Restoration	\$	170,000
CAP-835	Jamestown Opera House	\$	125,000
CAP-844	Charles A. Eulett Education Center/Edge of Appalachia Museum Center	\$	1,850,000
CAP-845	Lima Historic Athletic Field	\$	100,000
CAP-846	Butler Palace Theatre	\$	200,000
CAP-847	Voice of America Museum	\$	275,000
CAP-848	Oxford Arts Center ADA Project	\$	72,000
CAP-849	Clark County Community Arts Expansion Project	\$	500,000
CAP-850	Westcott House Historic Site	\$	75,000
CAP-851	General Lytle Homestead - Harmony Hill	\$	50,000
CAP-852	Miami Township Community Amphitheatre	\$	50,000
CAP-853	Western Reserve Historical Society	\$	1,000,000
CAP-854	Steamship Mather Museum	\$	100,000
CAP-855	Rock and Roll Hall of Fame	\$	250,000
CAP-856	Friendly Inn Settlement House Historic Site	\$	250,000
CAP-857	Merrick House Historic Site	\$	250,000
CAP-858	Strongsville Historic Building	\$	100,000
CAP-859	Arts Castle	\$	100,000
CAP-860	Great Lakes Historical Society	\$	325,000
CAP-861	Ohio Glass Museum	\$	250,000
CAP-862	Goll Wood Homestead	\$	50,000
CAP-863	Ariel Theatre	\$	100,000
CAP-864	Bellbrook/Sugarcreek Historical Society	\$	10,000
CAP-866	Sports Facilities Improvements - Cincinnati	\$	4,350,000
CAP-867	Ensemble Theatre	\$	450,000
CAP-868	Taft Museum	\$	500,000
CAP-869	Art Academy of Cincinnati	\$	100,000
CAP-870	Riverbend Pavilion Improvements	\$	250,000
CAP-871	Cincinnati Art & Technology Academy - Longworth Hall	\$	100,000
CAP-872	Music Hall: Over-The-Rhine	\$	750,000
CAP-873	John Bloomfield Home Restoration	\$	115,000
CAP-874	Malinta Historical Society Caboose Exhibit	\$	6,000
CAP-875	Hocking County Historical Society - Schempp House	\$	10,000
CAP-876	Art Deco Markay Theater	\$	200,000
CAP-877	Harvey Wells House	\$	100,000
CAP-878	Bryn Du	\$	250,000
CAP-879	Broad Street Historical Renovation	\$	300,000
CAP-880	Amherst Historical Society	\$	35,000
CAP-881	COSI - Toledo	\$	1,900,000
CAP-882	Ohio Theatre - Toledo	\$	100,000
CAP-883	Chester Academy Historic Site Renovations	\$	25,000

CAP-884	Bradford Ohio Railroad Museum	\$	100,000
CAP-885	Montgomery County Historical Society Archives	\$	100,000
CAP-886	Nelson T. Gant Historic Homestead	\$	25,000
CAP-887	Aurora Outdoor Sports Complex	\$	50,000
CAP-888	Preble County Historical Society	\$	100,000
CAP-889	Tecumseh Sugarloaf Mountain Amphitheatre	\$	120,000
CAP-890	Pro Football Hall of Fame	\$	400,000
CAP-891	MAPS Air Museum	\$	15,000
CAP-892	Foundation Community Theatre	\$	50,000
CAP-893	William McKinley Library Restoration	\$	250,000
CAP-894	Hale Farm & Village	\$	250,000
CAP-896	Richard Howe House	\$	100,000
CAP-897	Ward-Thomas Museum	\$	30,000
CAP-898	Packard Music Hall Renovation Project	\$ 100,000	<u>1,075,000</u>
CAP-899	Holland Theatre	\$	100,000
CAP-900	Van Wert Historical Society	\$	32,000
CAP-901	Warren County Historical Society	\$	225,000
CAP-902	Marietta Colony Theatre	\$	335,000
CAP-903	West Salem Village Opera House	\$	92,000
CAP-904	Beavercreek Community Theater	\$	100,000
CAP-905	Smith Orr Homestead	\$	100,000
	Total Cultural Facilities Commission	\$	<u>41,165,060</u>
			<u>41,340,060</u>
	TOTAL Cultural and Sports Facilities Building Fund	\$	<u>41,165,060</u>
			<u>41,340,060</u>

Sec. 20.01. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Ohio Parks and Natural Resources Fund (Fund 031) that are not otherwise appropriated.

Appropriations

DNR DEPARTMENT OF NATURAL RESOURCES
STATEWIDE AND LOCAL PROJECTS

CAP-012	Land Acquisition	\$	750,000
CAP-051	Buck Creek State Park - Camp/Dock Renovations	\$	25,000
CAP-060	East Fork State Park Renovation	\$	50,000
CAP-068	Kennedy Stone House	\$	15,000
CAP-080	Atwood Lake Conservancy District	\$	75,000
CAP-083	John Bryan State Park Shelter Construction	\$	30,000
CAP-084	Findley State Park General Improvements	\$	12,500
CAP-086	Scippo Creek Conservation	\$	75,000
CAP-087	Belpre City Swimming Pool	\$	125,000
CAP-705	Ohio-Erie Canal Tuscarawas River Logjam Removal	\$	25,000
CAP-748	Local Parks Projects - Statewide	\$	<u>2,511,079</u>
			<u>2,561,079</u>
CAP-753	Project Planning	\$	1,144,316
CAP-881	Dam Rehabilitation	\$	5,000,000
CAP-931	Wastewater/Water Systems Upgrades	\$	2,900,000
	Total Statewide and Local Projects	\$	<u>12,737,895</u>
			<u>12,787,895</u>
	Total Department of Natural Resources	\$	<u>12,737,895</u>
			<u>12,787,895</u>
	TOTAL Ohio Parks and Natural Resources Fund	\$	<u>12,737,895</u>
			<u>12,787,895</u>

GOLL WOOD HOMESTEAD

Of the foregoing appropriation item CAP-748, Local Parks Projects - Statewide, \$50,000 shall be used for the Goll Wood Homestead.

Appropriations

Sec. 22.04. DMR DEPARTMENT OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

STATEWIDE AND CENTRAL OFFICE PROJECTS

CAP-480	Community Assistance Projects	\$	9,475,000
CAP-955	Statewide Development Centers	\$	3,257,257
	Total Statewide and Central Office Projects	\$	12,732,257
TOTAL	Department of Mental Retardation and Developmental Disabilities	\$	12,732,257
TOTAL	MENTAL HEALTH FACILITIES IMPROVEMENT FUND	\$	22,782,257

COMMUNITY ASSISTANCE PROJECTS

The foregoing appropriation item CAP-480, Community Assistance Projects, may be used to provide community assistance funds for the development, purchase, construction, or renovation of facilities for day programs or residential programs that provide services to persons eligible for services from the Department of Mental Retardation and Developmental Disabilities or county boards of mental retardation and developmental disabilities. Any funds provided to nonprofit agencies for the construction or renovation of facilities for persons eligible for services from the Department of Mental Retardation and Developmental Disabilities and county boards of mental retardation and developmental disabilities shall be governed by the prevailing wage provisions in section 176.05 of the Revised Code.

Of the foregoing appropriation item CAP-480, \$200,000 shall be used for the Achievement Centers for Children and \$250,000 shall be used for Bellefaire Jewish Children's Bureau.

Notwithstanding any other provision of law to the contrary, of the foregoing appropriation item CAP-480, ~~\$250,000 shall be used for the Julie Billart facility~~ and \$75,000 shall be used for the Hanson Home.

Appropriations

Sec. 23.12. CLS CLEVELAND STATE UNIVERSITY

CAP-023	Basic Renovations	\$	3,267,875
<u>CAP-084</u>	<u>Neighborhood Centers Renovations</u>	\$	<u>500,000</u>
CAP-125	College of Education Building	\$	8,057,262
<u>CAP-148</u>	<u>Cleveland Institute of Art</u>	\$	<u>1,000,000</u>
CAP-152	Rhodes Tower-Data Center Relocation	\$	1,000,000
CAP-153	University Annex-Vacation and Demolition	\$	49,390
CAP-154	Main Classroom Stair Tower & Entry	\$	1,500,000
CAP-155	Cleveland Playhouse	\$	250,000
CAP-156	Physical Education Building Rehabilitation	\$	1,000,000
Total	Cleveland State University	\$	<u>15,124,527</u>
			<u>16,624,527</u>

NEIGHBORHOOD CENTERS RENOVATIONS

Of the foregoing appropriation item CAP-084, Neighborhood Centers Renovations, \$250,000 shall be used for renovations to the Friendly Inn Settlement House and \$250,000 shall be used for renovations to the Merrick House.

Sec. 23.45. STC STARK TECHNICAL COLLEGE

CAP-004	Basic Renovations	\$	438,295
CAP-035	Business Technologies Addition Rehabilitation	\$	1,378,892
CAP-037	Fuel Cell Initiative	\$	250,000
Total Stark Technical College		\$	2,067,187
Total Board of Regents and State Institutions of Higher Education		\$	490,956,498
			<u>492,456,498</u>
TOTAL Higher Education Improvement Fund		\$	492,883,536
			<u>492,456,498</u>

SECTION 606.24. That existing Sections 19.01, 20.01, 22.04, 23.12, and 23.45 of Am. Sub. H.B. 16 of the 126th General Assembly, as amended by Am. Sub. H.B. 66 of the 126th General Assembly, are hereby repealed.

SECTION 606.29. That Sections 203.06.06 and 203.06.24 of Am. Sub. H.B. 68 of the 126th General Assembly, as amended by Am. Sub. H.B. 66 of the 126th General Assembly, be amended to read as follows:

Sec. 203.06.06. ENFORCEMENT

State Highway Safety Fund Group

036 764-033	Minor Capital Projects	\$	1,250,000	\$	1,250,000
036 764-321	Operating Expense - Highway Patrol	\$	229,293,561	\$	237,364,988
036 764-605	Motor Carrier Enforcement Expenses	\$	2,643,022	\$	2,670,911
5AY764-688	Traffic Safety Operating	\$	3,082,962	\$	1,999,437
83C 764-630	Contraband, Forfeiture, Other	\$	622,894	\$	622,894
83F 764-657	Law Enforcement Automated Data System	\$	7,324,524	\$	7,544,260
83G 764-633	OMVI Fines	\$	820,927	\$	820,927
<u>83J 764-693</u>	<u>Highway Patrol Justice Contraband</u>	<u>\$</u>	<u>2,100,000</u>	<u>\$</u>	<u>2,100,000</u>
<u>83T 764-694</u>	<u>Highway Patrol Treasury Contraband</u>	<u>\$</u>	<u>21,000</u>	<u>\$</u>	<u>21,000</u>
831 764-610	Patrol - Federal	\$	2,430,950	\$	2,455,484
831 764-659	Transportation Enforcement - Federal	\$	4,880,671	\$	5,027,091
837 764-602	Turnpike Policing	\$	9,942,621	\$	10,240,900
838 764-606	Patrol Reimbursement	\$	222,108	\$	222,108
840 764-607	State Fair Security	\$	1,496,283	\$	1,496,283
840 764-617	Security and Investigations	\$	8,145,192	\$	8,145,192
840 764-626	State Fairgrounds Police Force	\$	788,375	\$	788,375

Am. Sub. H. B. No. 530

963

841 764-603	Salvage and Exchange - Highway Patrol	\$	1,305,954	\$	1,339,399
TOTAL HSF State Highway Safety Fund Group					
		\$	<u>274,250,044</u>	\$	<u>281,988,249</u>
			<u>276,371,044</u>		<u>284,109,249</u>
General Services Fund Group					
4S2 764-660	MARCS Maintenance	\$	252,432	\$	262,186
TOTAL GSF General Services Fund Group					
		\$	252,432	\$	262,186
Federal Special Revenue Fund Group					
3BF 764-692	Federal Contraband, Forfeiture, and Other	\$	1,942,040	\$	1,942,040
TOTAL FED Federal Special Revenue Fund Group					
		\$	1,942,040	\$	1,942,040
TOTAL ALL BUDGET FUND GROUPS - Enforcement					
		\$	<u>276,444,516</u>	\$	<u>284,192,475</u>
			<u>276,623,476</u>		<u>284,371,435</u>

CASH TRANSFER TO HIGHWAY PATROL FEDERAL CONTRABAND, FORFEITURE, AND OTHER FUND (FUND 3BF)

On July 1, 2005, or as soon thereafter as possible, notwithstanding any other provision of law to the contrary, the Director of Budget and Management shall transfer \$1,942,040 in cash from the Highway Patrol State Contraband, Forfeiture, and Other Fund (Fund 83C) in the State Highway Safety Fund Group to the Highway Patrol Federal Contraband, Forfeiture, and Other Fund (Fund 3BF) in the Federal Special Revenue Fund Group.

CASH TRANSFERS FROM THE HIGHWAY PATROL FEDERAL CONTRABAND, FORFEITURE, AND OTHER FUND (FUND 3BF)

On the effective date of this section, or as soon as practicable thereafter, the Director of Public Safety and the Director of Budget and Management shall do all of the following:

(A) The Director of Public Safety shall certify to the Director of Budget and Management the amount of the cash balance credited to the Highway Patrol Federal Contraband, Forfeiture, and Other Fund (Fund 3BF) that consists of proceeds received by the State Highway Patrol from the United States Department of Justice pursuant to federal law from a sale of forfeited contraband, proceeds from another disposition of forfeited contraband, or forfeited contraband moneys, and any related investment or other earnings, and the Director of Budget and Management shall transfer that certified amount in cash to the credit of the Highway Patrol Justice Contraband Fund (Fund 83J):

(B) The Director of Public Safety shall certify to the Director of Budget and Management the amount of the cash balance credited to the Highway Patrol Federal Contraband, Forfeiture, and Other Fund (Fund 3BF) that

consists of proceeds received by the State Highway Patrol from the United States Department of Treasury pursuant to federal law from a sale of forfeited contraband, proceeds from another disposition of forfeited contraband, or forfeited contraband moneys, and any related investment or other earnings, and the Director of Budget and Management shall transfer that certified amount in cash to the credit of the Highway Patrol Treasury Contraband Fund (Fund 83T).

Upon completion of the cash transfers specified in divisions (A) and (B) of this section, the Highway Patrol Federal Contraband, Forfeiture, and Other Fund is abolished. The Director of Budget and Management shall cancel any existing encumbrances against appropriation item 764-692, Federal Contraband, Forfeiture, and Other, and re-establish them against appropriation items 764-693, Highway Patrol Justice Contraband, and 764-694, Highway Patrol Treasury Contraband, as appropriate, for the same purpose and to the same vendor. As determined by the Director, the appropriation authority necessary to re-establish those encumbrances is hereby authorized.

COLLECTIVE BARGAINING INCREASES

Notwithstanding division (D) of section 127.14 and division (B) of section 131.35 of the Revised Code, except for the General Revenue Fund, the Controlling Board may, upon the request of either the Director of Budget and Management, or the Department of Public Safety with the approval of the Director of Budget and Management, increase appropriations for any fund, as necessary for the Department of Public Safety, to assist in paying the costs of increases in employee compensation that have occurred pursuant to collective bargaining agreements under Chapter 4117. of the Revised Code and, for exempt employees, under section 124.152 of the Revised Code.

Sec. 203.06.24. REVENUE DISTRIBUTION

Holding Account Redistribution Fund Group

R24 762-619	Unidentified Public Safety Receipts	\$	1,885,000	\$	1,885,000
R52 762-623	Security Deposits	\$	250,000	\$	250,000
TOTAL 090 Holding Account Redistribution Fund Group		\$	2,135,000	\$	2,135,000
TOTAL ALL BUDGET FUND GROUPS - Revenue Distribution		\$	2,135,000	\$	2,135,000

TRANSFER OF CASH BALANCE FROM FUND R27, HIGHWAY PATROL FEE REFUND FUND

On July 1, 2005, or as soon as possible thereafter, the Director of Budget and Management shall transfer the cash balance in the Highway Patrol Fee Refund Fund (Fund R27) created in former section 4501.12 of the

Revised Code to the Unidentified Public Safety Receipts Fund (Fund R24).
TOTAL Department of Public Safety

TOTAL HSF State Highway Safety Fund Group	\$	<u>459,009,425</u>	\$	<u>464,841,856</u>
				<u>466,962,856</u>
TOTAL SSR State Special Revenue Fund Group	\$	3,634,144	\$	3,634,144
TOTAL LCF Liquor Control Fund Group	\$	10,120,365	\$	10,423,976
TOTAL GSF General Services Fund Group	\$	752,432	\$	762,186
TOTAL FED Federal Special Revenue Fund Group	\$	<u>168,045,804</u>	\$	<u>168,056,664</u>
		<u>166,103,764</u>		<u>166,114,624</u>
TOTAL AGY Agency Fund Group	\$	100,000	\$	100,000
TOTAL 090 Holding Account Redistribution Fund Group	\$	2,135,000	\$	2,135,000
TOTAL ALL BUDGET FUND GROUPS	\$	<u>643,797,170</u>	\$	<u>649,953,826</u>
		<u>643,976,130</u>		<u>650,132,786</u>

SECTION 606.30. That existing Sections 203.06.06 and 203.06.24 of Am. Sub. H.B. 68 of the 126th General Assembly, as amended by Am. Sub. H.B. 66 of the 126th General Assembly, are hereby repealed.

SECTION 609.05. That Sections 23 and 23.01 of Am. Sub. S.B. 189 of the 125th General Assembly be amended to read as follows:

Sec. 23. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Ohio Parks and Natural Resources Fund (Fund 031) that are not otherwise appropriated:

Reappropriations

**DNR DEPARTMENT OF NATURAL RESOURCES
 STATEWIDE AND LOCAL PROJECTS**

CAP-012	Land Acquisition	\$	958,039
CAP-702	Upgrade Underground Fuel Storage Tanks	\$	999,294
CAP-703	Cap Abandoned Water Wells	\$	189,482
CAP-748	Local Parks Projects - Statewide	\$	3,406,183
CAP-751	City of Portsmouth Launch Ramp	\$	15,989
CAP-753	Project Planning	\$	118,360
CAP-766	South Fork Licking Watershed Study	\$	600
CAP-768	Grand River Wildlife Area	\$	2,700
CAP-788	Community Recreation Projects	\$	60,000
CAP-799	Village of Nelville Boat Ramp	\$	140,727
CAP-800	City of Gallipolis Courtesy Dock	\$	8,700
CAP-814	North of Rush Run Wildlife Area	\$	200
CAP-834	Appraisal Fees - Statewide	\$	77,265
CAP-844	Put-In-Bay Township Port Authority	\$	79,784
CAP-868	New Philadelphia Office Relocation	\$	1,500,000

CAP-881	Dam Rehabilitation	\$	14,998,701
CAP-900	City of Huron Docks	\$	46,786
CAP-928	Handicapped Accessibility	\$	743,285
CAP-929	Hazardous Waste/Asbestos Abatement	\$	102,857
CAP-931	Wastewater/Water Systems Upgrades	\$	9,439,572
CAP-932	Wetlands/Waterfront Acquisition	\$	223,481
CAP-934	Operations Facilities Development	\$	1,486,438
CAP-963	Fairpoint Harbor Port Authority	\$	103,293
CAP-995	Boundary Protection	\$	32,426
CAP-999	Geographic Information Management System	\$	779,501
Total Statewide and Local Projects		\$	35,513,663

DIVISION OF CIVILIAN CONSERVATION

CAP-750	Quilter CCC Camp	\$	900
CAP-817	Riffe CCC Camp	\$	1,309
CAP-835	Civilian Conservation Facilities	\$	1,847,074
Total Division of Civilian Conservation		\$	1,849,283

DIVISION OF FORESTRY

CAP-021	Mohican State Forest	\$	1,200
CAP-030	Shawnee State Forest	\$	1,300
CAP-073	Brush Creek State Forest	\$	5,850
CAP-146	Zaleski State Forest	\$	200
CAP-213	Shade River State Forest	\$	200
CAP-841	Operations and Maintenance Facility Development and Renovation	\$	1,489,212
CAP-977	Fernwood State Forest	\$	7,181
Total Division of Forestry		\$	1,505,143

DIVISION OF MINERAL RESOURCES MANAGEMENT

CAP-867	Reclamation Facilities Renovation and Development	\$	19,500
Total Division of Mineral Resources Management		\$	19,500

DIVISION OF NATURAL AREAS AND PRESERVES

CAP-006	Little Beaver Creek Nature Preserve	\$	1,500
CAP-826	Natural Areas and Preserves Maintenance/Facility Development	\$	788,056
CAP-831	Lake Katherine	\$	17,699
CAP-870	Little Miami Scenic River	\$	4,800
Total Division of Natural Areas		\$	812,055

DIVISION OF PARKS AND RECREATION

CAP-003	Barkcamp State Park	\$	3,025
CAP-005	Cowan Lake State Park	\$	34,684
CAP-010	East Harbor State Park	\$	41,329
CAP-016	Hueston Woods State Park	\$	2,500
CAP-017	Indian Lake State Park	\$	2,319
CAP-018	Kelleys Island State Park	\$	5,700
CAP-019	Lake Hope State Park	\$	500
CAP-025	Punderson Lake State Park	\$	8,997
CAP-026	Pymatuning State Park	\$	2,650
CAP-032	West Branch State Park	\$	6,243
CAP-037	Kiser Lake State Park	\$	10,616
CAP-051	Buck Creek State Park	\$	500
CAP-052	Buckeye Lake State Park	\$	74,746
CAP-060	East Fork State Park	\$	1,709
CAP-064	Geneva State Park	\$	750

CAP-069	Hocking Hills State Park	\$	472
CAP-089	Mosquito Lake State Park	\$	2,789 27,789
CAP-093	Portage Lakes State Park	\$	44,676
CAP-114	Beaver Creek State Park	\$	12,000
CAP-119	Forked Run State Park	\$	5,123
CAP-169	Lake White State Park	\$	3,100
CAP-222	Wolf Run State Park	\$	205,787
CAP-234	State Parks, Campgrounds, Lodges, and Cabins	\$	3,431,369
CAP-305	Maumee Bay State Park	\$	900
CAP-331	Park Boating Facilities	\$	5,411,873
CAP-390	State Park Maintenance/Facility Development	\$	1,803,182
CAP-718	Grand Lake St. Marys State Park	\$	7,490
CAP-719	Indian Lake State Park	\$	7,610
CAP-758	Muskingum River Parkway Lock #7	\$	1,146
CAP-795	Headlands Beach State Park	\$	25,160
CAP-815	Mary Jane Thurston State Park	\$	4,700
CAP-825	Marblehead Lighthouse State Park	\$	1,233
CAP-829	Sycamore State Park	\$	500
CAP-836	State Park Renovations/Upgrading	\$	3,254,137
CAP-851	Cleveland Lakefront	\$	47,051
CAP-916	Lake Milton State Park	\$	46,509
Total Division of Parks and Recreation		\$	14,513,075 14,538,075

DIVISION OF SOIL AND WATER CONSERVATION

CAP-810	New Facilities at Farm Science Review	\$	500
Total Division of Soil and Water Conservation		\$	500

DIVISION OF WATER

CAP-705	Rehabilitate Canals, Hydraulic Works, and Support Facilities	\$	3,781,222
CAP-730	Miami and Erie Canal	\$	700
CAP-819	Rehabilitate/Automate - Ohio Ground Water Observation Well Network	\$	294,266
CAP-820	Automated Stream, Lake, and Ground Water Data Collection	\$	509,396
CAP-822	Flood Hazard Information Studies	\$	5,518
CAP-848	Hazardous Dam Repair - Statewide	\$	267,000
Total Division of Water		\$	4,858,102
TOTAL Department of Natural Resources		\$	59,071,321 59,096,321
TOTAL Ohio Parks and Natural Resources Fund		\$	59,071,321 59,096,321

Sec. 23.01. LAND ACQUISITION

Of the foregoing appropriation item CAP-012, Land Acquisition, \$300,000 shall be used by the City of Mentor to purchase property for the Mentor Marsh.

MOSQUITO LAKE STATE PARK

The amount reappropriated for the foregoing appropriation item CAP-089, Mosquito Lake State Park, is the unencumbered and unallotted balance as of June 30, 2004, in appropriation item CAP-089, Mosquito Lake State Park, plus \$25,000. Of the foregoing appropriation item CAP-089,

Mosquito Lake State Park, up to \$25,000 shall be used to conduct a state lodge feasibility study.

MIAMI AND ERIE CANAL IMPROVEMENTS

Of the foregoing appropriation item CAP-705, Rehabilitate Canals, Hydraulic Works, and Support Facilities, at least \$1,250,000 shall be used for Miami and Erie Canal improvements.

LOCAL PARKS PROJECTS - STATEWIDE

The amount reappropriated for the foregoing appropriation item CAP-748, Local Parks Projects - Statewide, is \$840,879 plus the unencumbered and unallotted balance as of June 30, 2004, in item CAP-748, Local Parks Projects - Statewide. The \$840,879 represents amounts that were previously appropriated, allocated to counties pursuant to division (D) of section 1557.06 of the Revised Code, and encumbered for local project grants. The encumbrances for these local projects in the various counties shall be canceled by the Director of Natural Resources or the Director of Budget and Management. The Director of Natural Resources shall allocate the \$840,879 to the same counties the moneys were originally allocated to, in the amount of the canceled encumbrances.

DAM REHABILITATION

Of the foregoing appropriation item CAP-881, Dam Rehabilitation, up to \$5,000,000 shall be used to rehabilitate the Muskingum River Locks and Dams.

SECTION 609.06. That existing Sections 23 and 23.01 of Am. Sub. S.B. 189 of the 125th General Assembly are hereby repealed.

SECTION 609.11. That Section 22 of Am. Sub. S.B. 189 of the 125th General Assembly, as most recently amended by Am. Sub. H.B. 66 of the 126th General Assembly, be amended to read as follows:

Sec. 22. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Cultural and Sports Facilities Building Fund (Fund 030) that are not otherwise appropriated:

Reappropriations

AFC CULTURAL FACILITIES COMMISSION

CAP-003	Center of Science and Industry - Toledo	\$	12,268
CAP-004	Valentine Theatre	\$	1,111
CAP-005	Center of Science and Industry - Columbus	\$	181,636
CAP-010	Sandusky State Theatre Improvements	\$	1,000,000
CAP-017	Zion Center of the National Afro-American Museum	\$	488,232
CAP-021	Ohio Historical Center - Archives and Library Shelving	\$	2,395
CAP-033	Woodward Opera House Renovation	\$	1,050,000

CAP-037	Canton Palace Theatre Renovations	\$	1,066,126
CAP-038	Center Exhibit Replacement	\$	750,000
CAP-042	Statewide Site Exhibit/Renovation & Construction	\$	625,000
CAP-043	Statewide Site Repairs	\$	454,000
CAP-046	Cincinnati Museum Center Improvements	\$	500,000
CAP-052	Akron Art Museum	\$	6,634,666
CAP-053	Powers Auditorium Improvements	\$	200,000
CAP-055	Waco Museum & Aviation Learning Center	\$	500,000
CAP-057	Comprehensive Master Plan	\$	180,000
CAP-058	Cedar Bog Nature Preserve Education Center	\$	766,200
CAP-061	Statewide Arts Facilities Planning	\$	35,931
CAP-063	Robins Theatre Renovations	\$	1,000,000
CAP-064	Bramley Historic House	\$	75,000
CAP-066	Delaware County Cultural Arts Center	\$	40,000
CAP-068	Perry County Historical Society	\$	100,000
CAP-069	Cleveland Institute of Art	\$	750,000
CAP-071	Cleveland Institute of Music	\$	750,000
CAP-072	West Side Arts Consortium	\$	138,000
CAP-074	Stan Hywet Hall & Gardens	\$	250,000
CAP-075	McKinley Museum Improvements	\$	125,000
CAP-076	Spring Hill Historic Home	\$	125,000
CAP-077	Western Reserve Ballet Improvements	\$	100,000
CAP-078	Midland Theatre	\$	175,000
CAP-079	Lorain Palace Civic Theatre	\$	200,000
CAP-080	Great Lakes Historical Society	\$	150,000
CAP-734	Hayes Presidential Center	\$	75,000
CAP-745	Historic Sites and Museums	\$	750,000
CAP-753	Buffington Island State Memorial	\$	91,500
CAP-770	Serpent Mound State Memorial	\$	295,000
CAP-784	Ohio Historical Center Rehabilitation	\$	673,700
CAP-786	Piqua/Ft Picakawillany Acquisition and Improvements	\$	136,000
CAP-789	Neil Armstrong Air and Space Museum Improvements	\$	103,516
CAP-791	Harrison Tomb and Site Renovations	\$	149,500
CAP-796	Moundbuilders State Memorial	\$	530,000
CAP-806	Grant Boyhood Home Improvements	\$	68,333
CAP-809	Cincinnati Ballet Facility Improvements	\$	450,000
CAP-810	Toledo Museum of Art Improvements	\$	2,000,000
CAP-814	Crawford Museum of Transportation & Industry	\$	2,500,000
CAP-820	Historical Center Ohio Village Buildings	\$	502,000
CAP-821	Lorain County Historical Society	\$	300,000
CAP-822	Madison County Historic Schoolhouse <u>Armory Youth Center</u>	\$	40,000
CAP-823	Marion Palace Theatre	\$	825,000
CAP-824	McConnellsville Opera House	\$	75,000
CAP-825	Secrest Auditorium	\$	75,000
CAP-826	Renaissance Theatre	\$	50,000
CAP-827	Trumpet in the Land	\$	100,000
CAP-829	Mid Ohio Valley Players	\$	80,000
CAP-830	The Anchorage	\$	50,000
CAP-831	Wayne County Historical Society	\$	300,000
CAP-833	Promont House Museum	\$	200,000
CAP-837	Lake County Historical Society	\$	250,000
CAP-839	Hancock Historical Society	\$	75,000
CAP-840	Riversouth Development	\$	1,000,000

CAP-841	Ft. Piqua Hotel	\$	200,000
CAP-843	Marina District/Ice Arena Development	\$	4,000,000
	Total Cultural Facilities Commission	\$	<u>34,370,114</u>
			<u>32,620,114</u>
TOTAL CULTURAL	<u>Cultural</u> and Sports Facilities Building Fund	\$	<u>34,370,114</u>
			<u>32,620,114</u>

COSI COLUMBUS - LOCAL ADMINISTRATION OF CAPITAL PROJECT CONTRACTS

Notwithstanding division (A) of section 3383.07 of the Revised Code, the Ohio Cultural Facilities Commission, with respect to the foregoing appropriation item CAP-005, Center of Science and Industry - Columbus, may administer all or part of capital facilities project contracts involving exhibit fabrication and installation as determined by the Department of Administrative Services, the Center of Science and Industry - Columbus, and the Ohio Cultural Facilities Commission in review of the project plans. The Ohio Cultural Facilities Commission shall enter into a contract with the Center of Science and Industry - Columbus to administer the exhibit fabrication and installation contracts and such contracts are not subject to Chapter 123. or 153. of the Revised Code.

SPORTS FACILITIES IMPROVEMENTS - AKRON

The amount reappropriated to the Cultural and Sports Facilities Building Fund (Fund 030), CAP-024, Sports Facilities Improvements - Akron, is the unallotted and unencumbered balance in the Sports Facilities Building Fund (Fund 024), CAP-024, Sports Facilities Improvements - Akron.

REDS HALL OF FAME

The amount reappropriated to the Cultural and Sports Facilities Building Fund (Fund 030), CAP-025, Reds Hall of Fame, is the unallotted and unencumbered balance in the Sports Facilities Building Fund (Fund 024), CAP-025, Reds Hall of Fame.

AKRON ART MUSEUM

The amount reappropriated for the foregoing appropriation item CAP-052, Akron Art Museum, is the unencumbered and unallotted balance as of June 30, 2004, in appropriation item CAP-052, Akron Art Museum, plus \$1,634,666.

MID OHIO VALLEY PLAYERS

The amount reappropriated for the foregoing appropriation item CAP-829, Mid Ohio Valley Players, is the unencumbered and unallotted balance as of June 30, 2004, in appropriation item CAP-829, Mid Ohio Valley Players, plus \$30,000.

RIVERSOUTH DEVELOPMENT

The amount reappropriated for the foregoing appropriation item CAP-840, Riversouth Development, is the unencumbered and unallotted

balance as of June 30, 2004, in appropriation item CAP-840, Riversouth Development, minus \$9,000,000.

MARINA DISTRICT/ICE ARENA DEVELOPMENT

The amount reappropriated to the Cultural and Sports Facilities Building Fund (Fund 030), CAP-843, Marina District/Ice Arena Development, is the unallotted and unencumbered balance in the Sports Facilities Building Fund (Fund 024), CAP-073, Marina District/Ice Arena Development.

SECTION 609.12. That existing Section 22 of Am. Sub. S.B. 189 of the 125th General Assembly, as most recently amended by Am. Sub. H.B. 66 of the 126th General Assembly, is hereby repealed.

SECTION 690.03. That Section 315.03 of Am. Sub. H.B. 66 of the 126th General Assembly is hereby repealed.

SECTION 690.06. That Section 557.09.09 of Am. Sub. H.B. 66 of the 126th General Assembly is hereby repealed effective December 31, 2006.

SECTION 690.09. That Section 5 of Am. Sub. S.B. 234 of the 125th General Assembly is hereby repealed.

SECTION 701.03. On or before February 20, 2007, each clerk of court, as defined in section 120.36 of the Revised Code, shall provide to the State Public Defender a report including all of the following for the calendar year 2006:

(A) The number of persons who requested or were provided a state public defender, county or joint county public defender, or other counsel appointed by the court;

(B) The number of persons for whom the court waived the application fee pursuant to division (A) of section 120.36 of the Revised Code;

(C) The dollar value of the application fees assessed pursuant to division (A) of section 120.36 of the Revised Code;

(D) The amount of assessed application fees collected;

(E) The balance of unpaid assessed application fees at the open and close of the calendar year.

SECTION 703.03. TRANSFER PROVISIONS FOR ESTABLISHMENT OF AN ADAMH BOARD

If a board of county commissioners establishes a board of alcohol, drug addiction, and mental health services (ADAMH board) pursuant to division (B) of section 340.021 of the Revised Code, the ADAMH board shall possess all the rights, privileges, immunities, powers, franchises, and authority of the county's community mental health board and alcohol and drug addiction services board, and all property of every description, and every interest therein, and all obligations of or belonging to or due to the community mental health board and alcohol and drug addiction services board shall thereafter be taken and deemed to be transferred to and vested into the ADAMH board without further act or deed.

SECTION 709.03. The membership on the Farmland Preservation Advisory Board of the representative of the Natural Resources Conservation Service in the United States Department of Agriculture is hereby terminated pursuant to amendments to section 901.23 of the Revised Code made by this act. The remainder of the term of that member shall be served by the member who is required to be appointed by the Director of Agriculture to represent soil and water conservation interests under that section as amended by this act.

SECTION 709.06. (A) The Department of Agriculture shall refund money collected from the fee established under division (B)(3) of section 907.14 of the Revised Code, as that section existed prior to its amendment by Sub. S.B. 189 of the 126th General Assembly, to either or both of the following:

(1) Vegetable seed labelers who sold vegetable seeds in hermetically sealed containers of eight ounces or less with a seed count of 1,000 seeds or more from January 1, 2004, through December 31, 2005;

(2) Flower seed labelers who sold flower seeds in hermetically sealed containers of eight ounces or less containing more than 300 seeds from January 1, 2004, through December 31, 2005.

(B) The Department shall notify those seed labelers who may be eligible for a refund under this section. The Department may request, and a seed labeler who may be eligible for a refund under this section shall provide, any information that the Department requests in order to determine if the seed labeler is eligible for a refund under this section. The Department has

exclusive discretion in determining eligibility for refunds under this section.

(C) The Director of Agriculture shall use money appropriated to the Commercial Feed, Fertilizer, Seed, and Lime Inspection and Laboratory Fund created in section 905.38 of the Revised Code to pay the refunds authorized under this section.

SECTION 733.03. Not later than six months after the effective date of this section, the Department of Education shall develop and submit to the Education Committee of the Senate and of the House of Representatives a proposal for an appropriate penalty to be applied to school districts and community schools that intentionally report to the Department inaccurate data regarding formula ADM or community school ADM and other student attendance numbers required under section 3314.08 or 3317.03 of the Revised Code and shall provide public testimony on the proposal before those committees. Copies of the proposal also shall be submitted to the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives. In developing the proposal, the Department also shall examine the penalties prescribed by law and shall provide legislative recommendations regarding those penalties.

SECTION 737.03. The requirement in section 3718.02 of the Revised Code as it results from this act that rules be adopted not sooner than July 1, 2007, supersedes the requirement in the section as it resulted from Sub. H.B. 231 of the 125th General Assembly that the rules be adopted not later than May 6, 2006.

SECTION 753.03. (A) The Governor is hereby authorized to execute a deed in the name of the state conveying to Wayne County Community Improvement Corporation, and its successors and assigns, all of the state's right, title, and interest in the following described real estate that has been determined as no longer required for state purposes:

Situated in the Township of Wooster, County of Wayne, State of Ohio, and known as part of the Southwest Quarter of Section 12, T-15, R-13, and more fully described as follows:

COMMENCING at the Northwest Corner of the Southwest Quarter of Section 12 and bounded by the following courses,

1) Thence S 87°50'00" E along the north line of the Southwest Quarter of Section 12 a distance of 2,620.06 feet to the Northeast Corner of the

Southwest Quarter of Section 12,

2) Thence, S 2°53'14" W along the east line of the Southwest Quarter of Section 12 a distance of 432.21 feet to an iron pin.

3) Thence, N 87°50'00" W and parallel with the north line of the Southwest Quarter of Section 12 a distance of 2,621.13 feet to a point on the Southwest Quarter of Section 12,

4) Thence, N 3°01'41" E along the west line of the Southwest Quarter of Section 12 a distance of 432.23 feet to the PLACE OF BEGINNING containing 26.000 acres, more or less. All iron pins set are a 5/8 inch iron bar, 30 inches in length, with a yellow plastic cap marked "RUDOLPH 6449".

Basis of Bearings: Survey "MM" 491 Wayne County Survey Records, S 87°50'00" E on the north line of the Southwest Quarter of Section 12, Wooster Township. This description prepared from a field survey by: R.G. Rudolph Surveying, Inc. by: RONALD G. RUDOLPH P.S. 6449, January 5, 1995, Job No. 8441. See Wayne County Survey Record Volume "NN" Page 412. Prior Instrument Reference: Volume 720, Page 770, of the Deed Records of Wayne County, Ohio. Parcel Number 5602376004

(B) Consideration for the conveyance of the real estate described in division (A) of this section is a purchase price equal to the appraised value of the real estate plus the cost of the appraisal of the real estate.

(C) Upon payment of the purchase price, the Auditor of State, with the assistance of the Attorney General, shall prepare a deed to the real estate described in division (A) of this section. The deed shall state the consideration. The deed shall be executed by the Governor in the name of the state, countersigned by the Secretary of State, sealed with the Great Seal of the state, and presented for recording in the Office of the Auditor of State. Wayne County Community Improvement Corporation shall present the deed for recording in the office of the Wayne County Recorder.

(D) The net proceeds of the sale of the real estate described in division (A) of this section shall be deposited in the state treasury to the credit of the Residential Facilities Support Fund 152 within the Department of Mental Retardation and Developmental Disabilities.

(E) This section shall expire two years after its effective date.

SECTION 755.03. (A) There is hereby created the Ohio Transportation Task Force consisting of the following twenty-four members: three members of the House of Representatives, all of whom shall be appointed by the Speaker of the House of Representatives and not more than two of whom shall be from the same political party as the Speaker of the House of

Representatives; three members of the Senate, all of whom shall be appointed by the President of the Senate and not more than two of whom shall be from the same political party as the President of the Senate; the Director of Development or the Director's designee; the Director of Public Safety or the Director's designee; the Director of Transportation or the Director's designee; the Superintendent of the State Highway Patrol or the Superintendent's designee; nine members appointed jointly by the Speaker of the House of Representatives and the President of the Senate, with each such member being selected from a list of three individuals with the Ohio Aggregates Association, the Ohio Coal Association, the Ohio Farm Bureau, the Ohio Trucking Association, the County Engineers Association of Ohio, the Ohio Municipal League, the Ohio Township Association, the Ohio Association of Regional Councils, and the Ohio Manufacturers' Association each submitting such a list to the Speaker of the House of Representatives and the President of the Senate for their consideration; three additional members appointed jointly by the Speaker of the House of Representatives and the President of the Senate, with one member representing the industry that transports freight by air, one member representing the industry that transports freight by water, and one member representing the industry that transports freight by rail; and one person appointed by the Speaker of the House of Representatives and one person appointed by the President of the Senate, both of whom shall represent the general public.

All initial appointments to the Task Force shall be made not later than sixty days after the effective date of this section. Vacancies shall be filled in the same manner provided for original appointments.

The Speaker of the House of Representatives and the President of the Senate each shall appoint a co-chairperson of the Task Force from among the appointees who are members of their respective chambers of the General Assembly. The Task Force may elect from among its members any other officers it considers advisable. The co-chairpersons shall call the first meeting of the Task Force not later than thirty days after the last member has been appointed.

The Legislative Service Commission shall provide any staff or services the Task Force may require.

(B) The Task Force shall examine and evaluate the state's ability to provide for the safe and efficient movement of freight within this state during the next two decades including all of the following:

(1) The state's policies on transportation infrastructure development, funding, and investment;

(2) The benefits of public investment in transportation infrastructure;

(3) The statutes and rules that impact the transportation of freight, including the weight provisions and permit requirements of existing law.

The Task Force shall make recommendations to enhance the state's ability to provide for the safe and efficient movement of freight within this state during that future time period.

The Task Force also may consider or evaluate existing statewide freight studies and data, Ohio Department of Transportation policies on safety and congestion, multi-modal projects, national freight perspectives, transportation initiatives of other states in these areas, and potential revenue options. The Task Force may evaluate these items to determine how they may affect the state's ability to provide for the safe and efficient movement of freight within this state during the next two decades.

(C) Not later than December 15, 2007, the Task Force shall issue a report containing its findings and recommendations. The Task Force shall send a copy of the report to the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, the Minority Leader of the Senate, and the Governor. Upon issuance of the report, the Task Force shall cease to exist.

SECTION 757.03. The Tax Commissioner's certification to the Department of Education in 2006 for the data described in division (A)(6) of section 3317.021 of the Revised Code shall be made on or before August 1, 2006.

SECTION 757.05. A person that paid the registration fee under section 5751.04 of the Revised Code before December 1, 2005, but subsequently determines the person is not subject to the tax imposed under Section 557.09 of Am. Sub. H.B. 66 of the 126th General Assembly and the tax imposed under Chapter 5751. of the Revised Code is entitled to a refund of the registration fee in the manner prescribed by section 5751.08 of the Revised Code, as an erroneous payment of tax, if the person cancels the person's registration before May 10, 2006. Such a person is not subject to the minimum tax imposed under Section 557.09 of Am. Sub. H.B. 66 of the 126th General Assembly for the semi-annual period from July 1, 2005, through December 31, 2005, or the minimum tax imposed under section 5751.03 of the Revised Code for calendar year 2006. No refund shall be issued under this section to any person that was allowed a credit for the registration fee against the person's tax liability for any tax period.

SECTION 757.06. (A) As used in this section, "qualified property" means real and tangible personal property that satisfies all of the following qualifications:

(1) The property is currently owned by an entity defined under division (D)(1) of section 5709.07 of the Revised Code;

(2) The current owner purchased the property from an entity defined under division (D)(1) of section 5709.07 of the Revised Code; and

(3) The property was exempted from taxation under division (A)(2) of section 5709.07 of the Revised Code before the previous owner's acquisition of the property.

(B) Notwithstanding division (A) of section 5715.27 of the Revised Code, when qualified property has not received tax exemption for tax year 2003 due to a failure to timely file an application for exemption for that year, the previous owner of the property, at any time on or before sixty days after the effective date of this section, may file with the Tax Commissioner an application requesting that, pursuant to this section, the property be placed on the tax exempt list and that all unpaid taxes, penalties, and interest on the property for tax year 2003 be abated.

(C) Upon receipt of the application and after consideration of it, the Tax Commissioner shall determine if the applicant meets the qualifications set forth in this section, and if so shall issue an order directing that the property be placed on the tax exempt list of the county for tax year 2003 and that all unpaid taxes, penalties, and interest for that year be abated, but only if the Commissioner finds that the property met the qualifications for exemption under division (A)(2) of section 5709.07 of the Revised Code for tax year 2003.

(D) The Tax Commissioner may apply this section to any qualified property that is the subject of an application for exemption pending before the Tax Commissioner on the effective date of this section, without requiring the property owner to file an additional application, but only if the applicant files a notice with the Tax Commissioner requesting consideration under this section before this section expires.

(E) This section expires six months after the effective date of this section.

SECTION 757.09. (A) As used in this section, "qualified property" means real and tangible personal property that satisfies all of the following conditions:

(1) The property is currently owned by a municipal corporation;

(2) The current owner of the property acquired the property from an entity that operated a hospital and that was exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986; and

(3) That entity had previously filed an application for exemption that was dismissed after the property was transferred to the municipal corporation.

(B) Notwithstanding section 5713.081 and division (A) of section 5715.27 of the Revised Code, when qualified property has not received an exemption from taxation for tax years 2001 through 2004 due to the dismissal of a timely filed application for exemption filed after the qualified property had been transferred to the current owner and if the qualified property otherwise satisfied the qualifications for exemption under section 5709.12 or 5709.121 of the Revised Code for those years, the prior owner of the property, at any time on or before sixty days after the effective date of this section, may file an application with the Tax Commissioner requesting that, pursuant to this section, the property be placed on the tax exempt list of the county and that unpaid taxes, penalties, and interest on the property for those years be abated or remitted.

(C) Upon receiving an application filed pursuant to this section, the Tax Commissioner shall determine if the qualified property that is the subject of the application satisfied the qualifications for exemption under section 5709.12 or 5709.121 of the Revised Code for tax years 2001 through 2004 and whether the applicant satisfies the other qualifications set forth in this section, and if the qualified property qualified for exemption and the applicant satisfies those other qualifications, the Commissioner shall issue an order directing that the property be placed on the tax exempt list of the county for tax years 2001 through 2004 and that all unpaid taxes, penalties, and interest for those years be abated or remitted.

(D) The Tax Commissioner may apply this section to any qualified property that is the subject of an application for exemption pending before the Commissioner on the effective date of this section without requiring that the prior owner of the qualified property file an additional application so long as the prior owner files a notice with the Tax Commissioner requesting consideration of the pending application under this section prior to the expiration date of this section.

(E) This section expires on the last day of the sixth month following the effective date of this section.

SECTION 757.09.03. The amendment by this act of section 5709.08 of

the Revised Code is a clarification of existing law and shall apply to all applications for a tax exemption pending on the amendment's effective date or filed with the Tax Commissioner on or after that date.

SECTION 757.12. Section 5709.081 of the Revised Code, as amended by this act, is remedial in nature and applies to the tax years at issue in any application for exemption from taxation pending before the Tax Commissioner, the Board of Tax Appeals, any Court of Appeals, or the Supreme Court on the effective date of this section and to the property that is the subject of the application.

SECTION 757.15. Section 5725.222 of the Revised Code, as enacted by this act, applies to taxes due or paid before, on, or after the effective date of that section, but no statute of limitation under division (A) or (B) of that section shall expire before thirty days after the effective date of that section.

SECTION 757.18. Section 5729.102 of the Revised Code, as enacted by this act, applies to taxes due or paid before, on, or after the effective date of that section, but no statute of limitation under division (A) or (B) of that section shall expire before thirty days after the effective date of that section.

SECTION 757.21. The credit allowed under section 5733.56 of the Revised Code for providing programs to aid the communicatively impaired shall be allowed in tax year 2006 and thereafter based on the amendments made to sections 4905.79, 5733.01, 5733.56, and 5733.98 of the Revised Code by this act.

SECTION 757.24. (A) As used in this section, "qualifying year" and "qualifying certificate" have the same meanings as in division (F)(2)(z)(ii) of section 5751.01 of the Revised Code.

(B) An application for a qualifying certificate for qualifying year 2007 shall be filed on or before September 1, 2006, in accordance with the procedures prescribed in division (F)(2)(z)(i)(VI) of section 5751.01 of the Revised Code.

SECTION 803.03. The amendment by this act of section 9.901 of the Revised Code neither confirms nor orders the implementation of the provisions of the section that have become law but that are not effective because of Section 611.03 of H.B. 66 of the 126th General Assembly. The provisions of section 9.901 of the Revised Code that have become law but that are not effective because of Section 611.03 of H.B. 66 of the 126th General Assembly continue not in effect, pending enactment of a law confirming and ordering their implementation as contemplated by the latter section. The not-in-effect provisions of section 9.901 of the Revised Code are presented in this act in compliance with the substantive rule of form contained in the second sentence of Ohio Constitution, Article II, Section 15(D) and to negate any implication they are being repealed.

SECTION 806.03. The items of law of which the sections of law contained in this act are composed, and their applications, are independent and severable. If any item of law that constitutes the whole or part of a section of law contained in this act, or if any application of any item of law that constitutes the whole or part of a section of law contained in this act, is held invalid, the invalidity does not affect other items of law or applications of items of law that can be given effect without the invalid item of law or application.

SECTION 812.03. Except as otherwise specifically provided in this act, the amendment or enactment of the sections of law contained in this act, and the items of law of which the amendments or enactments are composed, are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the amendment or enactment of the sections of law contained in this act, and the items of law of which the amendments or enactments are composed, take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against any such amendment or enactment, or against any item of law of which any such amendment or enactment is composed, the amendment or enactment, or item, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 812.06. Except as otherwise specifically provided in this act, the repeal by this act of a section of law is subject to the referendum.

Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the repeal by this act of a section of law takes effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against any such repeal, the repeal, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 812.09. The amendment or enactment by this act of the sections of law listed in this section, and the items of law of which the amendments or enactments are composed, are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the amendments or enactments, and the items of law of which the amendments or enactments are composed, take effect as specified in this section. If, however, a referendum petition is filed against any such amendment or enactment, or against any item of law of which any such amendment or enactment is composed, the amendment or enactment, unless rejected at the referendum, goes into effect at the earliest time permitted by law that is on or after the effective date specified in this section.

Sections 9.41, 113.09, 113.11, 113.12, 117.45 (126.35), 117.46 (126.36), 117.47 (126.37), 117.48 (126.38), 124.137, 124.138, 124.139, 124.14, 124.181, 124.182, 124.327, 124.384, 124.387, 124.389, 124.391, 124.821, 124.823, 124.84, 125.21, 126.07, 126.21, 126.22, 131.01, 131.33, 141.08, 141.10, 145.70, 742.57, 1523.02, 2503.20, 3307.32, 3309.68, 3701.041, 5115.04, 5505.27, and 5747.11 of the Revised Code take effect December 1, 2006.

Section 515.03 of this act takes effect December 1, 2006.

SECTION 812.12. The repeal by this act of the sections of law listed in this section is subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the repeals take effect as specified in this section. If, however, a referendum petition is filed against any such repeal, the repeal, unless rejected at the referendum, goes into effect at the earliest time permitted by law that is on or after the effective date specified in this section.

The repeal of section 4732.04 of the Revised Code takes effect July 1, 2007.

SECTION 815.03. The amendment or enactment by this act of the sections of law listed in this section, and the items of law of which the amendments or enactments are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments or enactments, and the items of law of which the amendments or enactments are composed, go into immediate effect when this act becomes law.

Sections 133.01, 133.06, 184.20, 2305.2341, 2923.46, 2925.44, 2933.43, 3301.0714, 3310.03, 3310.06, 3310.08, 3310.11, 3310.12, 3310.16, 3313.372, 3314.35, 3314.36, 3317.021, 3317.029, 3317.0216, 3318.052, 3745.114, 3769.087, 4781.04, 5111.011, 5111.0116, 5111.0117, 5111.0118, 5111.061, 5111.151, 5111.20, 5111.231, 5111.27, 5123.36, 5123.37, 5123.371, 5123.372, 5123.373, 5123.374, 5123.375, and 5919.19 of the Revised Code.

The repeal and reenactment of section 3325.12 of the Revised Code.

Sections 203.09, 203.12, 203.12.12, 203.45, 203.51, 203.54, 203.66, 203.69, 203.84, 203.87, 203.99.01, 203.99.30, 203.99.48, 206.03, 206.09, 206.09.12, 206.09.15, 206.09.36, 206.09.61, 206.09.63, 206.09.84, 206.16, 206.42, 206.42.09, 206.48, 206.66.22, 206.66.23, 206.66.36, 206.66.64, 206.66.66, 206.66.84, 206.66.91, 206.67.21, 206.99, 209.04, 209.06.06, 209.06.09, 209.09.06, 209.09.18, 209.15, 209.18, 209.18.09, 209.24, 209.30, 209.33, 209.36, 209.45, 209.63, 209.63.42, 209.64.60, 209.72, 209.75, 209.78.03, 209.81, 212.03, 212.24, 212.27, 212.30, 212.33, 557.12, and 612.36.03 of Am. Sub. H.B. 66 of the 126th General Assembly.

Sections 203.06.06 and 203.06.24 of Am. Sub. H.B. 68 of the 126th General Assembly.

Sections 506.03, 512.03, 512.03.03, 512.06, 512.12, 512.15, 512.18, 515.06, 606.18.03, 606.18.06, 606.18.09, and 757.03 of this act.

Sections 815.03, 815.06, 815.09, 821.03, 821.06.06, 821.09, 827.03, and 831.03 of this act.

SECTION 815.06. The repeal by this act of the sections of law listed in this section is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the repeals go into immediate effect when this act becomes law.

Section 3325.17 of the Revised Code.

Section 315.03 of Am. Sub. H.B. 66 of the 126th General Assembly.

SECTION 815.09. The amendment or enactment by this act of the sections of law listed in this section, and the items of law of which the amendments or enactments are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments or enactments, and the items of law of which amendments or enactments are composed, go into effect as specified in this section.

Sections 5111.081 (5111.942), 5111.082 (5111.081), 5111.083 (5111.082), 5111.084 (5111.083), 5111.085 (5111.084), 5111.941, 5111.943, 5112.08, and 5112.18 of the Revised Code take effect July 1, 2006.

Sections 206.66.85 and 206.67.15 of Am. Sub. H.B. 66 of the 126th General Assembly take effect July 1, 2006.

SECTION 818.03. The amendment or enactment by this act of the sections of law listed in this section, and the items of law of which the amendments or enactments are composed, provide for or are essential to implementation of a tax levy. Therefore, under Ohio Constitution, Article II, Section 1d, the amendments and enactments, and the items of which the amendments and enactments are composed, are not subject to the referendum and go into immediate effect when this act becomes law.

Sections 122.17, 122.171, 133.04, 133.18, 307.761, 5701.11, 5705.03, 5705.19, 5705.195, 5705.34, 5709.08, 5709.081, 5709.40, 5709.42, 5709.43, 5709.73, 5709.74, 5709.75, 5709.78, 5709.79, 5709.80, 5711.01, 5725.221, 5725.222, 5725.98, 5727.06, 5727.85, 5729.05, 5729.101, 5729.102, 5729.98, 5733.352, 5739.026, 5743.15, 5743.18, 5745.01, 5747.012, 5747.05, 5747.056, 5747.331, 5748.02, 5751.011, 5751.032, 5751.04, 5751.05, 5751.051, 5751.10, 5751.20, 5751.21, 5751.22, and 5751.53 of the Revised Code.

Sections 757.05, 757.06, 757.09, 757.09.03, 757.12, 757.15, 757.18, and 831.06 of this act.

Sections 818.03, 821.06, and 821.06.03 of this act.

SECTION 821.03. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to sections 124.09, 124.11, 124.151, 124.152, 124.18, 124.321, 124.382, 124.82, and 3917.04 of the Revised Code are subject to the referendum. Therefore, under Ohio Constitution,

Article II, Section 1c and section 1.471 of the Revised Code, the amendments take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against an amendment, the amendment, unless rejected at the referendum, takes effect at the earliest time permitted by law.

(B) The amendments by this act to sections 124.09, 124.11, 124.151, 124.152, 124.18, 124.321, 124.382, 124.82, and 3917.04 of the Revised Code that change references to the "warrant of the auditor of state" to the "warrant of the director of budget and management," or add references to the "warrant of the director of budget and management," are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the amendments take effect on December 1, 2006. If, however, a referendum petition is filed against an amendment, the amendment, unless rejected at the referendum, takes effect at the earliest time that is on or after the effective date specified in this division.

Until December 1, 2006, the references in section 3917.04 of the Revised Code to the "warrant of the director of budget and management" shall be construed as references to the "warrant of the auditor of state."

SECTION 821.06. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5747.01 of the Revised Code provide for or are essential to implementation of a tax levy. Therefore, under Ohio Constitution, Article II, Section 1d, the amendments are not subject to the referendum and go into immediate effect when this act becomes law.

(B) The amendments adding divisions (A)(22) and (23) to section 5747.01 of the Revised Code are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c, the amendments take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against either amendment, the amendment, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 821.06.03. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5751.01 of the Revised Code, provide for or are essential to implementation of a tax levy. Therefore, under Ohio Constitution, Article II, Section 1d, the amendments are not subject to the referendum and go into immediate effect when this act

becomes law.

(B) The amendment of this act adding division (F)(2)(z) to section 5751.01 of the Revised Code is subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the amendment takes effect January 1, 2007. If, however, a referendum petition is filed against the amendment, the amendment, unless rejected at the referendum, goes into effect at the earliest time permitted by law that is on or after the effective date specified in this division.

SECTION 821.06.06. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to Sections 206.09.39 and 206.09.42 of Am. Sub. H.B. 66 of the 126th General Assembly are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d, and section 1.471 of the Revised Code, the amendments go into immediate effect when this act becomes law.

(B) The amendments by this act to division (B)(1)(e) of Section 206.09.39 and division (B)(1)(e) of Section 206.09.42 of Am. Sub. H.B. 66 of the 126th General Assembly are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c, and section 1.471 of the Revised Code, the amendments take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against either amendment, the amendment, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 821.09. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to Section 206.66 of Am. Sub. H.B. 66 of the 126th General Assembly are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d, and section 1.471 of the Revised Code, the amendments go into immediate effect when this act becomes law.

(B) The amendments by this act to Section 206.66 of Am. Sub. H.B. 66 of the 126th General Assembly that adjust appropriation items 600-623, Health Care Federal, and 600-692, Prescription Drug Rebate-State creates item 600-639, Medicaid Revenue Collections, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d, and section 1.471 of the Revised Code, the amendments take effect July 1, 2006.

SECTION 827.03. The amendment of Section 612.36.03 of Am. Sub.

H.B. 66 of the 126th General Assembly by sections 606.17 and 606.18 of this act, intended to accelerate the effective date of the amendments to divisions (A) and (I) of section 3301.0711 of the Revised Code, by Am. Sub. H.B. 66 of the 126th General Assembly, from July 1, 2006, to the effective date of this section.

SECTION 831.03. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the following sections, presented in this act as composites of the sections as amended by the acts indicated, are the resulting versions of the sections in effect prior to the effective date of the sections as presented in this act:

Section 109.572 of the Revised Code as amended by both Am. Sub. H.B. 11 and Am. Sub. H.B. 117 of the 125th General Assembly and Am. Sub. H.B. 68 of the 126th General Assembly.

Section 133.04 of the Revised Code as amended by both Am. H.B. 76 and Am. Sub. S.B. 3 of the 123rd General Assembly.

Section 2913.01 of the Revised Code as amended by Am. Sub. H.B. 361, Am. Sub. H.B. 369, Sub. H.B. 536, and Am. Sub. S.B. 146, all of the 125th General Assembly.

Section 4731.22 of the Revised Code as amended by both Sub. H.B. 126 and Am. Sub. S.B. 80 of the 125th General Assembly.

Section 5709.73 of the Revised Code as amended by both Am. Sub. H.B. 66 and Sub. S.B.107 of the 126th General Assembly.

Section 5735.27 of the Revised Code as amended by both Am. Sub. H.B. 68 and Sub. S.B. 107 of the 126th General Assembly.

Section 5743.081 of the Revised Code as amended by both Sub. S.B. 200 and Am. Sub. S.B. 261 of the 124th General Assembly.

The finding in this section takes effect at the same time as the section referenced in the finding takes effect.

SECTION 831.06. The amendments by this act of the first paragraph of division (F) of section 5751.01, of division (F)(2)(w) of section 5751.01, of the first paragraph of section 5751.032, and of divisions (A)(7) and (A)(8)(c) of section 5751.032 of the Revised Code are nonsubstantive corrections of errors in Chapter 5751. of the Revised Code.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____